

Interview with the CEO

Viewing this era of significant change as an opportunity to create new value, I will vigorously drive efforts to enhance our corporate value by fully leveraging our competitive advantages.

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

Takanashi Ueda

Q.1

Looking back on results for the previous fiscal year, what are your thoughts on the Company's current share price?

This is our second set of financial reports since publicly announcing details of "& INNOVATION 2030," the Group's long-term vision created in concert with all stakeholders. On a personal note, I truly believe that our fiscal 2025 results are a testament to the Group's competitive advantage and sound growth strategy. Not only did we set record highs for revenue from operations, operating income,

business income, ordinary income, and profit attributable to owners of parent, but we also achieved the key metrics—business income, net income, and ROE—set under the Group long-term vision "& INNOVATION 2030" one year ahead of schedule (P.39 .

This is not simply an indication of strong performance. I am convinced that this clearly demonstrates our ability to capitalize on the high-quality opportunities we have honed over many years as well as our development capabilities and capacity to convert added value into earnings. In short, our efforts are steadily bearing fruit and our results in fiscal 2025 are a measure of our sustainable growth potential. For fiscal 2026, we forecast profit attributable to owners

of parent of ¥285 billion, ¥15 billion above the fiscal 2026 target set under "& INNOVATION 2030."

Mitsui Fudosan has consistently adhered to the pursuit of value that can only be created in physical places across each of its office building, retail facility, hotel, logistics facility, housing, and overseas business domains. Given that our very mission is to provide places where people can gather, work, learn, enjoy themselves, and innovate, we are encouraged that our efforts to create value are emerging as revenue.

Messages from Management

1 Mitsui Fudosan's Value Creation

2 Value Creation Strategies

3 Infrastructure That Supports the Strategies

4 Strategies by Business Segment

5 Appendix

PICK UP

Interview with the CEO

Message from the CFO

Outside Directors' Discussion

Human Resources Strategy

Digital Transformation Strategy

Sustainability Strategy

Interview with the CEO

As far as the Company's share price is concerned, I do not believe that our capabilities and growth potential are being fully recognized. Looking back over the past year, and against the backdrop of a robust performance and expectations of an inflationary environment, our share price hit a record high in February 2026. Over the ensuing period, however, the real estate sector as a whole has trended poorly due to such factors as geopolitical risks, including conditions in the Middle East, and concerns over long-term interest rates. Mitsui Fudosan is no exception. Quite naturally, the market has its own way of making judgements. Having said this, as CEO, I sense that the Company's current share price does not accurately reflect its true intrinsic value. This is because of our extremely robust competitive edge that will help propel profit growth well into the future.

Mitsui Fudosan's strengths can be summarized into three core capabilities: "the ability to win business opportunities," "the ability to create high value neighborhoods, facilities, and services," and "the ability to monetize the added value we create."

Turning first to our overwhelming ability to win business opportunities, backed by long-standing relationships of trust and extensive networks in Japan and overseas, together with a top-tier track record, Mitsui Fudosan attracts numerous business opportunities that are not available to our competitors.

Looking next to our ability to create high value neighborhoods, facilities, and services, our strengths lie not only in developing buildings but also in creating places where people gather and where new connections and innovations are born.

Moving on to our ability to monetize the added value we create, no matter how outstanding a facility may be, it is meaningless unless customers recognize its value. It is equally important that we translate this value into rents, usage fees, and ultimately sales prices that help generate revenue. Mitsui Fudosan takes great pride in its ability to do exactly that, a source of its industry-leading competitive edge.

It is precisely these threefold strengths that serve as the wellspring of our profit growth. I am confident that these strengths will allow us to withstand the upward cost pressures stemming from rising construction costs and interest rates, a constant concern of investors, and to secure high-quality returns while achieving continuous profit growth.

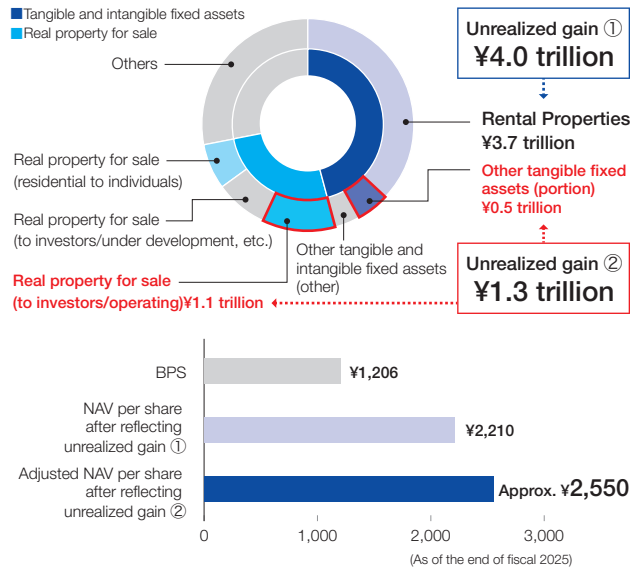
Meanwhile, from an asset value perspective, I strongly believe there is ample room for the Company's valuation to rise. Taking into account

unrealized gains of real estate for rent and property sales to investors, Mitsui Fudosan's NAV per share is estimated to come in at around ¥2,550. This translates to a market capitalization of approximately ¥7 trillion. Moreover, there are a number of future value components, including assets under development, property sales to individuals, and the Management business that are not fully reflected in current figures. In light of the aforementioned, I reiterate there is ample room for our corporate value to be recognized.

Unrealized Gain of Owned Assets and NAV per Share

- NAV/share: ¥2,210
- Adjusted NAV/share* after reflecting unrealized gains on real property for sale: Approx. ¥2,550

* In addition to unrealized gain ①, reflects a portion of "Other Tangible and Intangible Fixed Assets" and "Real Property for Sale (to investors)" (unrealized gain ②)



From this perspective, for the first time we decided at the start of the fiscal year to repurchase ¥40 billion of our own shares, and the repurchase was completed over the period from May 15 to May 27. Moreover, and as previously announced, we are considering an

additional repurchase during the current fiscal year. I am fully aware that the repurchase of own shares is an efficient means of investment depending on the share price. Moving forward, we will continue to promote capital policies that include the flexible repurchase of own shares while taking into consideration capital efficiency and the share price.

I would like, at this point, to make it abundantly clear that my principal focus is not on short-term measures that impact our share price. My focus is on securing sustainable profit growth and providing continuous returns to shareholders. In this regard, I am committed to promoting management with an equal focus on the three key objectives: Enhance Growth, Efficiency, and Shareholder Returns.

With this in mind, I will steadily advance three business strategy paths in a bid to secure profit growth.

At the same time, I will enhance capital efficiency through various measures, including the sale of investment securities and repurchase of own shares.

I will then look to return the results to shareholders.

By ensuring that the momentum of this virtuous cycle remains unbroken, I am confident that we will achieve an EPS growth rate of over 8% per year (CAGR) and an ROE of 10% or higher, targets set for around 2030, as a matter of course.

Mitsui Fudosan maintains an abundant pipeline across a wide range of areas, including Nihonbashi, Jingu Gaien, and Tsukiji, that will contribute to earnings from fiscal 2031. Rather than rest on our laurels, we are drawing on our robust ability to win business opportunities to expand our pipeline even further. In addition, we maintain a balanced portfolio that is resilient to changes in the external environment, and the combination of these strengths creates diverse opportunities to generate profits. As CEO, I will do everything in my power to enhance corporate value while conveying the Company's strengths to the market in greater detail and with more conviction than ever before.

Messages from Management

1 Mitsui Fudosan's Value Creation

2 Value Creation Strategies

3 Infrastructure That Supports the Strategies

4 Strategies by Business Segment

5 Appendix

PICK UP

Interview with the CEO

Message from the CFO

Outside Directors' Discussion

Human Resources Strategy

Digital Transformation Strategy

Sustainability Strategy

Interview with the CEO

Q.2

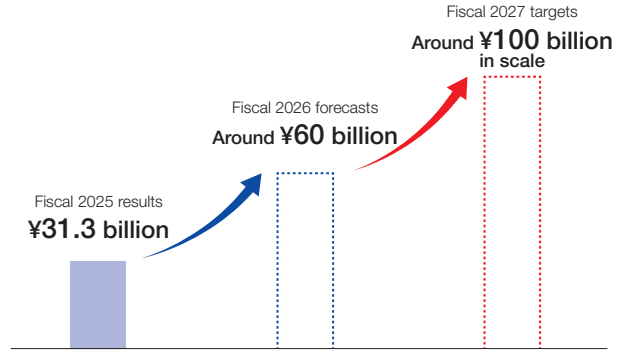
One reason cited for why the Company's share price is undervalued is that, while the domestic business is extremely robust, the Group's overseas business has continued to post losses for the past several years. What is your outlook for the Group's overseas business going forward?

Investors frequently voice their concerns about the Group's overseas business. Having said this, I believe we are at a critical turning point from a future growth perspective.

It goes without saying that the COVID-19 pandemic had a once-in-a-century impact on society. The global real estate market was far from immune. In the U.S. in particular, previously unanticipated structural changes, including the widespread adoption of working from home, steadily took root. Driven by the sharp rise in interest rates, the Cap Rate also increased significantly, and conditions surrounding the real estate market changed dramatically. In light of this volatile environment, Mitsui Fudosan took steps to implement the necessary measures with an eye toward managing future risks.

As a result, for fiscal 2026 we no longer expect the need to recognize the kinds of losses on overseas properties that we have recorded in recent years. We are therefore planning overseas business income of approximately ¥60 billion in fiscal 2026, a substantial increase from fiscal 2025.

Forecasts for Future Overseas Business Income



This profit growth is underpinned by the portfolio of high-quality assets we have built over a number of years in some of the world's leading cities.

With unrealized gains totaling ¥900 billion, our three flagship office buildings in Manhattan, New York, including 50 Hudson Yards and 55 Hudson Yards, remain highly competitive and continue to generate stable leasing revenue. In addition, by accelerating the turnover of assets we have developed to date, we will bring property sales back into profit and achieve our fiscal 2026 guidance.

Over the next few years, we will welcome the completion and launch of a continuous stream of large-scale projects that we expect will contribute to profits. For example, construction of the large-scale office building RMZ Ecoworld 30 in Bangalore, India, and the lab and office building Innovation Square Phase III in Boston, U.S., will come to an end in fiscal 2026. This will be followed in fiscal 2027 by the successive completion and launch of such projects as 55 Pitt Street in Sydney, Australia; South Molton Triangle in London, U.K.; and LaLaport KAOHSIUNG in Kaohsiung, Taiwan. In fiscal 2027, we anticipate leasing activities for rental housing in the U.S. Sun Belt Area will come to an end with certain properties also ready for sale. In Asia, we are witnessing a steady increase in condominium contracts. While based on the assumptions that uncertainty surrounding conditions in the Middle East will dissipate and that the financial and real estate market environments will stabilize, we expect business income to total ¥100 billion in fiscal 2027 buoyed by the twin engines of leasing income growth and accelerated turnover on the back of the previously mentioned high-quality pipeline.

On top of this, we are looking to invest further in high-quality assets, exemplified, for example, by our decision to invest in data centers in India.

By adopting a global perspective and making smart decisions about investments and divestitures, we will work to post profits commensurate with the scale of our assets in our overseas business.

Major Overseas Properties Scheduled for Completion in Fiscal 2026

[Bangalore, India]



RMZ Ecoworld 30

[Boston, U.S.]



Innovation Square Phase III

Major Overseas Projects Scheduled for Completion and Launch in Fiscal 2027

[Sydney, Australia]



55 Pitt Street

[London, U.K.]



South Molton Triangle

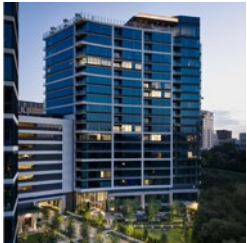
[Kaohsiung, Taiwan]



LaLaport KAOHSIUNG

Rental Housing in the U.S. Sun Belt Area

[Sun Belt, U.S.]



Parkview Turtle Creek (Dallas)



Hanover Buffalo Bayou (Houston)

Messages from Management

1 Mitsui Fudosan's Value Creation

2 Value Creation Strategies

3 Infrastructure That Supports the Strategies

4 Strategies by Business Segment

5 Appendix

PICK UP

Interview with the CEO

Message from the CFO

Outside Directors' Discussion

Human Resources Strategy

Digital Transformation Strategy

Sustainability Strategy

Interview with the CEO

Q.3

You spoke of plans to increase profits in the Group’s overseas business. What other growth drivers do you see as key to achieving the numerical targets for around 2030, including the EPS growth rate and ROE?

When looking at the Group’s growth strategy as it heads toward fiscal 2030, I believe the most important point of focus is the certainty of growth. Setting targets is a simple task. More importantly, I suspect that investors want to know “Why can we achieve the identified targets” and “What is the path toward profit growth?”

I have absolute confidence in our ability to secure an EPS growth rate of over 8% per year (CAGR) and an ROE of 10% or higher, targets identified under “& INNOVATION 2030.” This is because of the many engines we possess that underpin the Group’s expansion. In broad terms, the Mitsui Fudosan Group maintains three growth drivers.

The first is the ability to improve existing asset profitability.

Second is the ability to expand revenues generated by new asset classes.

And third is the ability to expand asset-light revenues, centered on fee businesses.

By leveraging the synergies generated among these three growth drivers, we will secure sustainable profit growth.

The first growth driver:

The ability to improve existing asset profitability

In the current inflationary environment, we view “decoupling from the market” as a growth opportunity. For many years, Japan experienced a period of prolonged weak rent and service price growth. However, today’s market is showing signs of a shift toward one in which differentiation based on location, quality, and service is being accurately valued. I strongly believe this shift is a significant tailwind that will help propel the Group forward.

First, in our office buildings business, efforts to create offices that people want to work in, located in cities people want to visit, are beginning to blossom.

For example, in Nihonbashi, we are developing mixed-use properties that integrate a host of retail, office, hotel, housing, and other functions. Working with local governments, the private sector, and communities, we have revitalized Fukutoku Shrine together with its back alleys. By creating mixed-use neighborhoods that look beyond the development of buildings to include streetscapes across Nihonbashi and Yaesu, we have transformed the area into a walkable neighborhood of well-being that is bustling with people on weekdays and weekends, be it day or night.

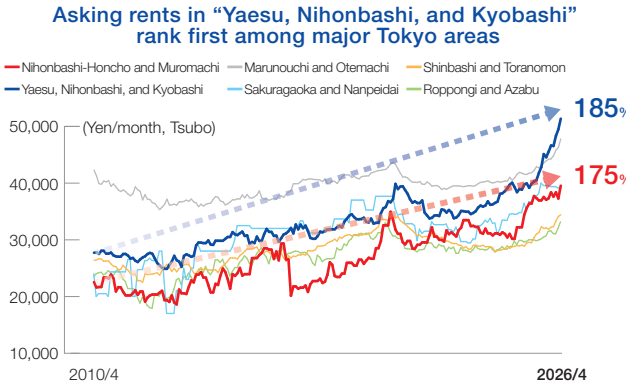
Furthermore, in an effort to position Nihonbashi as a sacred place for the life sciences, space, and semiconductor sectors, we are fostering a community* that will serve as a hub for new industry creation. Membership numbers are steadily increasing, and we are well on the way to establishing an effective ecosystem that comprises not only a broad array of industry representatives, from large corporations to startups, but also representatives from the public and academia worlds, including government agencies and research institutions. Keen to participate in this ecosystem, we are witnessing a variety of organizations establish bases in the Nihonbashi area. This is having a so-called magnet effect, where concentration leads to further concentration, resulting in the emergence of an industrial cluster. Through this strategic community building, related companies increasingly have a compelling reason to be located in Nihonbashi, and these efforts are now making a significant contribution to office leasing.

As a result of these strategic endeavors, the office leasing market, which was distinguished by its Mount Fuji-type nature, where leasing activities were highly concentrated in a single, prominent landmark like Mount Fuji, which in this case was the Marunouchi and Otemachi area, has shifted to a Yatsugatake mountain range-type nature with Yaesu, Nihonbashi, and Kyobashi recognized as the highest peak and other areas, including Marunouchi and Otemachi as well as Nihonbashi-Honcho and Muromachi acknowledged as other peaks.

Demand for the Company’s properties also remains extremely robust. In fiscal 2025, the number of tenants for which rents were revised upward by 10% or more roughly tripled from the previous fiscal year. In some cases, rent increases exceeded 20% and even 30%.

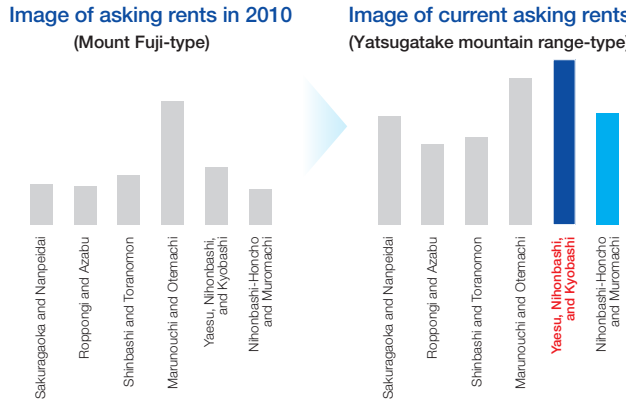
* LINK-J community in the life science field: 1,041; cross U community in the space field: 371; RISE-A community in the semiconductor sector: 101

Asking Rents in the Nihonbashi and Yaesu Areas



Note: Prepared based on data from Sanko Estate Co., Ltd. Asking rent including common service fees for large buildings of at least 200 tsubo per floor. (1 tsubo is equivalent to approx. 3.3 m²)

Changes in Asking Rents in Major Tokyo Areas



Note: Prepared based on data from Sanko Estate Co., Ltd. Asking rent including common service fees for large buildings of at least 200 tsubo per floor. (1 tsubo is equivalent to approx. 3.3 m²)

Interview with the CEO

One example that is typical of the Group's efforts to increase rents is the Yaesu 2-Chome Central District Project currently under development. Here, we concluded a lease agreement at the exceptionally high monthly rent of ¥100,000 per tsubo. Building on this success, we will accelerate efforts aimed at securing a national average double-digit increase in rent, with rents projected to rise by several tens of percent especially for properties in central Tokyo, which are extremely scarce. We will also, as a general rule, incorporate CPI-linked clauses, an approach through which we lead the industry.

This is not simply the result of favorable market conditions. I believe it is a reflection of the high esteem in which we are held and a measure of our efforts to enhance the value of office buildings, efforts that embody our ability to create neighborhoods fostered over many years, our success in proposing services that help address a host of business issues, and our management capabilities, which include business continuity planning (BCP). We will continue to lead the market with determination and steadily strengthen our earnings power by shifting toward contract structures suited to an inflationary era.

The same can be said of retail facilities.

(1) Mitsui Shopping Park, which boasts a membership of 14.5 million, more than 10% of Japan's total population, has seen an upswing in per capita sales owing to the high average household income of its members, which exceeds the national average, successive wage hikes, and a burgeoning stock market. (2) As I will elaborate later, we have also witnessed annual overall facility net sales growth, which largely reflects synergies with our sports and entertainment activities, which are in turn the result of successful efforts to capture prevailing needs, namely spending on experiences and events, while also benefiting from the increase in visitors. An increase in facility sales translates to higher rents and subsequent profit growth. While the effects of increased revenue from office building operations take some time to accrue, the benefits from increased sales at retail facilities are almost immediate, taking effect in the same year. Looking ahead, we will continue to boost facility sales by drawing on our robust customer base. In specific terms, we will create places that attract visitors, host events that link closely with our sports and entertainment business, including collaboration with our arena business, and engage in negotiations with a view to lifting

rents and common service fees, thereby expanding leasing revenue from retail facilities.

I believe that the essence of the real estate business lies in rent growth. Having said this, however, an increase in rent does more than simply boost leasing income. Higher rents also help improve asset values as well as future capital gains on sale. In fiscal 2026, we plan to post income from the turnover of assets of ¥145 billion from various sources, including operating income from Property Sales to Investors and gain on sale of fixed assets. While contracts have been signed for more than 50% of this amount, we will continue to accelerate the turnover of assets from this fiscal year and beyond while maximizing added value through such measures as rent increases.

The second growth driver:
The ability to expand revenues generated by new asset classes

Mitsui Fudosan places particular emphasis on two asset classes. The first is the arena business.

Owing to such factors as the increased free time attributable to productivity gains that stem from widespread AI use, and an expanding leisure market underpinned by the aging population, I believe that demand for meaningful experiences and connections with others will grow more than ever before. Under these circumstances, I expect arenas, which provide entertainment in an actual setting, will serve as the urban infrastructure necessary to further increase value by delivering experiences and providing people with a reason to gather. In light of the aforementioned and Our Philosophy—& PEOPLE With people, sharing the inspiration—I am convinced that this is an asset class that the Group should actively pursue.

More than anything, sports- and entertainment-related needs are expected to expand at an increasingly fast pace. Given the current lack of arenas that can accommodate this upswing in needs, I am convinced there is substantial room for growth. Against this backdrop, Mitsui Fudosan is working diligently to build a lineup of facilities of varying scales in the Tokyo metropolitan area capable of accommodating audiences of 50,000, 20,000, and 10,000 people, including Tokyo Dome, Chichibunomiya, and LaLa arena TOKYO-BAY, respectively. In addition to an arena in Nagoya, currently under construction, plans are in place to pursue a mixed-use development project on the site of Kubota Corporation's former headquarters in Namba. With the (tentatively named) Kubota LaLa arena, a

multipurpose venue with a capacity of approximately 12,500, as its centerpiece, this project includes a hotel and retail facilities. These initiatives form part of our efforts to promote arena projects across the Tokyo-Osaka-Nagoya corridor, which is recognized as Japan's lifeline.

The Development of Arenas with Varying Scales across the Tokyo-Osaka-Nagoya Corridor



Through these means, and by developing an arena portfolio and network of varying scales and across wide-ranging areas, and leveraging the unrivaled booking power of Tokyo Dome, a mecca for sports and entertainment, we are enhancing our proposal capabilities, including tour plans for the full spectrum of artists. As a network, we will secure an unassailable position in the arena business and contribute to strengthening Japan's international competitiveness in the sports and entertainment sector.

Messages from Management

1 Mitsui Fudosan's Value Creation

2 Value Creation Strategies

3 Infrastructure That Supports the Strategies

4 Strategies by Business Segment

5 Appendix

PICK UP

Interview with the CEO

Message from the CFO

Outside Directors' Discussion

Human Resources Strategy

Digital Transformation Strategy

Sustainability Strategy

Interview with the CEO

Another key feature of these facilities is that they are located in close proximity to and integrated with the Company's retail facilities. For example, LaLa arena TOKYO-BAY is adjacent to LaLaport TOKYO-BAY. Since the arena opened, circulation to nearby Mitsui Fudosan retail facilities has increased, and on event days the number of visitors to LaLaport TOKYO-BAY has risen to around 140% of the level on the corresponding day a year earlier, making a significant contribution to sales. Moreover, at MIYASHITA PARK in Shibuya, we operate pop-up stores in conjunction with concerts and sporting events held at Tokyo Dome. This has proven highly effective in attracting customers as well as boosting sales across the facility as a whole.

Over and above merchandise sales, we are witnessing explosive growth in the consumption of experiences and events, as embodied by the stanning phenomenon. Leveraging our strength as a Company that maintains physical shopping centers, we will promote the natural fusion of merchandise sales with the consumption of experiences and events to elevate our capabilities to the next level.

The second asset class resides in the industrial asset domain, which includes data centers, life sciences, and science parks.

It is precisely in this domain that we can help enhance Japan's industrial competitiveness, or so-called industrial development in the Reiwa era, while at the same time ensuring the Company's growth.

Mitsui Fudosan aims to invest a cumulative total of ¥600 billion in data centers in Japan by fiscal 2035. In addition to the business opportunity secured in Kansai in the previous fiscal year, we secured another business opportunity, further boosting our investment activities. Driven by the widespread use of AI and advances in digital technology, demand for data processing is rapidly expanding worldwide. Complementing investments in Japan, Mitsui Fudosan is expanding overseas. Working with CapitaLand Investment, a leading global real estate development and management company based in Singapore with one of Asia's largest portfolios of assets under management and a proven track record of excellence, we decided to participate in a large-scale project in India through a joint venture. Encouraged by this approach from CapitaLand to continue exploring data center opportunities, we will work to nurture the data center business both in Japan and overseas as a pillar of growth going forward.

Participation in a Data Center Business Project in Major Indian Cities (Total of 4 Properties)



CapitaLand DC Chennai (tentative name)



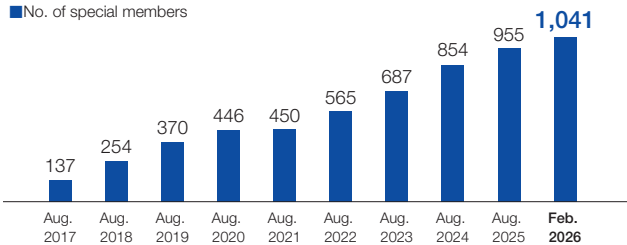
CapitaLand DC Mumbai (tentative name)



CapitaLand DC Hyderabad (tentative name)

Moreover, we are expanding our business with a focus on the LINK-Lab brand, a rental lab and office building initiative that draws on the needs of the Life Science Innovation Network Japan, Inc. (LINK-J) community in the life science field. LINK-J, which I launched when serving as Chief Operating Officer of the Office Building Division in 2016, will mark its 10th anniversary in 2026. In addition to a membership that exceeded 1,000 as of the end of 2025, more than 1,250 symposia, member-organized, and other events have been held to date. LINK-J is today an extremely active and high-quality community that serves as a platform for generating innovation.

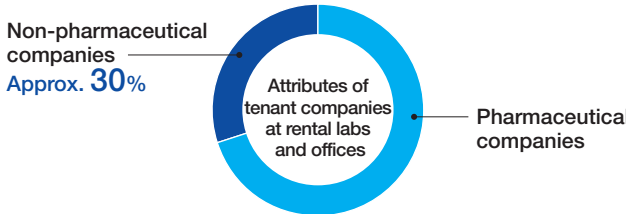
Trends in LINK-J Special Membership



In addressing the community's need for place creation, the urban-type rental wet lab & office, LINK-Lab, launched in 2019, is well-suited for open innovation. By providing solutions to challenges associated with conventional owner-operated facilities, such as large amounts of capital investment and difficulties in securing human resources due to their suburban locations, LINK-Lab has forged a position as the urban rental research facility of choice.

Our LINK-Lab facilities are currently in high demand not only from startups, but also from major pharmaceutical companies. Our tenant base is also expanding to include non-pharmaceutical companies in such sectors as semiconductors, food, and energy. Property leasing trends remain steady with rent levels increasing 1.5 times compared with around five years ago at the time the first property was leased. This is a clear indication of robust demand for urban-type rental labs. Recently, we have continued to expand the scale of the business by securing new business opportunities in Koto-ku, and we intend to translate this growth into a larger profit contribution.

Growing Demand for Rental Labs & Offices



Rental lab and office building rents have increased 1.5 times compared with around five years ago

Note: As of the end of fiscal 2025



MITSUI LINK-Lab SHINKIBA 3 (Koto-ku, Tokyo)



MITSUI LINK-Lab TOYOCHO 1 (Koto-ku, Tokyo)

Messages from Management

1 Mitsui Fudosan's Value Creation

2 Value Creation Strategies

3 Infrastructure That Supports the Strategies

4 Strategies by Business Segment

5 Appendix

PICK UP

Interview with the CEO

Message from the CFO

Outside Directors' Discussion

Human Resources Strategy

Digital Transformation Strategy

Sustainability Strategy

Interview with the CEO

In recent years, we have initiated steps to pursue science park projects in earnest. Kumamoto Science Park, which we are developing in Kumamoto Prefecture, where a TSMC semiconductor plant is located, is a prime example. In building the infrastructure necessary to support a cluster of cutting-edge industries, including semiconductors, we are taking on the challenge of creating new value by making the most of our neighborhood creation know-how, the RISE-A semiconductor community, and an industry-government-academia network that straddles Japan and Taiwan. Real estate development capabilities alone are not enough to claim a competitive edge in the science park domain. What is required is comprehensive strengths encompassing corporate networks, relationships with government and academia, community management capabilities, and collaboration with overseas developers. I believe there are only a handful of companies that possess all of these attributes. This collective and comprehensive strength is in fact our Company's greatest asset. Leveraging this comprehensive strength, we will continue to evolve and emerge in the Industry Developer 2.0 format (P.45 [📄](#)), help enhance Japan's industrial competitiveness, and grow together with stakeholders by contributing positively to reinvigorating industry.

Full-Fledged Participation in a Science Park Project



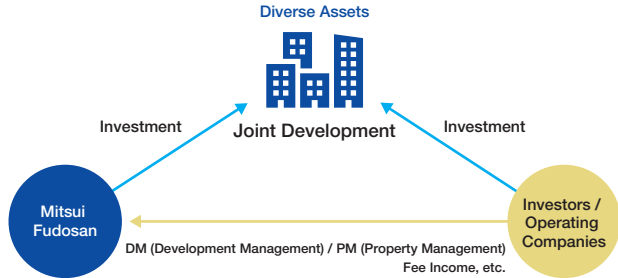
Kumamoto Science Park (Koshi City, Kumamoto Prefecture)

The third growth driver:
The ability to expand asset-light revenues, centered on fee businesses

As I previously mentioned, Mitsui Fudosan's strengths lie in "the ability to win business opportunities," "the ability to create high value neighborhoods, facilities, and services," and "the ability to monetize the added value we create." Buoyed by these comprehensive strengths, we possess abundant business opportunities. Rather than pursue each of these opportunities using our own balance sheet, however, we will provide these three core strengths as services to investors for a fee. In doing so, our goal is to diversify revenue streams. I am convinced that this is an excellent business model that facilitates highly capital efficient profit growth, especially when interest rates are exhibiting an upward trend, while also allowing us to harness our unique strengths, including an extensive development track record and diverse customer relationships.

This is a concept that we have pioneered as an investor co-creation model for over 20 years. As exemplified by TOKYO MIDTOWN, a project in which I was personally involved, where we procured funds from investors, submitted and secured bids, and thereafter engaged in asset management operations, we maintain a competitive edge over our rivals. In concert with our pursuit of growth with an increased focus on efficiency, we will continue to strengthen our asset-light revenue platform by placing greater emphasis than ever before on expanding such revenue streams as development management and property management fees.

Investor Co-Creation Model Using Third-Party Capital



I believe that the essence of our growth strategy lies in not relying on a single factor for success. Our success depends on a variety of factors, including existing asset growth and new asset class expansion as well as the prosperity of our fee and overseas businesses. With multiple growth engines operating all at the same time, we are well placed to secure sustainable and stable profit growth. This is in fact the principal reason why we remain confident in our ability to achieve the targets set for fiscal 2030. Moving forward, I will spearhead efforts toward the Group's next stage of growth by leveraging our overwhelming ability to win business opportunities and comprehensive strengths to convert opportunities into revenue.



Messages from Management

1 Mitsui Fudosan's Value Creation

2 Value Creation Strategies

3 Infrastructure That Supports the Strategies

4 Strategies by Business Segment

5 Appendix

PICK UP

Interview with the CEO

Message from the CFO

Outside Directors' Discussion

Human Resources Strategy

Digital Transformation Strategy

Sustainability Strategy

Interview with the CEO

Q.4

Turning in particular to efforts aimed at achieving the Group's ROE target, controlling shareholders' equity is just as important as profit growth. What are your thoughts on this?

Mitsui Fudosan has identified a total payout ratio target of 50% or higher under “& INNOVATION 2030.” With this target in mind, we returned 54.9% of net income to shareholders in fiscal 2025. Meanwhile, shareholders' equity will continue to accumulate steadily even while providing returns to shareholders for companies that secure sustained profit growth. I therefore recognize the need to not only grow profits as a means to improve ROE, but to also control shareholders' equity as a key management issue. As I have mentioned in the past, there can be no return without growth. Accordingly, our top priority is to increase both EPS and the dividend amount and to consistently boost returns per share by continuing to grow profits. In addition, we will step up efforts to control shareholders' equity going forward in a bid to achieve our ROE target.

Initiatives Aimed at Improving ROE

$$\text{ROE} = \frac{\text{Profit attributable to owners of parent (a)}}{\text{Shareholders' equity (b)}}$$



- Shareholders' equity (b)**
Control through the
- Sale of investment securities, and a
 - Shareholder returns 50% or higher

Moreover, I recognize that widening the equity spread between ROE and the cost of shareholders' equity is of equal importance to lifting the absolute value of ROE. Only by stably generating returns that exceed the cost of shareholders' equity can we sustainably enhance corporate value.

To this end, we must first secure a high level of profitability while maintaining robust resilience through business strategies that distinguish us from competitors. Mitsui Fudosan boasts top-tier competitiveness across a wide range of sectors, including office buildings, retail facilities, housing, hotels, and logistics facilities as well as in its overseas business, and continues to build a balanced business portfolio. We generate substantial profits during periods of expansion and address issues through other businesses during adverse times. This abundant and robust business platform is a unique and defining feature of the Company and underpins our sustainable profit growth.

High Competitiveness in Our Businesses

Office Buildings	Tenant leasing capabilities (leases concluded at around ¥100,000 per tsubo)
Retail Facilities	Nationwide, the top 10 retail facilities* in terms of sales include three Group facilities * As published by SENKEN SHIMBUN
Housing	• A consistent leader in condominium supply rankings in the Tokyo metropolitan area • No. 1 in brokered deals for 40 consecutive years
Hotels	52 properties with approximately 13,100 rooms

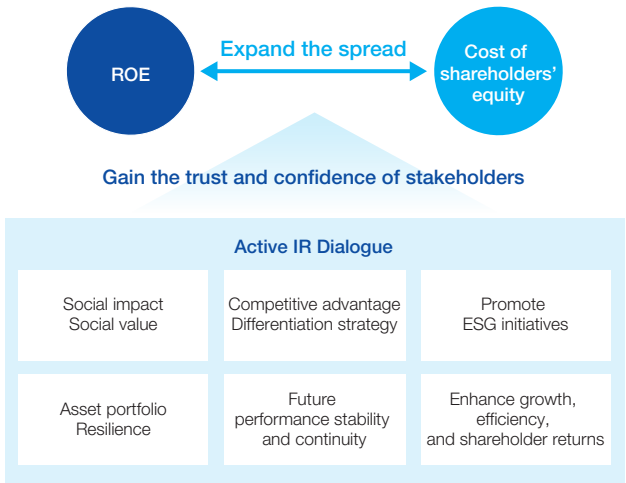
Second, we must enhance the effectiveness of governance. Mitsui Fudosan's Board of Directors is comprised of internal directors with a deep understanding of the real estate business and outside directors with diverse insights and experience. As such, I am confident that discussions are conducted in a lively manner with a

focus on both defensive and offensive governance, an approach that is highly regarded by outside directors (P.17). I also believe that this constructive deliberation helps to improve the quality of management, which in turn helps enhance corporate value.

Third, we must upgrade and expand dialogue with investors. In recent years, I believe our disclosures have received increasingly positive recognition, but I do not consider them sufficient yet. I believe we should look more intensely at deepening investors' understanding of our corporate value by communicating our strengths, growth strategies, and capital policies in an easier-to-understand and more detailed manner. In doing so, I am confident that we can maintain a low cost of capital even in an environment of rising interest rates.

In addition to improving ROE through profit growth, we will work to properly control shareholders' equity. Moreover, we will enhance the strength of our business portfolio and effectiveness of governance while upgrading and expanding dialogue with capital markets. By steadfastly implementing these measures, we will widen the equity spread both through improvements in ROE and a reduction in the cost of shareholders' equity. This will allow us to further enhance our corporate value.

Enhancing Corporate Value through Dialogue with Capital Markets



Messages from Management

1 Mitsui Fudosan's Value Creation

2 Value Creation Strategies

3 Infrastructure That Supports the Strategies

4 Strategies by Business Segment

5 Appendix

PICK UP

Interview with the CEO

Message from the CFO

Outside Directors' Discussion

Human Resources Strategy

Digital Transformation Strategy

Sustainability Strategy

Interview with the CEO

Q.5

In conclusion, what are your aspirations toward further enhancing corporate value?

The world is currently at a major turning point. The environment surrounding us is changing on an unprecedented scale amid heightened geopolitical risks, restructuring of supply chains, ongoing inflation, changes in the interest rate environment, and shifts in demographics and industrial structure. Given these circumstances, it is easy to focus solely on the uncertainties. Quite the contrary, for the very reason that we are experiencing dramatic change, I believe that opportunities to create new value are on the rise. To date, the Mitsui Fudosan Group has grown by confronting head on and resolving the social issues of each era. We have helped enrich people's lives through the creation of neighborhoods, contributed to Japan's economic development by building an industrial platform, and provided places that nurture new communities and innovation.

Today, we stand at the threshold of a new stage of growth. Mitsui Fudosan has an unrivaled ability to capture business opportunities that surpasses that of our competitors. We also provide high-value-added real estate and services whose value is increasingly being properly recognized in rents and other forms of pricing in an inflationary environment. At the same time, we enjoy trust-based relationships with customers and tenant companies nurtured over many years, leasing capabilities that leverage extensive networks in Japan and overseas, and management know-how across a diverse range of assets. Building on this foundation, we have the ability to monetize this multifaceted added value. More than anything else, we boast insights and experience that stem from successful efforts to overcome a host of challenges.

By fully leveraging these sources of competitive advantage, I am confident that even amid heightened uncertainty we can secure high-quality returns that more than offset rising costs. I am equally convinced that we can sustain our profit growth into the future and continue to forge an overwhelmingly dominant position.

Our efforts to take on the challenge posed by the industrial asset domain, beginning with data centers, the life science field, and science parks, extend beyond expanding business opportunities. These efforts are designed to balance social value through contributions to the enhancement of Japan's industrial competitiveness and the creation of innovation with economic value in the form of the Group's sustainable growth. I believe that enhancing corporate value cannot be achieved solely through the pursuit of economic value. It is vital that we remain a company that is indispensable to society. With this in mind, it is imperative that we continue to help solve social issues. In doing so, we will secure profit growth and expand returns to shareholders. Our ability to sustain this virtuous cycle over the long term is what will truly lead to the enhancement of our corporate value.

In that sense, the respective EPS growth rate CAGR and ROE targets of over 8% per year and 10% or higher identified under "& INNOVATION 2030" are merely stepping stones. Our true vision is to evolve into a company that creates sustainable value that goes beyond numerical targets. As I have commented on numerous occasions before, enhancing both corporate and shareholder value is my most important mission as CEO. Mitsui Fudosan has a wealth

of business opportunities. We also maintain the competitive edge necessary to convert these opportunities into sustainable profit growth. I am confident that we will secure profit growth, improve capital efficiency, and expand shareholder returns at an even higher level by making the most of our inherent strengths. Moving forward, we will continue to generate new value by creating both social and economic value while at the same time transforming the changes of each era into opportunities for growth. Through these means, we will work to remain a company that unflinchingly meets the expectations of all stakeholders, including shareholders.

To reiterate, enhancing corporate value is my paramount mission. Achieving "& INNOVATION 2030" is not our end goal. Beyond that, we will pool the Group's collective strengths to create new value for society, thereby ensuring that our value creation journey continues as does our pursuit of enhanced corporate value.

I hope you will continue to look forward to what lies ahead for the Mitsui Fudosan Group.



Messages from Management

1 Mitsui Fudosan's Value Creation

2 Value Creation Strategies

3 Infrastructure That Supports the Strategies

4 Strategies by Business Segment

5 Appendix

PICK UP

Interview with the CEO

Message from the CFO

Outside Directors' Discussion

Human Resources Strategy

Digital Transformation Strategy

Sustainability Strategy

Message from the CFO

Even in a world of positive interest rates, we will accelerate the virtuous cycle of growth, efficiency, and shareholder returns to achieve sustainable EPS growth and a higher share price.

Fiscal 2025 Business Results and Future Outlook

In 2024, in my role as CFO, I was involved in deliberations and the formulation of the Group's long-term vision "& INNOVATION 2030." Under this long-term vision, we set numerical targets for a variety of key indicators, including growth potential, efficiency, and shareholder returns for fiscal 2026, as milestones in the lead-up to our fiscal 2030 vision, in a bid to deepen interactive dialogue with investors and other stakeholders.

In fiscal 2025, the second year of the vision, revenue from operations, operating income, business income, a new profit indicator introduced under "& INNOVATION 2030," ordinary income, and profit attributable to owners of parent (net income) exceeded forecasts coming in at record highs. Meanwhile, we achieved the profit and ROE targets set for fiscal 2026, the fiscal year ending March 31, 2027, identified under "& INNOVATION 2030" one year ahead of schedule.

In accordance with the Company's efforts to bolster its "& INNOVATION 2030" shareholder returns policy and secure a total payout ratio of 50% or higher and a dividend payout ratio of around 35%, Mitsui Fudosan decided to repurchase ¥57 billion of its own shares. At the same time, the decision was also made to increase its annual dividend from the original forecast of ¥33 per share to ¥35 per share. As a result, the total payout ratio came in at 54.9% on net income of ¥278.6 billion.

Chiharu Fujioka

Senior Executive Managing Officer

Turning to forecasts for fiscal 2026, the Company has taken into account such factors as increases in office rents in Japan and overseas, leasing income growth on the back of higher sales at retail facilities in and outside Japan, and higher sales profit owing to the acceleration of asset turnover based on a holistic approach to the management of fixed assets and real estate for sale. On this basis, revenue from operations, operating income, business income, ordinary income, and net income are all projected to reach record highs. Business income is forecast at ¥450 billion, up ¥4.8 billion year on year, while net income is forecast at ¥285 billion, up ¥6.3 billion. Although profit growth is expected to be more moderate than in the previous fiscal year due to the "growing pains" associated with the completion of properties that will serve as seeds for future profit growth, our earning power is steadily strengthening through measures

such as rent increases in the office business and higher retail facility sales driven by the drawing power of sports and entertainment.

As an indicator of growth potential, we have positioned the Company's EPS growth rate as an important KPI that reflects the growth potential of net income, a source of shareholder returns, in terms of value per share. Under "& INNOVATION 2030," we have identified a compound annual growth rate (CAGR) target of +8% or higher over the three-year period from fiscal 2024 to fiscal 2026 starting from an EPS of ¥78.5 based on the forecast net income of ¥220 billion for fiscal 2023. Against this target, EPS was ¥101.0 in fiscal 2025, resulting in a CAGR of 13.4% from the fiscal 2023 base.

Messages from Management

1 Mitsui Fudosan's Value Creation

2 Value Creation Strategies

3 Infrastructure That Supports the Strategies

4 Strategies by Business Segment

5 Appendix

PICK UP

Interview with the CEO

Message from the CFO

Outside Directors' Discussion

Human Resources Strategy

Digital Transformation Strategy

Sustainability Strategy

Message from the CFO

Furthermore, based on forecast net income of ¥285 billion for fiscal 2026, EPS is projected to be approximately ¥105. Accordingly, the CAGR over the three years from fiscal 2024 to fiscal 2026 is expected to significantly exceed the target of +8% or higher per year.

While Group-wide energies are being directed toward achieving the business income and net income targets, together with the growth potential and efficiency indicators, such as the EPS growth rate and ROE, by realizing growth through the three business strategy paths identified under “& INNOVATION 2030,” as CFO, I will continue to support efforts aimed at achieving these targets, especially through financial management and the allocation of cash.

<Progress of & INNOVATION 2030 KPIs>

FY2024 results	FY2025 results	FY2026 forecast	FY2026 targets
Growth Indicator: EPS growth rate*1			
+13.7% per year (EPS: ¥89.3)	+13.4% per year / CAGR (EPS: ¥101.0)	Approx. +10.3% per year / CAGR (EPS: Approx. ¥105)	+8% or higher per year / CAGR
Efficiency Indicator: ROE			
8.0%	8.7%	8.5% or higher*2	8.5% or higher
PL: Business income			
¥398.6 billion	¥445.1 billion	¥450.0 billion	¥440 billion or higher
PL: Net income			
¥248.7 billion	¥278.6 billion	¥285.0 billion	¥270 billion or higher

*1 Starting from the fiscal 2023 forecasted EPS: ¥78.5.
*2 Calculated based on certain assumptions.

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

Mitsui Fudosan has put forward a cash allocation plan, covering the three-year period from fiscal 2024 to fiscal 2026, within its long-term vision “& INNOVATION 2030,” in order to help investors better understand its various activities, including how the Company generates cash, how that cash is applied, and our approach to financial management thereby deepening communication.

For the two-year period from fiscal 2024 to fiscal 2025, both cash in and cash out totaled approximately ¥2.2 trillion, representing roughly two-thirds of the plan and indicating steady progress.

>> Basic cash flow from operating activities

Mitsui Fudosan established “basic cash flow from operating activities” as a measure designed to more clearly show growth in the cash-generating capacity of its core businesses. Driven by factors including growth in operating income and business income across segments, basic cash flow from operating activities reached approximately ¥1 trillion over the two-year period, roughly the amount originally projected for the full three years.

>> Proceeds from asset turnover

In line with our policy of accelerating asset turnover, Mitsui Fudosan plans to recover approximately ¥2 trillion over the three years under “& INNOVATION 2030.” This is approximately 1.4 times the amount recovered from fiscal 2021 to fiscal 2023. Over the two years through fiscal 2025, in addition to real property for sale, we made progress in selling fixed assets and investment securities, bringing cumulative proceeds from asset turnover to approximately ¥1.2 trillion. This represents progress of approximately 60% against the plan, and we believe that the acceleration of asset turnover is proceeding steadily.

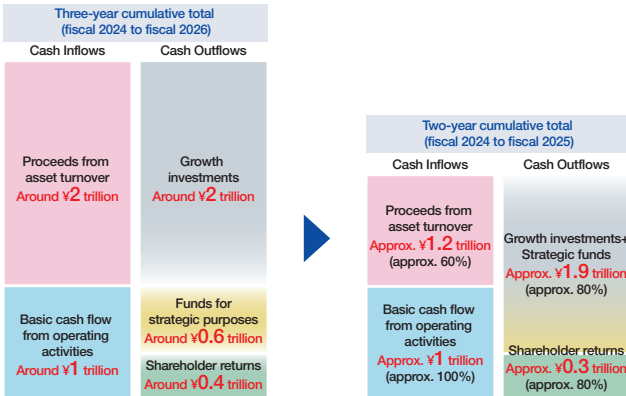
>> Cash out and capital allocation

Drawing from the roughly ¥2.2 trillion attributable to the Company’s basic cash flow from operating activities as well as proceeds from asset turnover, Mitsui Fudosan allocated capital to growth investments, strategic funds, and shareholder returns while controlling increases in outstanding debt over the two-year period from fiscal 2024 to fiscal 2025 in accordance with its policy identified when formulating its cash allocation plan. In other words, we achieved this allocation without relying on new borrowings or equity financing.

Turning to growth investments in particular, we are making steady progress, including the acquisition of prime investment properties that were not originally scheduled when formulating “& INNOVATION 2030.” Notable examples include large-scale retail facility development plans in Fuchu City, Tokyo, the rental lab and office buildings businesses’ “Innovation Square Phase III” project in Boston in the United States, the office buildings business’s “55 Pitt Street” project in the CBD area of Sydney, Australia, and the rental lab and office buildings businesses’ “British Library Redevelopment Project (tentative name)” in London in the United Kingdom. In addition, we have secured investment opportunities that optimally align with the use of strategic funds. This includes the acquisition of Toyota Automall Development Corporation (currently MF AUTOMALL DEVELOPMENT CORPORATION)* and the decision to enter into a capital and business alliance through the

* In August 2025, Mitsui Fudosan acquired all of the issued and outstanding shares of Toyota Automall Development Corporation, which operates Colorful Town Gifu and Tressa Yokohama.

<The fiscal 2024 to fiscal 2026 cash allocation plan and progress in fiscal 2024 to fiscal 2025>



Messages from Management

1 Mitsui Fudosan's Value Creation

2 Value Creation Strategies

3 Infrastructure That Supports the Strategies

4 Strategies by Business Segment

5 Appendix

PICK UP

Interview with the CEO

Message from the CFO

Outside Directors' Discussion

Human Resources Strategy

Digital Transformation Strategy

Sustainability Strategy

Message from the CFO

acquisition of shares in MITSUI-SOKO HOLDINGS Co., Ltd. Based on the aforementioned, the cumulative two-year total of growth investment and strategic funds came in at around ¥1.9 trillion.

Mitsui Fudosan will continue to carefully select and secure growth investment opportunities that help enhance corporate value over the medium to long term. We will also adhere strictly to a capital allocation policy that focuses on investment returns and capital efficiency. Moreover, I recognize that as CFO it is my responsibility to ensure the optimal allocation of capital taking into consideration a raft of factors, including the share price, share buybacks, and the level of investment return.

Moving forward, we will continue to disclose to investors the progress made in our management approach that places an equal focus on the three key objectives: enhance growth, efficiency, and shareholder returns, which is consistent with our understanding that “there can be no return without growth” and that “growth must be efficient” through the allocation of cash.

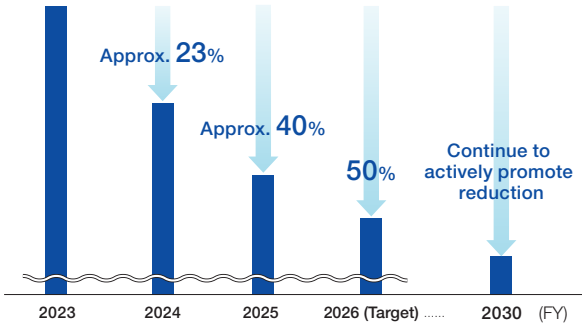
Balance Sheet Control and Maintenance of a Sound Financial Position

Real estate development and neighborhood creation-type businesses are characterized by the heavy long-term use of the balance sheet. Impacted by recent fluctuations in foreign currency exchange rates, Mitsui Fudosan’s total assets and interest-bearing debt stood at roughly ¥10.1 trillion and ¥4.6 trillion, respectively, as of the end of fiscal 2025. Against this backdrop, we are working to manage our balance sheet from a medium- to long-term perspective by accelerating asset turnover and realizing added value (valuation gains) as well as other means while remaining conscious of both leasing income and sales profit growth under “& INNOVATION 2030.” Recognizing that fluctuations in foreign currency exchange rates remain a factor, Mitsui Fudosan will work diligently to further enhance the quality and efficiency of its asset portfolio through not only the sale of fixed assets and real property for sale without exception but also the turnover of assets taking into consideration investment securities in their totality.

Turning to the strategic shareholding component of investment securities, we have identified the reduction target of 50% over the three-year period from fiscal 2024 to fiscal 2026 under “& INNOVATION 2030.” Moving forward, we will continue to actively reduce strategic shareholdings thereafter. As far as results are concerned, we reduced strategic shareholdings by roughly 40% in fiscal 2025 and expect a reduction of approximately 50% or more in fiscal 2026. Based on the aforementioned, we are on track to achieve our fiscal 2026 target.

In the case of shares held purely for investment purposes, we have decided to undertake their sales on an ongoing and flexible basis while continuing to take into consideration our track record to date and other factors, including future share prices with the aim of allocating proceeds to investments for future growth. Moving forward, we will continue to undertake timely sales in line with market conditions.

<Status and targets for the reduction of strategic shareholdings>



With long-term interest rates in Japan reaching their highest level in around 30 years and the lingering uncertainty that surrounds overseas market conditions against the backdrop of a high interest rate environment and geopolitical risks, we recognize that maintaining and strengthening a sound financial position and managing the Group’s net interest burden have become more important than ever for the stable continuation of our business.

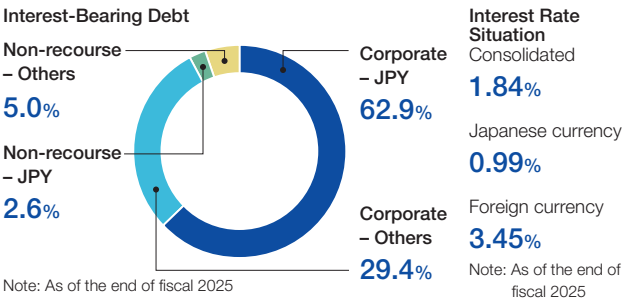
Under “& INNOVATION 2030,” our policy is to manage the D/E ratio at around 1.2–1.5 times in order to maintain an “A” rating from the major credit rating agencies. In line with this policy, the Company’s D/E ratio came in at 1.41 times in fiscal 2025. The D/E ratio is forecast to remain in the 1.4 times range in fiscal 2026. Looking ahead,

<Credit ratings>

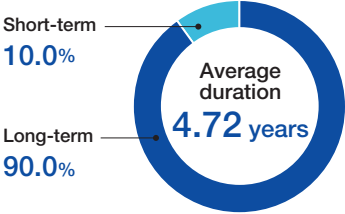
Rating agency	Long-term	Short-term	Outlook
Moody's	A3	P-2	Stable
Standard & Poor's	A-	A-2	Stable
Fitch Ratings	A	—	Stable
Rating and Investment Information, Inc.	AA-	a-1+	Stable
Japan Credit Rating Agency, Ltd.	AA	J-1+	Stable

Note: As of August 7, 2026

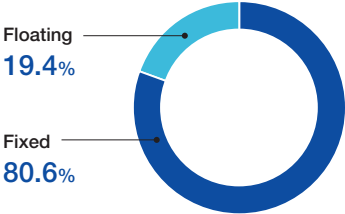
<Status of fund procurement>



Ratio of Long-Term Debt



Ratio of Fixed/Floating-Interest Debt



Messages from Management

1 Mitsui Fudosan's Value Creation

2 Value Creation Strategies

3 Infrastructure That Supports the Strategies

4 Strategies by Business Segment

5 Appendix

PICK UP

Interview with the CEO

Message from the CFO

Outside Directors' Discussion

Human Resources Strategy

Digital Transformation Strategy

Sustainability Strategy

Message from the CFO

Mitsui Fudosan will continue to control its financial leverage in an appropriate manner while prioritizing the maintenance of financial soundness.

In light of recent interest rate trends in Japan and overseas, we have received a growing number of inquiries from investors regarding our projected net interest burden and funding policies. To mitigate risks such as financial market fluctuations during property development and limit the impact of interest rate hikes in Japan, we strategically maintain the vast majority of our yen-denominated borrowings on a long-term, fixed-rate basis.

In fiscal 2025, although our net interest burden increased due to higher interest rates in Japan, it came in at ¥73.4 billion, below our forecast of ¥75 billion, partly reflecting lower interest rates overseas. This was also the result of measures to reduce the net interest burden, including carefully selecting funding sources and methods and utilizing the interest rate differential between the yen and other foreign currencies in our funding while taking foreign exchange risks into account.

For fiscal 2026, we expect the interest burden to increase to ¥85 billion, reflecting progress in domestic and overseas investments and higher yen interest rates, as well as the continuation of a high-interest-rate environment overseas amid geopolitical risks, including in the Middle East, and inflation concerns.

Against the backdrop of a rising interest rate environment, we recognize that it is more important than ever to maintain financial soundness and appropriately manage funding costs.

We believe it is necessary to closely monitor future interest rate trends in each country, including Japan. As one of my key responsibilities as CFO, I will continue to respond flexibly to conditions by adjusting borrowing maturities and funding methods, while appropriately controlling interest rate risk and maintaining and enhancing financial soundness through measures such as diversifying funding sources and managing the balance between fixed and floating interest rates.

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

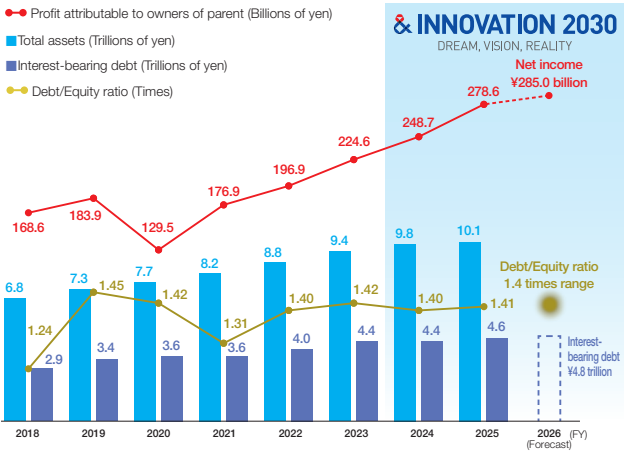
ROE is an important KPI that is used to measure efficiency when working to achieve profit growth through the use of capital placed with the Company by investors. Recognizing that we continue to face challenges regarding the level of our ROE, we set quantitative targets of 8.5% or higher in fiscal 2026 and 10% or higher around fiscal 2030 under “& INNOVATION 2030.” In fiscal 2025, the results of such initiatives as decoupling put forward under “& INNOVATION 2030” began to emerge with net income growing steadily. As a result, we achieved our fiscal 2026 ROE target one year in advance.

Promoting initiatives that focus on expanding net income growth, as the numerator, and controlling shareholders' equity, as the denominator, are vital to improving ROE.

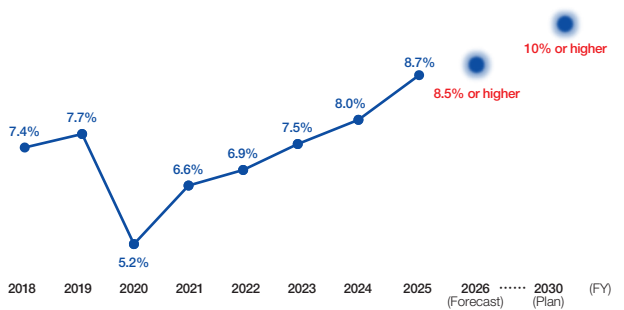
Turning first to the numerator, we have made progress in changing mindsets to focus on reflecting the added value we create in our prices by decoupling from the markets as outlined in “& INNOVATION 2030.” As a result, we reported record high business income in each of our four core “Leasing,” “Property Sales,” “Management,” and “Facility Operations” segments in fiscal 2025. At the same time, we achieved our fiscal 2026 business income and net income targets of ¥440 billion or higher and ¥270 billion or higher, respectively, through progress in the sale of investment securities one year ahead of schedule.

Turning to shareholders' equity, the denominator, we are controlling its accumulation through measures such as the repurchase of shares in line with the new shareholder returns policy under “& INNOVATION 2030,” which sets a total payout ratio target of 50% or higher each fiscal year.

<Current status and future outlook for net income, total assets, and liabilities>



<ROE performance trend and future targets>



Messages from Management

1 Mitsui Fudosan's Value Creation

2 Value Creation Strategies

3 Infrastructure That Supports the Strategies

4 Strategies by Business Segment

5 Appendix

PICK UP

Interview with the CEO

Message from the CFO

Outside Directors' Discussion

Human Resources Strategy

Digital Transformation Strategy

Sustainability Strategy

Message from the CFO

In addition, since last year Mitsui Fudosan has linked a portion of the compensation paid to directors, corporate officers, and others to EPS and ROE. As CFO, I am strongly committed to achieving sustained EPS growth and our ROE targets and will work to enhance corporate value through both profit and improved capital efficiency (P.79 [🔗](#)).

Turning to the cost of shareholders' equity, I am acutely aware that there are various views on the subject. In 2024, when we announced "& INNOVATION 2030," we indicated that the calculated cost of shareholders' equity under the Capital Asset Pricing Model (CAPM), the most commonly used methodology, was around 7%. While we recognize that this figure has since risen to some extent due to higher interest rates, we believe that our actual cost of shareholders' equity is lower than the mechanically calculated CAPM figure, given factors such as the stability of our business portfolio, the reliability of our cash flows, and our resilience to changes in the external environment. Accordingly, we believe our actual ROE of 8.7% in fiscal 2025 exceeded the cost of shareholders' equity.

In any case, as CFO, I recognize the critical need to expand the equity spread between our ROE and cost of shareholders' equity in order to enhance our corporate value and share price.

Moving forward, Mitsui Fudosan will continue to devote all of its energies toward achieving and improving each of its quantitative targets, including ROE, identified under "& INNOVATION 2030." At the same time, we will work diligently to lower our capital cost through a variety of means, including proactive IR dialogue.

Continue to Engage
in Proactive IR Dialogue

I recognize that in raising our corporate value and increasing our share price it is essential that investors have a deep understanding of our company. For that reason, I consider dialogue with investors to be one of my most important tasks as CFO.

Since becoming CFO in fiscal 2023, I have kept mutual dialogue very much in mind, holding numerous meetings with investors, listening directly and frankly to their opinions, and explaining the Company's thinking.

In addition to elaborating on progress toward achieving "& INNOVATION 2030," Mitsui Fudosan focused on further enhancing the quality of dialogue with investors in fiscal 2025. While engaging in more in-depth discussions on such topics as growth investments and our approach toward shareholder returns, we took steps to strengthen interaction and communication by incorporating the feedback received into management deliberations and the consideration of initiatives.

As CFO, I have also personally spoken at briefings for individual investors to explain our initiatives. In addition, we are strengthening our engagement with individual investors by disseminating corporate information through online media aimed at this audience. Going forward, with a particular focus on creating both social and economic value, we will strengthen communication about our competitive advantages and differentiation strategies, our ESG initiatives, the resilience of our asset portfolio, and the stability and continuity of future performance.

This year marks my fourth year as CFO. Now that we have achieved our fiscal 2026 targets one year ahead of schedule, I recognize that capital allocation and financial strategy with an eye to the next stage of growth are more important than ever. We are discussing within the Company strategies to achieve the fiscal 2030 targets set out in "& INNOVATION 2030." As inflation ushers in a world of positive interest rates, I will lead the Company as CFO in steadily advancing management that integrates growth, efficiency, and shareholder returns. Through further enhancing IR dialogue, I will deepen relationships of trust with investors and other stakeholders and contribute to a higher share price by enhancing corporate value.



Messages from Management

1 Mitsui Fudosan's Value Creation

2 Value Creation Strategies

3 Infrastructure That Supports the Strategies

4 Strategies by Business Segment

5 Appendix

PICK UP

Interview with the CEO

Message from the CFO

Outside Directors' Discussion

Human Resources Strategy

Digital Transformation Strategy

Sustainability Strategy

Corporate Governance Highlights

In light of revisions to the Corporate Governance Code announced in July 2026, the Company is working to enhance the quality of discussions at Board of Directors meetings and strengthen the secretariat's functions with the aim of sustainably enhancing corporate value. This page highlights the main initiatives aimed at enhancing the effectiveness of the Board of Directors and subsequent results.

① Feedback on Evaluation of the Board of Directors' Effectiveness

① Interviews and free-form questionnaires targeting all directors and Audit & Supervisory Board Members

Evaluation items

- Board of Directors' structure (number of members, ratio of executive to non-executive members, diversity, etc.)
- Status of operation of the Board of Directors (number of meetings held, attendance rates, time spent for deliberation, number of items deliberated, provision of information, questions and answers, etc.)
- Others (issues raised in the previous evaluation of Board of Directors' efficacy, Compensation Advisory Committee, Nomination Advisory Committee, meetings of outside directors and outside auditors, etc.)

② Analysis and evaluation by the Board of Directors

③ Identifying issues

④ Improving identified issues

Each evaluation item in the Board of Directors' effectiveness survey received generally high ratings. In addition, outside directors and others offered positive feedback regarding monitoring of the "Group's long-term vision," dialogue with stakeholders, and the deepening of discussions following revisions to the criteria for submitting matters to the Board of Directors. Based on the results of this analysis and evaluation, we identified areas for improvement and formulated a strategy to further enhance effectiveness. [P.73](#)

③ Initiatives Aimed at Holding Meaningful Discussions

Project Tours in Japan and Overseas

Mitsui Fudosan conducted project tours at five properties in Japan and overseas. Through site visits and exchanges of views with local employees, these tours deepen outside directors' and Audit & Supervisory Board Members' understanding of the Company's businesses and on-site capabilities.

<Fiscal 2025 Project Tours>

- Neighborhood Creation in Nihonbashi (mixed-use properties, area management, etc.)
- Taiwan (retail facilities / housing / hotels)
- MIYASHITA PARK (retail facilities)
- Jingu Gaien District Urban Redevelopment Project (office buildings / sports and entertainment facilities)
- LaLaport TOKYO-BAY (retail facility)



Tour of LaLaport TOKYO-BAY

Outside Officer Meetings

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

Progress Reports Regarding the Execution of Duties

Each business division HQ reports on its business status to the Board of Directors. This helps outside directors and outside auditors to better understand business operations, while ensuring that the opinions and recommendations raised at Board meetings help further enhance corporate value. [P.75](#)

② Enhancement of Discussions by the Board of Directors

<Percentage of items for deliberation and reporting by the Board of Directors>

Items for reporting 34%

Items for deliberation 66%

<Percentage of Board of Directors agenda items by category>

Corporate governance-related/sustainability-related matters 39%

Individual business matters 26%

Management strategy and other matters of significance to management 35%

In fiscal 2025, the Company revised the criteria for agenda items to be discussed by the Board of Directors. This has enabled us to scrutinize topics to be taken up at Board of Directors meetings and streamline reporting, thereby further enriching discussions on management strategy, corporate governance, and sustainability. Going forward, we will support the Company's sustainable competitive advantage by continuing to comprehensively and carefully evaluate growth potential, profitability, and risk, and also by enhancing the Board of Directors' oversight function and the quality of decision-making. [P.74](#)

Messages from Management

- 1 Mitsui Fudosan's Value Creation
- 2 Value Creation Strategies
- 3 Infrastructure That Supports the Strategies
- 4 Strategies by Business Segment
- 5 Appendix

PICK UP

- Interview with the CEO
- Message from the CFO
- Outside Directors' Discussion
- Human Resources Strategy
- Digital Transformation Strategy
- Sustainability Strategy

Outside Directors' Discussion

Originally announced in 2024, the Group long-term vision “& INNOVATION 2030” has completed its second year. On this occasion, we held a roundtable discussion with three outside directors, Eriko Kawai, Mami Indo, and Yo Honma, covering such topics as progress in and outstanding issues with the long-term vision, dialogue with capital markets, and the effectiveness of the Board of Directors. Details are presented as follows.

Toward Realizing the Group Long-Term Vision

I recognize that my role is to support the Company in taking optimal risks in the conduct of its business.



Mami Indo | Outside Director

Profile

Having worked as an analyst and in consulting services 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.

Toward Realizing the Group Long-Term Vision

I will bring a long-term timeframe and social perspective to the debate, and do everything in my power to ensure the Group can build a better future.



Eriko Kawai | Outside Director

Profile

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.

Toward Realizing the Group Long-Term Vision

I will contribute to greater corporate value for the Group from the twin perspectives of defense and offense.



Yo Honma | Outside Director

Profile

Mr. Honma serves as Chief Corporate Advisor at NTT DATA Group Corporation. 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. He was appointed a director of Mitsui Fudosan in June 2025. He also serves as a member of the Nomination Advisory Committee and Compensation Advisory Committee.

Messages from Management

- 1 Mitsui Fudosan's Value Creation
- 2 Value Creation Strategies
- 3 Infrastructure That Supports the Strategies
- 4 Strategies by Business Segment
- 5 Appendix

PICK UP

- Interview with the CEO
- Message from the CFO
- Outside Directors' Discussion
- Human Resources Strategy
- Digital Transformation Strategy
- Sustainability Strategy

Outside Directors' Discussion

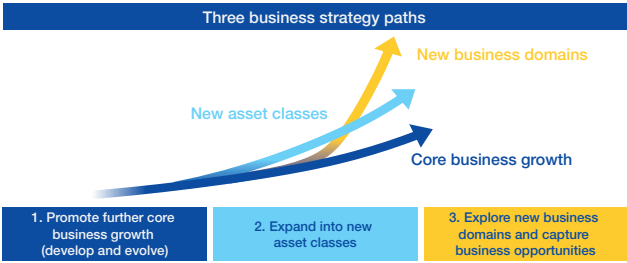
On Completing the Second Year of the Group Long-Term Vision

Honma Even from the perspective of someone serving their first year as director, I recognize that Mitsui Fudosan performed superbly in fiscal 2025. The Company achieved record high revenues and profits in every segment, and reached new heights for business income, ordinary income, and profit, all of which are remarkable achievements. Although this is something that also showed up in its performance, what really encouraged me was that the Group made steady headway with quality growth through the promotion of businesses that stayed true to its ideals. As represented by neighborhood creation in Nihonbashi, I feel the Group has continued to refine the value it delivers by fully pursuing office buildings where people want to work in cities people want to visit. This move has allowed it to successfully decouple from the market and distinguish itself. Although the Group has already spent some time on diversifying its revenue sources, a key point in this effort is the fact that its facility operations business, which includes the sports and entertainment business, has increasingly established itself as a fourth source of revenue alongside the leasing, property sales, and management businesses. I am therefore strongly encouraged by the Group's steady progress in enhancing its unique corporate value and in strengthening its brand power.

Kawai I agree. During the second year of the Group's long-term vision, Mitsui Fudosan achieved a good balance of growth in each segment along with greater revenue, which makes me, as an outside director, focus on my monitoring role with peace of mind. Despite now facing an evolving business climate that involves higher interest rates along with soaring construction and labor costs, the Group extended its top-line and revised plans as a means of driving business forward while securing profitability through methods that stayed true to its ideals, for example by improving business profitability. As Mr. Honma mentioned, I also see this in a positive light as evidence that the Group has developed comprehensive capabilities through the creation of neighborhoods that people want to visit. In addition, from the perspective of governance, the Group did a better job of clarifying its approach to the executive compensation system and the calculation formula in 2025, thereby enhancing the transparency of its explanations regarding the relationship between executive compensation and governance and improved capital efficiency, not just performance. I feel that this move further strengthened trust

among the capital markets. On the other hand, the weakening yen has expanded the balance sheet and interest-bearing debt, indicating to me that the Group must continue its efforts to diligently control these aspects of its business. This is a development that I intend to monitor closely.

Indo In fact, the Group was in the process of formulating its long-term vision just about the time of my appointment. Although the vision already included the concept of the "Three Paths" by this point, whereas the first of these paths (Core business growth) had a clear outlook, I honestly felt that the second path (New asset classes) and the third path (New business domains) were areas that would require a significant amount of effort. Now that the second year of the vision has come to an end, however, the second path now has better defined contours for the new asset class business model, as well as clearer contours for the sports and entertainment business. It also seems to me there is now greater clarity for the direction of domains for which future growth can be expected, like science-focused Lab & Office development and data centers. Similarly, in regard to the third path, the Group has supported the formation of communities in various industries through LINK-J, cross U, and RISE-A, where the Group has built relationships of trust with those who have participated in these programs. I think the Group's participation in the Kumamoto Science Park program is also a good example of this. Throughout the second year, the Group performed strongly enough to achieve its numerical targets ahead of schedule and steadily built a track record in the direction it had set out to pursue. Looking back over the past two years, I believe these quality results were very important. As Ms. Kawai just mentioned, both the Company's profit and loss and balance sheet have undergone structural changes over the years due to the expansion of the overseas business and a weakening yen, so it is my opinion that a future key issue is building a more robust management platform in light of these changes in the financial structure.



Expectations and Outstanding Issues for the Third Year of the Group Long-Term Vision

Honma When it comes to management, thoroughly following through on the decisions that have been made is important. As the third year of the long-term vision, I expect fiscal 2026 to be a time in which the Group appropriately reflects within pricing the unique added value and brand that it refined through the first path. In addition, it must create new businesses that combine each of these three paths in a way that consistently monetizes outcomes. As far as the third path is concerned, I am highly supportive of the Group's unique initiatives to establish ecosystems as an industry developer. Similarly, now that its flagship New York properties in the United States have entered stable operations as part of the overseas business, thereby establishing a rock-solid revenue foundation, I expect the Group to transition into the profit growth phase by accelerating asset turnover while maintaining relationships built on trust with its local partners.

Kawai The overseas business has expanded to the point where assets located outside Japan now account for 30% of the Group's total, and I hope to see this business further evolve into a presence that underpins profit growth Group-wide. I would also like to see the Group circulate the advanced knowledge and business models it has acquired overseas back to Japan, and elevate these into new business models that are unique to the Group. On the other hand, looking at macro developments in the external environment, the Group faces significant uncertainty under today's inflationary environment, exemplified by rising interest rates along with soaring construction and labor costs. By steadily advancing its existing initiatives, however, I still believe the Group can achieve its quantitative targets for around 2030, namely an EPS growth rate of 8% or higher per year (CAGR) and an ROE of 10% or higher. Yet I want to see the Group expand the fee business by among other measures leveraging third-party capital to help control interest-bearing debt, steering the Group toward more efficient profit growth.

Indo As you just mentioned, Ms. Kawai, uncertainty in the macro environment might just make fiscal 2026 the most challenging year of the Group's long-term vision. Precisely because the Group achieved its quantitative targets ahead of time in the second year, during the third year management must guide the Group in a way that anticipates the future. For example, as part of the rotating asset strategy that has

Messages from Management

- 1 Mitsui Fudosan's Value Creation
- 2 Value Creation Strategies
- 3 Infrastructure That Supports the Strategies
- 4 Strategies by Business Segment
- 5 Appendix

PICK UP

- Interview with the CEO
- Message from the CFO
- Outside Directors' Discussion
- Human Resources Strategy
- Digital Transformation Strategy
- Sustainability Strategy

Outside Directors' Discussion

driven results to date, the Group must make intelligent judgements, based on interest rates and the inflationary environment, as to whether it should move at the same pace or if it should vary that pace in light of prevailing circumstances. I therefore intend to more deeply debate the structure of the business portfolio, along with the timeframe for investment recovery and capital allocation, in a way that helps the Group achieve future growth while adapting flexibly to changes in the external environment.

Share Price Awareness and Communication with Capital Markets

Kawai Equities markets tend to focus on short-term, visible numbers and consensus for the coming fiscal year, which indicates to me that share prices are partially determined from the perspective of whether performance exceeds near-term forecasts. Yet the true value of the Group lies in its long-term urban development capabilities that are difficult to measure using figures for the year ahead alone, as with its neighborhood creation projects in the Tsukiji District and its riverfront redevelopment projects in Nihonbashi. I would therefore like to see the Group's businesses seek to acquire a positive reputation on the equities markets regarding their projects and business value along this longer timeframe by communicating through detailed explanations that indicate these will generate value over time. Moreover, effective net asset value (NAV), which is based on unrealized gains including real estate for sale and the abundance of the development pipeline, will emerge as a factor that shores up the Group when the share price hits a downward trend. Which is why I believe that thoroughly explaining the value of assets held by the Group along with their future growth potential is essential to supporting the Group during the downsides of unavoidable sector cycles on equities markets.

Indo As with Ms. Kawai, I also believe it is extremely important for share price evaluations to consider the timespans over which companies conduct business. One feature of the real estate business is the long duration of its projects. Which is why I feel there are limits to judging the propriety of how the Group's management is steered based solely on short-term share price trends. Meanwhile, the Group must carefully analyze the factors behind any gaps between corporate value as seen by the Company and market capitalization. In other

words, instead of implementing short-term share price measures, the Group should engage in the process of searching out underlying factors and communicating a message to capital markets from a long-term standpoint in order to deepen their understanding.

Honma Judging from the Group's capabilities and growth potential, I feel that the current share price still leaves much room for growth. In order to drive the share price up, however, the Group must increase the number of individual shareholders and expand the Company's fan base. The Group possesses retail facilities, hotels, arenas, Tokyo Dome, and other powerful contact points that allow everyday people to experience its brand. Yet I do not feel it has fully connected that strength and appeal to a broader shareholder base. The key here is conveying to individual investors difficult things in simple terms, simple concepts deeply, and deep ideas in an interesting manner. Moreover, instead of simply explaining the "Three Paths" to institutional investors, the Group must work to communicate this concept as a story of growth in an easy-to-understand manner. For example, I believe that approaching a more appropriate share price will require the Group to translate and deliver its efforts to coexist with the environment, which it has communicated as & EARTH for Nature, in a way that goes beyond their economic value. Specifically, this message should include the kinds of social value that these efforts generate in the form of a story of growth that integrates the resulting economic and social value. [P.66](#)

Effectiveness of the Board of Directors

Honma I feel that the command exercised by the chairperson of the Group's Board of Directors has been spot-on in terms of its operations. Similarly, I give the Board's approach to discussions high marks in regard to their depth under a healthy air of tension, for example, in how the executive side, with its extremely detailed understanding of businesses and markets, and the outside directors, with their respective areas of expertise, exchange views and questions in a lively manner. In addition, at meetings of the Board of Directors, the Company conducts progress reports regarding the execution of duties, under which each division provides a detailed report once a year on the status of its business, key issues, and responses. While serving as a valuable opportunity for us as outside directors

to better understand the frontlines, I feel these reports also serve as an excellent opportunity for those on the frontlines to organize and debate the issues faced by their own divisions. That this effort goes beyond simple reporting to function as a system of PDCA cycles is remarkable. [P.75](#)

Kawai Because we receive detailed explanations from the secretariat in advance of the Board of Directors meetings, this helps us deepen our understanding of the agenda items on the date of the meetings and creates an environment in which it is easy to candidly express our views. The secretariat also shares the details of discussions held at Executive Management Committee meetings. This allows us to grasp the problems as sensed by the executive side, thereby bringing clarity to the issues up for debate during discussions by the Board of Directors, leading to more effective discussions. Moreover, in the survey conducted each year to evaluate the effectiveness of the Board of Directors, I feel that the secretariat carefully organizes and analyzes feedback and suggestions for improvement from outside officers and continuously applies them to improve the Board's operations. [P.75](#)

Indo Now that Mitsui Fudosan shares details of Executive Management Committee meetings, we are better able to focus on the actual matters we should discuss during meetings of the Board. I think this initiative has helped enhance the quality of debate by the Board of Directors. Moreover, the opportunities we get to tour local sites in Japan and abroad are also highly meaningful. During the tour of Taiwan last year, we had the chance to converse directly with those on the frontlines, and were able to directly experience the business models, strategies, and frontline issues that we could never have fully understood from documents alone. Speaking face-to-face with those on the frontlines offers important opportunities for the outside directors, so I hope to see these continue in the future. [P.75](#)



Tour of LaLaport TAICHUNG in Taiwan

Messages from Management

1 Mitsui Fudosan's Value Creation

2 Value Creation Strategies

3 Infrastructure That Supports the Strategies

4 Strategies by Business Segment

5 Appendix

PICK UP

Interview with the CEO

Message from the CFO

Outside Directors' Discussion

Human Resources Strategy

Digital Transformation Strategy

Sustainability Strategy

Outside Directors' Discussion

Aspirations for the Third Year of the Group's Long-Term Vision

Indo I see it as my role to support healthy risk taking by management. In order to realize the corporate message, “Transforming the city Transforming the future,” the Group must incorporate AI and other technologies into neighborhood creation and support next-generation innovation as an industry developer. Meanwhile, we have even seen some companies with long histories lose significant corporate value following the incidence of a single scandal. Which is why protecting the trust earned from stakeholders is another core duty held by the outside directors. Under the twin perspectives of offense in support of growth and defense to prevent damage to corporate value, I intend to help the Group sustainably increase value into the future.

Honma I intend to help drive up corporate value by handling defensive as well as offensive governance in a well-balanced manner. From a defensive perspective, I will firmly monitor interest-bearing debt, the interest burden, and geopolitical risks, while from an offensive

perspective, I hope to support management in taking on challenges so that it does not miss business opportunities as the Group turns toward the second half of its long-term vision.

Kawai I believe that the outside directors are required to take the perspectives of shareholders, society as a whole, and future generations. The urban development projects in which the Group is involved include those that transform the very cities themselves over long periods of time, like the neighborhood creation projects in the Tsukiji District and the riverfront redevelopment projects in Nihonbashi. Although it is important for us to consider these projects with the same depth of understanding regarding the issues as the management team, at the same time we must consider the value these projects offer in a way that goes beyond today's generations to include the people and communities who will use these neighborhoods in the future. This means another one of our roles is to speak candidly whenever we feel something is off, without ever sacrificing our objective perspectives as outside directors. By bringing a long-term timeframe and social perspective to discussions, I will do everything in my power to ensure the Group can build a better future.



Toward Realizing the Group Long-Term Vision

I will support a balance between growth and capital efficiency from a long-term investor perspective.



Takashi Hibino | Outside Director

Looking back over the second year of the Group long-term vision “& INNOVATION 2030,” I feel I can truly give high marks for fiscal 2025 in terms of the Group's achievement of its profit and ROE targets for fiscal 2026 one year ahead of schedule. Amid a business climate that has not necessarily been easy to manage given soaring construction costs and rising interest rates, the Group was able to deliver results that exceeded plans, which I recognize as having further strengthened trust in the Group's business models and management.

On the other hand, having achieved these targets ahead of schedule means there is even greater anticipation for the Group to reach its fiscal 2030 levels early on. In particular, achieving an ROE of 10% or higher on a sustained basis is a key priority on which many investors have high expectations. In addition to steady growth in the Group's core businesses, the Company must also balance revenue growth with greater capital efficiency by ensuring that initiatives involving new asset classes and new business domains are organically linked and contribute to both profit growth and greater capital efficiency.

As an outside director, from the perspective of long-term investors, I will encourage constructive debate through deeper dialogue with capital markets and the appropriate use of capital, thereby contributing to the steady advancement of this policy. Moreover, because the Group's vision of contributing to society as an industry developer aligns with Japan's efforts to deploy new growth strategies that seek a strong economy, I intend to fully support the Group's journey toward achieving its goals.

Messages from Management

1 Mitsui Fudosan's Value Creation

2 Value Creation Strategies

3 Infrastructure That Supports the Strategies

4 Strategies by Business Segment

5 Appendix

PICK UP

Interview with the CEO

Message from the CFO

Outside Directors' Discussion

Human Resources Strategy

Digital Transformation Strategy

Sustainability Strategy

Expanding Our Corporate Value

We will expand our corporate value by improving the Group's growth potential while reducing the cost of capital, and by working to create value based on social value and economic value.



Messages from Management

- 1 Mitsui Fudosan's Value Creation
- 2 Value Creation Strategies
- 3 Infrastructure That Supports the Strategies
- 4 Strategies by Business Segment
- 5 Appendix

PICK UP

- Interview with the CEO
- Message from the CFO
- Outside Directors' Discussion
- Human Resources Strategy
- Digital Transformation Strategy
- Sustainability Strategy