

FINANCIAL REPORT

NETSUI FUDOSAN

Year ended March 31, 2024

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FINANCIAL REPORT
Year ended March 31, 2024

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Consolidated Financial Statements

Consolidated Balance Sheets
Mitsui Fudosan Co., Ltd. and its Subsidiaries
As of March 31, 2024 and 2023

	Millions of yen	
	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 4)	¥179,249	¥132,311
Notes and accounts receivable - trade, and contract assets (Note 4, 19)	77,592	71,221
Marketable securities (Note 4, 5)	92	132
Inventories (Note 8, 13)	2,368,117	2,159,675
Advances paid for purchases (Note 9)	24,286	23,855
Short-term loans receivable	13,761	16,891
Equity investments in properties for sale (Note 4)	5,524	9,775
Other current assets	372,602	334,380
Allowance for doubtful accounts	(1,987)	(731)
Total current assets	3,039,236	2,747,509
PROPERTY and EQUIPMENT, at cost:		
Buildings and structures (Note 7, 13, 24)	2,842,661	2,700,021
Machinery and equipment (Note 24)	509,787	468,972
Land (Note 7, 13)	2,212,189	2,219,068
Construction in progress	138,603	102,781
	5,703,240	5,490,842
Accumulated depreciation	(1,346,208)	(1,236,049)
Net property and equipment (Note 25)	4,357,032	4,254,793
INVESTMENTS and OTHER ASSETS		
Investments in unconsolidated subsidiaries and affiliated companies	574,919	443,387
Investment securities (Note 4, 5)	894,548	814,738
Non-current loans	13,904	8,939
Lease deposits (Note 4, 10)	172,879	172,291
Net defined benefit asset (Note 12)	85,445	64,757
Deferred income taxes (Note 11)	25,212	25,762
Deferred tax assets on land revaluation	610	699
Other	326,962	309,666
Allowance for doubtful accounts	(1,220)	(1,144)
Total investments and other assets	2,093,259	1,839,095
Total assets	¥9,489,527	¥8,841,397

See accompanying notes.

	Millions of yen	
	2024	2023
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Notes and accounts payable - trade (Note 4)	¥131,203	¥147,986
Bank loans (Note 4, 13)	270,672	153,290
Commercial paper (Note 4, 13)	27,000	78,000
Long-term debt due within one year (Note 4, 13)	396,493	571,627
Accrued expenses	72,706	73,030
Accrued income taxes	63,543	41,629
Advances and deposits received	157,786	134,195
Contract liabilities (Note 19)	196,676	178,190
Other current liabilities (Note 13, 14)	123,935	123,895
Total current liabilities	1,440,014	1,501,842
LONG-TERM LIABILITIES		
Net defined benefit liability (Note 12)	39,107	45,673
Allowance for directors' and corporate auditors' retirement benefits	560	800
Long-term debt due after one year (Note 4, 13)	3,736,258	3,245,615
Deposits from tenants (Note 4, 13, 15)	463,954	456,583
Deferred income taxes (Note 11)	308,502	286,734
Deferred tax liabilities on land revaluation	78,715	91,088
Other long-term liabilities (Note 14)	187,760	181,841
Total long-term liabilities	4,814,856	4,308,334
CONTINGENT LIABILITIES (Note 27)		
NET ASSETS (Notes 16, 17)		
Shareholders' equity *		
Common stock	341,001	340,553
Authorized - 3,290,000,000 shares		
Issued— 936,877,907 shares in 2024 and 948,451,327 shares in 2023		
Capital surplus	311,428	366,604
Retained earnings	1,658,822	1,499,572
Treasury stock – 2,827,200 shares in 2024 and 14,951,532 shares in 2023	(7,256)	(38,354)
Total shareholders' equity	2,303,995	2,168,375
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	480,101	426,950
Deferred gains on hedging instruments	17,201	16,073
Reserve on land revaluation	167,068	194,901
Foreign currency translation adjustments	105,580	67,710
Accumulated adjustments for retirement benefit	36,144	26,718
Total accumulated other comprehensive income	806,094	732,352
Subscription rights to shares (Note 18)	880	1,291
Non-controlling interests	123,688	129,203
Total net assets	3,234,657	3,031,221
Total liabilities and net assets	¥9,489,527	¥8,841,397

* The Company conducted a stock split on April 1, 2024, whereby each share of common stock was split into three shares. Number of shares of common stock shown in the Consolidated Balance Sheets represents the number of shares prior to the stock split.

See accompanying notes.

Consolidated Statements of Income
Mitsui Fudosan Co., Ltd. and its Subsidiaries
For the years ended March 31, 2024 and 2023

	Millions of yen	
	2024	2023
Revenue from operations (Note 19, 25)	¥2,383,289	¥2,269,103
Cost of revenue from operations	(1,790,164)	(1,742,425)
Selling, general and administrative expenses	(253,434)	(221,273)
Operating income (Note 25)	339,691	305,405
Interest, dividends and miscellaneous income (Note 21)	83,743	60,278
Interest expense	(74,535)	(55,458)
Other expenses (Note 20, 22)	(18,808)	(21,619)
Equity in net income of affiliated companies	3,974	7,325
Income before income taxes	334,065	295,931
Income taxes (Note 11)		
Current	112,599	90,792
Deferred	(6,222)	1,765
Total income taxes	106,377	92,557
Net income	227,688	203,374
Net income attributable to non-controlling interests	(3,041)	(6,375)
Net income attributable to shareholders of the Company	¥224,647	¥196,999

See accompanying notes.

Consolidated Statements of Comprehensive Income
Mitsui Fudosan Co., Ltd. and its Subsidiaries
For the years ended March 31, 2024 and 2023

	Millions of yen	
	2024	2023
Net income	¥227,688	¥203,374
Other comprehensive income (loss):		
Net unrealized holding gains (losses) on securities	52,934	(44,829)
Deferred gains on hedging instruments	733	6,817
Reserve on land revaluation	-	684
Foreign currency translation adjustments	13,340	41,416
Adjustments for retirement benefit	9,545	(1,640)
Equity in other comprehensive income of affiliated companies	25,494	17,691
Total other comprehensive income	102,046	20,139
Total comprehensive income	¥329,734	¥223,513
Comprehensive income attributable to:		
Shareholders of the Company	¥326,222	¥214,383
Non-controlling interests	3,512	9,130
Total	¥329,734	¥223,513

See Note 23.

PER SHARE INFORMATION

	Yen	
	2024	2023
Net assets per share *1, *2	¥1,109.9	¥1,035.8
Net income per share *2		
- Basic	80.2	69.3
- Diluted	80.1	69.3
Cash dividends *3	84.0	62.0

*1 Net assets per share information does not include subscription rights to shares and non-controlling interests.

*2 The Company conducted a stock split on April 1, 2024, whereby each share of common stock was split into three shares. Net income per share is based on the number of shares after the stock split.

*3 Cash dividends represent the actual per share amounts paid prior to the stock split.

See accompanying notes.

Consolidated Statements of Changes in Net Assets
Mitsui Fudosan Co., Ltd. and its Subsidiaries
For the years ended March 31, 2024 and 2023

Millions of yen													
	Shares of common stock (thousands) *	Shareholders' equity				Accumulated other comprehensive income (loss)					Subscription rights to shares	Non-controlling interests	Total net assets
		Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized holding gains (losses) on securities	Deferred gains (losses) on hedging instruments	Reserve on land revaluation	Foreign currency translation adjustment	Defined benefit pension plans			
BALANCE AT APRIL 1, 2022	959,474	¥ 340,163	¥ 372,472	¥1,390,511	¥(21,582)	¥471,795	¥10,303	¥194,160	¥10,430	¥28,223	¥1,340	¥115,938	¥2,913,753
Cumulative effects of the changes in accounting policies	-	-	-	174	-	-	-	-	-	-	-	-	174
BALANCE AT APRIL 1, 2022, as adjusted for cumulative effects of the changes in accounting policies	959,474	340,163	372,472	1,390,685	(21,582)	471,795	10,303	194,160	10,430	28,223	1,340	115,938	2,913,927
Issuance of restricted stock	262	390	390	-	-	-	-	-	-	-	-	-	780
Cash dividends paid	-	-	-	(59,867)	-	-	-	-	-	-	-	-	(59,867)
Net income attributable to shareholders of the Company	-	-	-	196,999	-	-	-	-	-	-	-	-	196,999
Reversal of reserve on land revaluation, net of tax	-	-	-	(57)	-	-	-	741	-	-	-	-	684
Purchase of treasury stock	-	-	-	-	(45,010)	-	-	-	-	-	-	-	(45,010)
Sales of treasury stock	-	-	(21)	-	71	-	-	-	-	-	-	-	50
Retirement of treasury stock	(11,285)	-	(28,167)	-	28,167	-	-	-	-	-	-	-	-
Change in the Company's equity due to transactions with non-controlling interests	-	-	8	-	-	-	-	-	-	-	-	-	8
Capital transactions with non-controlling interests	-	-	(6,266)	-	-	-	-	-	-	-	-	-	(6,266)
Transfer of retained earnings to capital surplus	-	-	28,188	(28,188)	-	-	-	-	-	-	-	-	-
Net unrealized holding gains on securities	-	-	-	-	-	(44,845)	-	-	-	-	-	-	(44,845)
Deferred gains on hedging instruments	-	-	-	-	-	-	5,770	-	-	-	-	-	5,770
Foreign currency translation adjustment	-	-	-	-	-	-	-	-	57,280	-	-	-	57,280
Defined benefit pension plans	-	-	-	-	-	-	-	-	-	(1,505)	-	-	(1,505)
Subscription rights to shares	-	-	-	-	-	-	-	-	-	-	(49)	-	(49)
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	13,265	13,265
BALANCE AT MARCH 31, 2023	948,451	340,553	366,604	1,499,572	(38,354)	426,950	16,073	194,901	67,710	26,718	1,291	129,203	3,031,221
BALANCE AT APRIL 1, 2023	948,451	340,553	366,604	1,499,572	(38,354)	426,950	16,073	194,901	67,710	26,718	1,291	129,203	3,031,221
Cumulative effects of the changes in accounting policies	-	-	-	27	-	-	-	-	-	-	-	-	27
BALANCE AT APRIL 1, 2023, as adjusted for cumulative effects of the changes in accounting policies	948,451	340,553	366,604	1,499,599	(38,354)	426,950	16,073	194,901	67,710	26,718	1,291	129,203	3,031,248
Issuance of restricted stock	312	448	448	-	-	-	-	-	-	-	-	-	896
Cash dividends paid	-	-	-	(62,563)	-	-	-	-	-	-	-	-	(62,563)
Net income attributable to shareholders of the Company	-	-	-	224,647	-	-	-	-	-	-	-	-	224,647
Reversal of reserve on land revaluation, net of tax	-	-	-	27,833	-	-	-	(27,833)	-	-	-	-	-
Purchase of treasury stock	-	-	-	-	(23)	-	-	-	-	-	-	-	(23)
Sales of treasury stock	-	-	(210)	-	636	-	-	-	-	-	-	-	426
Retirement of treasury stock	(11,885)	-	(30,485)	-	30,485	-	-	-	-	-	-	-	-
Change in the Company's equity due to transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital transactions with non-controlling interests	-	-	(55,623)	-	-	-	-	-	-	-	-	-	(55,623)
Transfer of retained earnings to capital surplus	-	-	30,694	(30,694)	-	-	-	-	-	-	-	-	-
Net unrealized holding gains on securities	-	-	-	-	-	53,151	-	-	-	-	-	-	53,151
Deferred gains on hedging instruments	-	-	-	-	-	-	1,128	-	-	-	-	-	1,128
Foreign currency translation adjustment	-	-	-	-	-	-	-	-	37,870	-	-	-	37,870
Defined benefit pension plans	-	-	-	-	-	-	-	-	-	9,426	-	-	9,426
Subscription rights to shares	-	-	-	-	-	-	-	-	-	-	(411)	-	(411)
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(5,515)	(5,515)
BALANCE AT MARCH 31, 2024	936,878	¥341,001	¥311,428	¥1,658,822	¥(7,256)	¥480,101	¥17,201	¥167,068	¥105,580	¥36,144	¥880	¥123,688	¥3,234,657

* The Company conducted a stock split on April 1, 2024, whereby each share of common stock was split into three shares. Number of shares of common stock (thousands) shown in the table represents the number of shares prior to the stock split.

See accompanying notes.

Consolidated Statements of Cash Flows
Mitsui Fudosan Co., Ltd. and its Subsidiaries
For the years ended March 31, 2024 and 2023

	Millions of yen	
	2024	2023
Cash flows from operating activities:		
Income before income taxes	¥334,065	¥295,931
Adjustments to reconcile income before income taxes to net cash provided by operating activities		
Depreciation and amortization	133,727	125,299
Interest and dividend income	(9,632)	(8,483)
Interest expense	74,535	55,458
Equity in net income of affiliated companies	(3,974)	(7,325)
Loss on step acquisitions	-	2,172
Gain on sales of investment securities	(54,120)	(44,077)
Impairment loss on investment securities	-	3,138
Gain on sale of property and equipment	(4,433)	-
Loss on disposal of property and equipment	-	8,195
Increase in accounts receivable	(5,770)	(9,247)
Increase in accounts payable	6,302	8,475
Increase in real property for sale and advances paid for purchases	(193,645)	(170)
Other, net	113,848	17,969
Subtotal	390,903	447,335
Interests and dividends received	15,231	14,234
Interests paid	(74,328)	(54,060)
Income taxes paid	(90,109)	(109,800)
Net cash provided by operating activities	241,697	297,709

	Millions of yen	
	2024	2023
Cash flows from investing activities:		
Purchases of property and equipment	(220,833)	(362,745)
Proceeds from sale of property and equipment	39,545	12,242
Purchases of investment securities	(131,836)	(94,803)
Proceeds from sale of investment securities	77,370	50,599
Payments of lease deposits	(13,094)	(17,763)
Proceeds from collections of lease deposits	11,823	16,582
Repayments of deposits from tenants	(39,866)	(39,826)
Proceeds from deposits from tenants	46,528	51,782
Increase in loans receivable	(11,353)	(15,950)
Proceeds from collections of loans receivable	13,716	17,954
Transfers to time deposits	(4,342)	(1,354)
Proceeds from refunds of time deposits	1,628	3,141
Purchases of shares of subsidiaries resulting in change in scope of consolidation	(37,617)	(6,768)
Other, net	(18,657)	(35,126)
Net cash used in investing activities	(286,988)	(422,035)
Cash flows from financing activities:		
Proceeds from bank loans and commercial paper	2,535,117	1,845,997
Repayments of bank loans and commercial paper	(2,486,420)	(1,791,249)
Proceeds from long-term debt	617,176	518,036
Repayments of long-term debt	(576,420)	(340,903)
Proceeds from issuance of bonds	243,360	118,840
Payments for redemption of bonds	(104,850)	(114,395)
Cash dividends paid	(62,552)	(59,853)
Proceeds from non-controlling shareholders	2,870	8,360
Payments of dividends to non-controlling shareholders	(14,110)	(10,908)
Repayments of capital to non-controlling shareholders	(2,555)	(1,741)
Payments related to capital transaction with non-controlling shareholders	(81,440)	(6,266)
Repayments of lease obligations	(10,467)	(10,125)
Net increase in treasury stocks	(21)	(45,008)
Proceeds from sale of consolidated subsidiaries not resulting in change in scope of consolidation	-	663
Other, net	300	-
Net cash provided by financing activities	59,988	111,448
Effect of exchange rate changes on cash and cash equivalents	32,241	4,997
Net increase (decrease) in cash and cash equivalents	46,938	(7,881)
Cash and cash equivalents at beginning of year	132,311	142,682
Decrease in cash and cash equivalents due to exclusion of subsidiaries from consolidation	-	(2,490)
Cash and cash equivalents at end of year	¥179,249	¥132,311

See accompanying notes.

Notes to Consolidated Financial Statements

Mitsui Fudosan Co., Ltd. and its Subsidiaries

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Mitsui Fudosan Co., Ltd. (the “Company”) have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

The accounts of overseas subsidiaries and affiliated companies are based on their accounting records maintained in conformity with generally accepted accounting principles prevailing in the respective countries of domicile. In compliance with the accounting standards, “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” issued by Accounting Standards Board of Japan, hereafter ASBJ, (ASBJ PITF No. 18) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (ASBJ PITF No. 24), certain adjustments, which are not recorded in the statutory books of overseas subsidiaries, are incorporated in the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law (“statutory Japanese language consolidated financial statements”). The accompanying consolidated financial statements have been restructured and translated into English (with some expanded descriptions) from the statutory Japanese language consolidated financial statements. Some supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

(A) CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its subsidiaries. The difference between the cost and the underlying net equity at fair value of investments in consolidated subsidiaries and in equity method investees is amortized over a period of 5 years. If the amount is immaterial, it is fully recognized currently in earnings.

The difference between the cost and the underlying net equity at fair value of investments in consolidated subsidiaries is recorded as goodwill.

All significant inter-company accounts and transactions have been eliminated. In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to non-controlling shareholders, are recorded based on the fair value at the time the Company acquired control of the respective subsidiaries.

(B) USE OF ESTIMATES

The preparation of the consolidated financial statements in conformity with the generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Refer to (Y) for significant accounting estimates.

(C) EQUITY METHOD

Investments in all significant affiliated companies are accounted for by the equity method and, accordingly, stated at cost adjusted for equity in undistributed earnings and losses from the date of acquisition.

(D) TRANSLATION OF FOREIGN CURRENCY ACCOUNTS

Foreign currency receivables and payables are translated at appropriate year-end rates and the resulting translation gains or losses are taken into income currently.

Financial statements of consolidated overseas subsidiaries are translated into Japanese yen at the year-end rate, except that shareholders' equity accounts are translated at historical rates and income statement items resulting from transactions with the Company at the rates used by the Company. Differences arising from translation are presented as "Foreign currency translation adjustments" in accumulated other comprehensive income under net assets section.

(E) CASH AND CASH EQUIVALENTS

Deposits in banks and short-term investments which are highly liquid, readily convertible to cash and with insignificant risk of market value fluctuation, with a maturity of three months or less at the time of purchase are treated as cash equivalents.

(F) SECURITIES

Held-to-maturity securities are stated at amortized cost.

Other securities other than those without market prices are stated at fair value. Unrealized gains and unrealized losses on these securities are reported, net of applicable income taxes, as a separate component of accumulated other comprehensive income under net assets section. Realized gains and losses on sale of such securities are computed using moving-average cost.

Other securities without market prices are stated at moving-average cost.

The Company and its consolidated subsidiaries recognize losses for the difference between the fair value and the carrying amount when the fair value significantly declines. The Company and its consolidated subsidiaries consider the decline to be significant when the fair value of the other securities declines more than 50% of the carrying amount. When the fair value of the other securities declines from 30% to less than 50% of the carrying amount, the decline is also determined to be significant if the fair value of the securities is considered not to be recoverable to the carrying amount.

If the net realizable value of the securities without fair value declines significantly below the carrying amount, it is written down to net realizable value with a corresponding charge in the statements of income.

(G) INVENTORIES, REVENUE AND RELATED COSTS

The Company and its consolidated subsidiaries have followed accounting standard, "Accounting Standard for Measurement of Inventories" (ASBJ Statement No.9). Under the standard, inventories are initially recorded at acquisition cost, and when net realizable value is less than the cost (i.e., profitability of inventory has declined), the cost basis is reduced to net realizable value. Costs are determined mainly by the specific identification method and do not include interest and administrative expenses incurred during or after development of real estate, which are charged to income when incurred.

The Company and its consolidated subsidiaries have followed "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and the related standard commencing on April 1, 2021. Descriptions of the performance obligations and timing of satisfying the performance obligations (i.e., timing of revenue recognition) in revenue arising from contracts with customers regarding the major businesses of the Company and its consolidated subsidiaries are summarized below.

1. Performance obligations satisfied at a point in time

In "property sales business", performance obligations are satisfied when properties are delivered based on the real estate sales contracts with customers. In real estate brokerage operations of "management business", performance obligations are satisfied upon conclusions of contracts and delivery of properties based on the real estate brokerage contracts with customers. Revenues from these operations are recognized at a point in time of delivery of the properties when performance obligations are satisfied. In hotel and resort business of "facility operations", the Company and its consolidated subsidiaries run hotels, resort facilities and other facilities to provide accommodation and other services. Sports and

entertainment business of “facility operations” provide entertainment and other services. Performance obligations in these operations are satisfied when customers receive the benefits of using the facilities, at which point in time revenues are recognized.

2. Performance obligations satisfied over time

In property management operations of the “management business”, the Company and its consolidated subsidiaries are obligated to provide administration, cleaning, maintenance and other services related to real estate based on contracts with customers. Revenues from these operations are mainly recognized over time as performance obligations are satisfied by a transfer of control over services to the customers throughout the contract period.

In new construction and renovation operations of “other business”, the Company and its consolidated subsidiaries are obligated to perform constructions based on building construction contract with customers. Revenues from these operations are mainly recognized over time according to the progress of construction over the contract period, by which performance obligations are satisfied. Progress of construction is measured at cost accrued against estimated total cost.

Considerations are generally collected within approximately one year after satisfaction of performance obligations and do not include significant financial elements.

Revenues from leasing of office buildings, retail facilities and other are recognized in accordance with “Accounting Standard for Lease Transactions” (ASBJ Statement No.13, March 30, 2007). Refer to (O) ACCOUNTING FOR LEASE TRANSACTIONS.

(H) PROPERTY AND EQUIPMENT, RELATED DEPRECIATION AND REVALUATION – excluding leased assets

Property and equipment are carried mainly at cost.

When disposed of, the cost and related accumulated depreciation or revaluation of property and equipment are removed from the respective accounts and the net difference, less any amounts realized on disposal, is reflected in the statements of income.

Depreciations of property and equipment listed below are calculated by using the straight-line method over the estimated useful lives of the assets.

1. Office buildings (excluding building improvements) of the Company
2. Buildings (excluding building improvements) acquired by the Company and the domestic consolidated subsidiaries after April 1, 1998
3. Property and equipment of the overseas consolidated subsidiaries
4. Building improvements and structures acquired by the Company and the domestic consolidated subsidiaries after April 1, 2016

For buildings on fixed term leasehold, the Company computes depreciation using the straight-line method, over its lease term assuming no residual value.

Depreciations of other property and equipment are computed by the declining-balance method over the estimated useful lives of the assets.

(I) IMPAIRMENT LOSSES ON FIXED ASSETS

The Company and its consolidated subsidiaries have followed “Accounting Standard for Impairment of Fixed Assets” (“Opinion on Establishment of Accounting Standards for Impairment of Fixed Assets” issued by the Business Accounting Deliberation Council) and “Guidance on Accounting Standard for Impairment of Fixed Assets” (ASBJ Guidance No. 6). The accounting standards require that fixed assets be tested for recoverability whenever events or changes in circumstances indicate that the assets may be impaired. When the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those assets, the net carrying value of assets not recoverable is reduced to recoverable amounts. Recoverable amounts are measured by net realizable values or values in current use. Net realizable values are determined mainly based upon appraisal value calculated by real-estate appraisers. Values in current use are calculated based on the present values of future cash flows.

Accumulated impairment losses are deducted from book values of related fixed assets.

(J) LAND REVALUATION

Pursuant to the Law Concerning Land Revaluation and the revisions thereof, the Company and certain consolidated subsidiaries revalued land used for business activities on March 31, 2002.

The land prices for revaluation were determined based on the appraisal prices by real estate appraisers in accordance with Article 2, Paragraph 5 of the Enforcement Ordinance Concerning Land Revaluation. The difference between quoted appraisal value and the carrying amount is recorded, net of applicable income taxes, as "Reserve on land revaluation" as a separate component of accumulated other comprehensive income under the net assets section.

(K) GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets are included in "Other" under caption of "INVESTMENTS and OTHER ASSETS."

Goodwill is amortized over a period of 5 years under straight-line method. If the amount is immaterial, it is fully recognized currently in earnings.

Other intangible assets are amortized under the straight-line method. Software (for internal use) is amortized over its estimated useful lives of 5 years.

(L) ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Company and its consolidated subsidiaries provide for doubtful accounts principally at an amount computed based on the historical bad debt ratio during a certain reference period plus an estimated uncollectible amount based on the analysis of certain individual accounts, including claims in bankruptcy.

(M) EMPLOYEES' RETIREMENT BENEFITS

The Company has a retirement plan which provides for lump-sum payment and annuity. Upon retirement age, a regular employee is entitled to receive a lump-sum payment and an annuity, or in certain cases at the option of the retiring employee, the full amount of the retirement benefits may be paid in a lump-sum. The retirement benefits are based primarily upon the years of employee's service and monthly pay at the time of retirement.

The Company and its consolidated subsidiaries record net defined benefit asset and liability at fiscal year-end based on the estimated amounts of projected benefit obligation and the fair value of the plan assets at that date.

The benefit formula method is adopted as an allocation method for the projected retirement benefits. Prior service costs are allocated under the straight-line method over a certain number of years within the average remaining service years (1-10 years). Actuarial differences are allocated, beginning in the year following their occurrence, under the straight-line method over a certain number of years within the average remaining service years (5-10 years).

The Company's certain consolidated subsidiaries have calculated net defined benefit liability and retirement benefit expenses using the simplified method, under which defined benefit liability is provided at the amounts to be paid if all eligible employees would have voluntarily retired at year end.

(N) ALLOWANCE FOR DIRECTORS' AND CORPORATE AUDITORS' RETIREMENT BENEFITS

Allowance for retirement benefits for directors and corporate auditors of Mitsui Home Co., Ltd. and 29 other consolidated subsidiaries of the Company are provided at the amounts to be paid if all eligible directors and corporate auditors would have retired at year end under the internal guidelines.

(O) ACCOUNTING FOR LEASE TRANSACTIONS

The Company and its consolidated subsidiaries have followed "Accounting Standard for Lease Transactions" (ASBJ Statement No.13) and the "Implementation Guidance on Accounting Standard for Lease Transactions" ASBJ Guidance No.16).

Those standards require finance leases to be accounted for in a manner similar to the accounting treatment for ordinary sales transactions. Lessees are required to record assets and liabilities regarding finance leases with recognition of depreciation and interest expenses. Capitalized leased assets are depreciated under the straight-line method, over the lease term assuming no residual value. Lessors are required to recognize lease receivables or investments in leased assets along with related lease (interest) income.

It should be noted that finance leases which do not transfer ownership of the leased assets to lessees whose commencement day falls on or prior to March 31, 2008 are accounted for as operating leases.

(P) INCOME TAXES

Income taxes are provided for on the basis of income for financial statement purposes. The tax effect of temporary differences between the carrying amounts of assets and liabilities for financial statements and income tax purposes is recognized as deferred income taxes.

The Company and its consolidated domestic subsidiaries are subject to a corporate tax of approximately 23%, an inhabitant tax of approximately 5% and a deductible enterprise tax of approximately 4%, which in the aggregate resulted in a statutory income tax rate of approximately 31% for the years ended March 31, 2024 and 2023.

(Q) DERIVATIVES AND HEDGE ACCOUNTING

1. Hedge accounting

The Company and its consolidated subsidiaries defer recognition of gains or losses resulting from changes in fair value of derivative financial instruments until the related losses or gains on the hedged items are recognized, if derivative financial instruments are used as hedges and meet certain hedging criteria.

However, in cases where forward foreign exchange contracts are used as hedges and meet certain hedging criteria, forward foreign exchange contracts and hedged items are accounted for in the following manner:

- (1) If a forward foreign exchange contract is executed to hedge an existing foreign currency receivable or payable,
 - (a) the difference, if any, between the Japanese yen amount of the hedged foreign currency receivable or payable translated using the spot rate at the inception date of the contract and the book value of the receivable or payable is recognized in the income statements in the period which includes the inception date, and
 - (b) the discount or premium on the contract (that is, the difference between the Japanese yen amount of the contract translated using the contracted forward rate and that translated using the spot rate at the inception date of the contract) is recognized over the term of the contract.
- (2) If a forward foreign exchange contract is executed to hedge a future transaction denominated in a foreign currency, the future transaction will be recorded using the contracted forward rate, and no gains or losses on the forward foreign exchange contract are recognized.

Also, if interest rate swap contracts are used as hedge and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract was executed ("specified hedge accounting treatment").

2. The following summarizes hedging derivative financial instruments used by the Company and its consolidated subsidiaries and items hedged:

Hedging instruments:

- Forward foreign exchange contracts
- Foreign currency swap contracts
- Interest rate swap contracts

Hedged items:

Expected foreign currency transactions
Foreign currency debt
Borrowings and debentures

3. Hedge policy

The Company and its consolidated subsidiaries use interest rate swap contracts to hedge risk of fair value changes of borrowings due to fluctuating interest rates and risk of changes in cash flows. Exchange rate risk on borrowings made and debentures issued in non-functional currencies is hedged by utilizing currency swaps. Exchange rate risk on forecasted transactions to be settled in non-functional currencies is hedged by using forward foreign exchange contracts. Among these, all hedges that meet the criteria provided in "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (PITF No.40) are subject to the special treatment set forth therein. The details of the hedges to which PITF No.40 is applied are as follows.

Hedge accounting method:	Specified hedge accounting treatment
Hedging instrument:	Interest rate swap contracts
Hedged item:	Borrowings and debentures
Hedging purpose:	Cash flow hedge

4. Assessment of hedge effectiveness

The assessment of hedge effectiveness is performed by comparing the accumulated change in the fair value or cash flows of the hedged item to those of the hedging instrument over the term of the relationship. Interest rate swap transactions accounted for under specified hedge accounting treatment is excluded from the effectiveness assessment.

(R) EQUITY INVESTMENTS REGARDING REAL ESTATE SECURITIZATION-RELATED BUSINESS

Equity investments in tokumei-kumiai, or silent partnerships ("TK"), preferred securities issued by tokutei-mokuteki-kaisha, or specific purpose companies ("TMK") and others regarding real estate securitization-related business (collectively, "equity investments") are presented in the balance sheets as follows. Equity investments held for sale are presented as "Equity investments in properties for sale" under "CURRENT ASSETS" and those held other than for sale are presented as "Investment securities" under "INVESTMENTS and OTHER ASSETS."

(S) REVENUE FROM JAPANESE REAL ESTATE INVESTMENT TRUST (J-REIT)

Revenue from J-REIT is included in "Revenue from operations."

(T) DIRECTORS' BONUS

The Company and its consolidated subsidiaries have followed the accounting standard, "Accounting Standard for Directors' Bonus" (ASBJ Statement No.4). Directors' bonuses are charged to income as selling, general and administrative expenses.

(U) SHARE-BASED PAYMENTS

The Company and its consolidated subsidiaries have followed the accounting standards, "Accounting Standard for Share-Based Payment" (ASBJ Statement No.8) and the "Implementation Guidance for the Accounting Standard for Share-Based Payment" ASBJ Guidance No.11).

Those standards require that the cost of stock options be measured based on the grant-date fair value. Outstanding options are presented as subscription rights to shares as a component of net assets in the balance sheet.

(V) ASSET RETIREMENT OBLIGATIONS

The Company and its consolidated subsidiaries have followed "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No.18) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No.21). According to the standards, obligations associated with the retirement of tangible fixed assets are recorded as liabilities when those obligations are incurred, with the amount of the liability initially measured by discounting the future cash flows. The associated asset

retirement costs are capitalized as part of the carrying amount of the fixed asset and allocated as period expenses.

(W) ACCOUNTING CHANGES AND ERROR CORRECTIONS

The Company and its consolidated subsidiaries have followed “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No.24) and “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No.24). Those standards require that changes in accounting policies, changes in presentations and corrections of prior period errors be accounted for retrospectively, and changes in accounting estimates be accounted for prospectively.

(X) EARNINGS PER SHARE

Basic income per share is computed by dividing the net income available for distribution to shareholders of common stock by the weighted average number of shares of common stock outstanding during each year. Diluted net income per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

(Y) SIGNIFICANT ACCOUNTING ESTIMATES

The Company and its consolidated subsidiaries have followed “Accounting Standard for Disclosure of Accounting Estimates” (ASBJ Statement No. 31).

1. Impairment of fixed assets

- (1) Amounts recognized in the consolidated financial statements for the year ended March 31, 2024 and 2023

	Millions of yen	
	2024	2023
Net property and equipment	¥4,357,032	¥4,254,793
Intangible assets *	48,493	38,337
Loss on impairment of fixed assets	-	-

* Included in “other” under the caption of “INVESTMENTS and OTHER ASSETS” of the consolidated balance sheets.

(2) Description of significant accounting estimates

(a) Calculation method of amounts presented in (1) above

In accordance with “Accounting Standard for Impairment of Fixed Assets”, the Company and its consolidated subsidiaries reduce the book value of fixed assets to recoverable amounts when the book value is projected not to be recoverable due to a decline in its profitability.

Management considers necessity of recognizing an impairment loss when factors such as recurring operating losses, a significant decline in market prices, a significant deterioration in the business environment, or a change in usage indicate that the assets may be impaired. Management determines whether to recognize an impairment loss based on estimated future cash flows, and the amount that book value exceeds the recoverable amount is recognized as an impairment loss. Recoverable amount is measured by net realizable value or value in current use whichever is higher.

(b) Key assumptions used in significant accounting estimates

In calculating future cash flows, the rent, vacancy rate, rent costs and other factors are determined comprehensively taking into consideration the market trends, transaction cases of similar real estate, past results and other. Discount rate in calculating value in current use is determined based on transaction cases of similar assets, trends in interest rates and other factors. Net realizable value is determined at an appropriate amount based on local transaction cases, property performance, location and other factors.

(c) Impact of significant accounting estimates on the consolidated financial statements for the year ending March 31, 2024

Those key assumptions are based on the best estimates to date, however the estimates

could result in different outcomes. That is, calculation of future cash flows and value in current use could significantly be affected by decrease in rent and increase in vacancy rate due to deterioration of economic environment, increase in rent costs due to unexpected additional costs, and increase in discount rate due to fluctuations in market interest rates. In addition, deterioration of geographical conditions due to changes in the local environment could have a material impact on the calculation of the net realizable value.

2. Evaluation of real property for sale

(1) Amounts recognized in the consolidated financial statements for the year ended March 31, 2024 and 2023

	Millions of yen	
	2024	2023
Real property for sale		
Completed	¥1,404,142	¥1,267,702
In progress	552,659	566,455
Land held for development	394,195	305,622
Loss on devaluation of real property for sale *	21,994	4,754

* Included in cost of revenue from operations of the consolidated statements of income.

(2) Description of significant accounting estimates

(a) Calculation method of amounts presented in (1) above

In accordance with “Accounting Standard for Measurement of Inventories” the Company and its consolidated subsidiaries reduce the book value of real property for sale to net realizable value when net realizable value is less than the book value due to a decline in profitability. Net realizable value is calculated for each property based on estimated sales price and estimated additional cost including estimated development cost. Loss on devaluation is recorded for those assets with net realizable value less than the book value.

(b) Key assumptions used in significant accounting estimates

In calculating net realizable value of real property for investors, the rent, vacancy rate, rent costs and other factors are determined comprehensively taking into consideration the market trends, transaction cases of similar real estate, past results and others. Discount rate is determined based on transaction cases of similar assets, trends in interest rates and other factors. Net realizable value for housing is determined based on latest sales results, market trends and other factors. In addition, appraisal values calculated by real-estate appraisers are utilized where necessary.

(c) Impact of significant accounting estimates on the consolidated financial statements for the year ending March 31, 2024

Those key assumptions are based on the best estimates to date, however the estimates could result in different outcomes. That is, calculation of the net realizable value could significantly be affected by decrease in rent and increase in vacancy rate due to deterioration of economic environment, increase in rent costs due to unexpected additional costs, increase in discount rate due to fluctuations in market interest rates, and decrease in sales price due to the deterioration of the housing market.

(Z) RECLASSIFICATIONS

Certain prior years' amounts have been reclassified to conform to the current presentation.

(AA) CHANGE IN ACCOUNTING POLICIES

Adaption of Practical Solution on the Accounting for and Disclosure of the issuance and holding of Electronically Recorded Transferable Rights That Must Be Indicated on Securities, etc.

The Company and its consolidated subsidiaries newly adopted “Practical Solution on the Accounting for and Disclosure of the issuance and holding of Electronically Recorded Transferable Rights That Must Be Indicated on Securities, etc.” (ASBJ PITF No. 43, August 26, 2022) commencing on April 1, 2023.

There is no effect of the change on the consolidated financial statements.

(AB) NEW ACCOUNTING STANDARDS NOT YET ADOPTED

The Company and its consolidated subsidiaries have not yet adopted the following accounting standards:

- Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, revised October 28, 2022)
- Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, revised October 28, 2022),
- Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, revised October 28, 2022)

(1) Outline

The relocation of the practical guidance related to tax effect accounting from the Japanese Institute of Certified Public Accountants to the ASBJ had completed with the announcement of “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28) in February 2018. The above standards address the following issues that were re-examined by ASBJ after the relocation:

- Classification of tax expenses (taxation on other comprehensive income)
- Tax effects related to the sale of investments in subsidiary or affiliated company where the group taxation regime is applied

(2) Adoption date

The Company and its consolidated subsidiaries will adopt the standards on April 1, 2024.

(3) Effect of adopting the standards

The effect that the adoption of the standards will have on the consolidated financial statements is currently under evaluation.

3. BUSINESS REORGANIZATIONS

There were no significant business reorganizations for the years ended March 31, 2024 and 2023.

4. FINANCIAL INSTRUMENTS

(1) Risk management policy regarding financial instruments

a. Policy on financial instruments

The Company and its consolidated subsidiaries make fund procurements mainly through bank loans and issuance of bonds. The temporary surplus funds are invested in low-risk financial assets. Derivative instruments are used to mitigate risks referred to below, and the Company and its consolidated subsidiaries do not enter into speculative derivative transactions or transactions with high volatility on fair value.

b. Risk management

Notes and accounts receivable and lease deposits are subject to customers' credit risk (risk related to customers' failure to perform a contract). Each business division monitors due dates and balances for each counterparty to mitigate the risk of those receivables being uncollectible due to financial difficulties and other factors.

Investment in equity securities is exposed to market-price risk. The securities are mainly those of companies with business relationships. The Company and its consolidated subsidiaries periodically monitor market prices and continuously review whether the securities should be held.

Notes and accounts payable are mostly due within one year.

Short-term debt is mainly used for funding working capital. Procurement from long-term debt and bonds payable, of which the maturities are due within 46 years from the balance sheet date, are mainly used for capital expenditures. Debt with floating interest rates is subject to interest-rate risk. The Company and its consolidated subsidiaries utilize derivatives (interest rate swaps) as hedging instruments for some long-term debt with floating interest rates to fix the cash flows of interest payments. Exchange rate risk on borrowings made in non-functional currencies are hedged by utilizing currency swaps. Refer to Note 2 (Q) for details on hedge accounting, hedge policy, assessment of hedge effectiveness and other matters.

By using derivative instruments, the Company and its consolidated subsidiaries are exposed to counterparty's credit risk and market risks such as interest rate risk and exchange rate risk. The Company and its consolidated subsidiaries manage the credit risk by carefully evaluating the financial positions of major financial institutions before entering into contracts. The derivative transactions are executed in compliance with procedures set forth in the policies established in each group company, and transaction volumes and fair values are reported as appropriate to directors in charge.

Payables, debt and deposits from customers are subject to liquidity risk (risk of being unable to pay on a due date). The risk is managed by preparing and updating monthly cash schedules and by preserving liquidity on hand.

(2) Estimated fair value of financial instruments

The carrying amount, estimated fair value and the difference of financial instruments as of March 31, 2024 and 2023 are summarized in the following tables.

	Millions of yen		
	2024		
	Carrying amount	Estimated fair value	Difference
Financial assets:			
Marketable and investment securities *1	¥839,257	¥839,257	¥-
Lease deposits	172,879	163,149	(9,730)
Financial liabilities:			
Bank loans and long-term debt due within one year			
Non-recourse	56,980	56,981	1
Recourse	610,185	609,714	(471)
Long-term debt due after one year			
Non-recourse	406,087	388,958	(17,129)
Recourse	3,330,171	3,251,143	(79,028)
Deposits from tenants	463,954	452,054	(11,900)
Derivative instruments *2	24,071	24,071	-

	Millions of yen		
	2023		
	Carrying amount	Estimated fair value	Difference
Financial assets:			
Marketable and investment securities *1	¥768,961	¥768,962	¥1
Lease deposits	172,291	164,965	(7,326)
Financial liabilities:			
Bank loans and long-term debt due within one year			
Non-recourse	235,166	235,167	1
Recourse	489,751	489,391	(360)
Long-term debt due after one year			
Non-recourse	441,686	413,814	(27,872)
Recourse	2,803,929	2,766,374	(37,555)
Deposits from tenants	456,583	449,490	(7,093)
Derivative instruments *2	22,360	22,360	-

Cash is excluded from the table above. Bank deposits, “Notes and accounts receivable-trade”, “Notes and accounts payable-trade” and “Commercial paper” are excluded from the table above as carrying amount approximates fair value due to their relatively short maturity.

Equity investments in partnerships and other similar business entities accounted for under equity method at March 31, 2024 and 2023 are excluded from the table above in accordance with transitional treatment described in the Article 24-16 of “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021). The carrying amount of such investments is ¥27,647 million and ¥28,972 million at March 31, 2024 and 2023, respectively.

*1 Securities and other financial instruments without market prices are excluded from the table above. The carrying amount of those securities are stated below:

	Millions of yen	
	2024	2023
Equity investments in properties for sale	¥4,049	¥4,049
Other securities		
Unlisted stocks (excluding OTC securities)	29,042	22,518

*2 Carrying amount and estimated fair value of derivative instruments represent derivative assets netted against derivative liabilities for the year ended March 31, 2024 and 2023.

Redemption schedule:

The redemption schedule on cash and cash equivalents, receivables and securities with maturities as of March 31, 2024 and 2023 is as follows.

Refer to Note 13 for redemption schedule for long-term debt.

	Millions of yen			
	2024			
	Due within 1 year	Due after 1 year and within 5 years	Due after 5 years and within 10 years	Due after 10 years
Cash and bank deposits*	¥184,193	¥-	¥-	¥-
Notes receivable-trade	274	-	-	-
Accounts receivable-trade	70,570	-	-	-
Other securities				
National and local government bonds and other	92	61	-	-
Corporate bonds	-	-	-	4,951
Total	¥255,129	¥61	¥-	¥4,951

	Millions of yen			
	2023			
	Due within 1 year	Due after 1 year and within 5 years	Due after 5 years and within 10 years	Due after 10 years
Cash and bank deposits*	¥134,355	¥-	¥-	¥-
Notes receivable-trade	373	-	-	-
Accounts receivable-trade	60,993	-	-	-
Other securities				
National and local government bonds and other	132	153	-	-
Corporate bonds	-	-	-	3,295
Total	¥195,853	¥153	¥-	¥3,295

Lease deposits of ¥172,879 million and ¥172,291 million as of March 31, 2024 and 2023, respectively, are excluded from the tables above since the collection dates are not fixed.

* Carrying amount of cash and bank deposits consists of ¥179,249 million of cash and cash equivalents and ¥4,944 million of bank deposits with maturities exceeding 3 months, which is included in other current assets in the accompanying consolidated balance sheets, as of March 31, 2024.

Carrying amount of cash and bank deposits consists of ¥ 132,311 million of cash and cash equivalents and ¥ 2,044 million of bank deposits with maturities exceeding 3 months, which is included in other current assets in the accompanying consolidated balance sheets, as of March 31, 2023.

Fair values of the financial instruments by fair value hierarchy level

The Company and its consolidated subsidiaries classify fair value measurement into the following three levels based on the observability and significance of the inputs used.

- Level 1: Fair value measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurement based on inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.
- Level 3: Fair value measurement based on significant unobservable inputs for the assets or liabilities.

If the inputs used to measure fair value are categorized into different levels of the fair value hierarchy, the fair value measurement is categorized in its entirety in the level of the lowest level input.

(a) Financial assets and liabilities measured at fair value

The fair values of financial assets and liabilities measured at fair value as of March 31, 2024 and 2023 are summarized in the following tables.

Millions of yen				
2024				
	Level 1	Level 2	Level 3	Total
Financial assets:				
Marketable and investment securities				
Other securities				
Stocks	¥756,014	¥-	¥-	¥756,014
Bonds	-	-	4,203	4,203
Other	71,025	-	-	71,025
Derivative assets				
Interest	-	25,442	-	25,442
Total	827,039	25,442	4,203	856,684
Financial liabilities:				
Derivative liabilities				
Currency	¥-	¥1,371	¥-	¥1,371
Total	¥-	¥1,371	¥-	¥1,371

Millions of yen				
2023				
	Level 1	Level 2	Level 3	Total
Financial assets:				
Marketable and investment securities				
Other securities				
Stocks	¥689,483	¥-	¥-	¥689,483
Bonds	-	-	2,803	2,803
Other	68,579	-	-	68,579
Derivative assets				
Interest	-	24,357	-	24,357
Total	¥758,062	¥24,357	¥2,803	¥785,222
Financial liabilities:				
Derivative liabilities				
Currency	¥-	¥1,997	¥-	¥1,997
Total	¥-	¥1,997	¥-	¥1,997

(b) Financial assets and liabilities not measured at fair value

The fair values of financial assets and liabilities not measured at fair value as of March 31, 2024 and 2023 are summarized in the following tables.

Millions of yen				
	2024			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Marketable and investment securities				
Held-to-maturity securities				
National and local government bonds and other	¥153	¥-	¥-	¥153
Lease deposits	-	163,149	-	163,149
Total	¥153	¥163,149	¥-	¥163,302
Financial liabilities:				
Bank loans and long-term debt due within one year				
Non-recourse	¥-	¥56,981	¥-	¥56,981
Recourse	-	609,714	-	609,714
Long-term debt due after one year				
Non-recourse	-	388,958	-	388,958
Recourse	-	3,251,143	-	3,251,143
Deposits from tenants	-	452,054	-	452,054
Total	¥-	¥4,758,850	¥-	¥4,758,850

Millions of yen				
	2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Marketable and investment securities				
Held-to-maturity securities				
National and local government bonds and other	¥285	¥-	¥-	¥285
Lease deposits	-	164,965	-	164,965
Total	¥285	¥164,965	¥-	¥165,250
Financial liabilities:				
Bank loans and long-term debt due within one year				
Non-recourse	¥-	¥235,167	¥-	¥235,167
Recourse	-	489,391	-	489,391
Long-term debt due after one year				
Non-recourse	-	413,814	-	413,814
Recourse	-	2,766,374	-	2,766,374
Deposits from tenants	-	449,490	-	449,490
Total	¥-	¥4,354,236	¥-	¥4,354,236

The fair value of investment trusts where the investment trust property is real estate, subject to the Article 24-9 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) is excluded from the table above. The carrying amounts of such investments are ¥7,863 million and ¥7,812 million at March 31, 2024 and 2023, respectively. Reconciliation between the beginning balance and the ending balance is not disclosed due to its immateriality.

The methods and inputs for measuring the fair value of financial assets and liabilities are as follows:

Marketable and investment securities – Fair values of listed stocks and other are measured based on quoted market prices. Listed stocks and other are traded in an active market and therefore classified as Level 1. Fair values of bonds without market prices are calculated by discounting the future cash flows, using the credit risk-adjusted discount rate over the remaining life of the bonds and are classified as Level 3.

Derivative instruments – Fair values of derivative instruments are calculated by discounting the future cash flows, using observable inputs including interest rates and foreign exchange rates and are classified as Level 2. If interest rate swap contracts are used as hedge and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract was executed (“specified hedge accounting treatment”; refer to Note 2 (Q)). For such interest swap, its fair value is included in the fair value of the hedged long-term loan (including those due within one year).

Bank loans and long-term debt due within one year (recourse) – Fair values of bank loans are measured at their carrying amount since they approximate fair value due to their relatively short maturity. Fair values of long-term debt due within one year (recourse) are calculated by discounting the future cash flows, using the borrowing interest rates expected to be currently available for the Company and its consolidated subsidiaries for debt with similar terms and remaining maturities as the discount rates. Those fair values are classified as Level 2.

Debt other than above including bonds payable, long-term bank loans due after one year and non-recourse debt – Fair values of debt other than above are calculated by discounting the future cash flows, using the borrowing interest rates expected to be currently available for the Company and its consolidated subsidiaries for debt or bonds with similar terms and remaining maturities as the discount rates.

Lease deposits – Fair values of lease deposits are calculated by discounting the future cash flows, using the highly credited long-term bond yield adjusted for credit risk as a discount rate over the remaining life of the deposits, and are classified as Level 2.

Deposits from tenants – Fair values of deposits from tenants are calculated by discounting the future cash flows, using the credit risk-adjusted discount rate over the remaining life of the deposits, and are classified as Level 2.

Information about the fair values classified as Level 3 of financial assets and liabilities measured at fair value is not disclosed due to its immateriality.

5. FAIR VALUE INFORMATION OF MARKETABLE SECURITIES, INVESTMENT SECURITIES AND OTHERS

(1) The following tables summarize historical cost, book value and fair value of securities as of March 31, 2024 and 2023:

(a) Held-to-maturity securities:

Millions of yen						
	2024			2023		
	Book Value	Fair Value	Difference	Book Value	Fair Value	Difference
Securities whose fair value exceeds book value						
National and local government bonds and other	¥153	¥153	¥-	¥284	¥285	¥1
Securities whose fair value does not exceed book value						
National and local government bonds and other	-	-	-	-	-	-
Total	¥153	¥153	¥-	¥284	¥285	¥1

(b) Other securities:

Millions of yen						
	2024			2023		
	Book Value (Fair Value)	Historical Cost	Difference	Book Value (Fair Value)	Historical Cost	Difference
Securities whose book value (fair value) exceeds historical cost						
Stocks	¥749,482	¥82,648	¥666,834	¥674,414	¥78,741	¥595,673
Other	78,882	47,109	31,773	76,385	47,182	29,203
Subtotal	828,364	129,757	698,607	750,799	125,923	624,876
Securities whose book value (fair value) does not exceed historical cost						
Stocks	6,532	6,692	(160)	15,069	16,934	(1,865)
Bonds	4,203	4,951	(748)	2,803	3,295	(492)
Other	5	6	(1)	6	7	(1)
Subtotal	10,740	11,649	(909)	17,878	20,236	(2,358)
Total	¥839,104	¥141,406	¥697,698	¥768,677	¥146,159	¥622,518

(2) The following table summarizes other securities sold in the years ended March 31, 2024 and 2023:

Millions of yen						
	2024			2023		
	Sales amount	Gains	Losses	Sales amount	Gains	Losses
Stocks	¥60,312	¥54,120	¥-	¥48,966	¥44,077	¥(4)
Bonds	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	¥60,312	¥54,120	¥-	¥48,966	¥44,077	¥(4)

(3) The amounts of impairment loss the Company and its consolidated subsidiaries recognized for the year ended March 31, 2024 is not disclosed due to its immateriality.

The Company and its consolidated subsidiaries recognized ¥3,138 million of impairment loss on investment securities for the year ended March 31, 2023.

6. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING TRANSACTIONS

The following summarizes derivative financial instruments for which hedge accounting is not applied as of March 31, 2024 and 2023:

		Millions of yen			
		2024			
		Nominal Amount		Fair value (*)	Gain (loss)
		Total	Due after 1 year		
Non-market transactions	Interest rate and currency swap	¥14,801	11,473	¥(1,466)	¥(1,466)
	Foreign exchange forward	15,517	-	67	67
	Buy U.S.dollars				
Total		¥30,318	¥11,473	¥(1,399)	¥(1,399)

		Millions of yen			
		2023			
		Nominal Amount		Fair value (*)	Gain (loss)
		Total	Due after 1 year		
Non-market transactions	Interest rate and currency swap	¥24,681	¥10,231	¥(1,865)	¥(1,865)
	Foreign exchange forward	10,755	-	(138)	(138)
	Buy U.S.dollars				
Total		¥35,436	¥10,231	¥(2,003)	¥(2,003)

(*) Refer to Note 4 (3) for the methods and inputs for measuring the fair values.

The following summarizes hedging derivative financial instruments accounted for under hedge accounting as of March 31, 2024 and 2023:

		Millions of yen		
		2024		
		Nominal Amount		
	Hedged items	Total	Due after 1 year	Fair Value *4
Interest rate swap	Long-term debt	¥230,365	¥143,278	*1
Pay : fixed rate				
Receive : floating rate				
Interest rate swap *2	Long-term debt	195,339	195,339	¥25,442
Pay : fixed rate				
Receive : floating rate				
Foreign exchange forward *3	Forecasted transactions	994	-	28
Buy	denominated in foreign currencies			
U.S. dollars				
Total		¥426,698	¥338,617	¥25,470

		Millions of yen		
		2023		
		Nominal Amount		
	Hedged items	Total	Due after 1 year	Fair Value *4
Interest rate swap	Long-term debt	¥292,487	¥228,629	*1
Pay : fixed rate				
Receive : floating rate				
Interest rate swap *2	Long-term debt	174,062	174,062	¥24,358
Pay : fixed rate				
Receive : floating rate				
Foreign exchange forward *3	Forecasted transactions	900	-	5
Buy	denominated in foreign currencies			
U.S. dollars				
Total		¥467,449	¥402,691	¥24,363

*1: The net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract was executed. Thus, the fair value of the interest rate swap is included in the fair value of long-term debt including those due within one year.

*2: Recognition of gains or losses resulting from changes in fair value of interest rate swap contracts and foreign currency swap contracts are deferred until the related losses or gains on the hedged items are recognized.

*3: Future transactions denominated in foreign currencies will be recorded using the contracted forward rate, and no gains and losses on the foreign exchange forward contract are recognized.

*4: Refer to Note 4 (3) for the methods and inputs for measuring the fair values.

7. INVESTMENT AND LEASING PROPERTIES

The Company and its consolidated subsidiaries have followed “Accounting Standard for Disclosures about Fair Value of Investment and Rental Property” (ASBJ Statement No.20; November 28, 2008) and its implementation guidance “Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property” (ASBJ Guidance No.23, November 28, 2008) which require explanations on investment and leasing properties and disclosure of fair value of those properties. Investment and leasing properties are properties held to earn rentals or for capital appreciation, and include (1) properties classified as investment properties in the balance sheet, (2) idle properties and (3) leasing properties other than (1) and (2).

The Company and its certain subsidiaries own office buildings for rent, retail facilities and other properties in Tokyo and other areas.

Net rent income and gain on disposal of property and equipment regarding those investments and leasing properties were ¥ 157,339 million and ¥ 3,517 million for the year ended March 31, 2024, respectively.

Net rent income and loss on disposal of property and equipment regarding those investments and leasing properties were ¥ 146,479 million and ¥ 2,204 million for the year ended March 31, 2023, respectively.

Gross rent revenue is included in revenue from operations and gross cost for rent is included in cost of revenue from operations. Gain on disposal of property and equipment is included in interest, dividends and miscellaneous income (see Note 21). Impairment loss and loss on disposal of property and equipment are included in other costs and expenses (see Note 22).

The carrying amounts, net changes in the carrying amounts and the fair value of the investment and leasing properties as of and for the years ended March 31, 2024 and 2023 are stated below:

Millions of yen							
2024				2023			
Carrying amount		Fair value		Carrying amount		Fair value	
Beginning of year	Net increase during the year	End of year	End of year	Beginning of year	Net increase during the year	End of year	End of year
¥3,433,199	¥159,536	¥3,592,735	¥6,961,695	¥3,106,549	¥326,650	¥3,433,199	¥6,695,821

Carrying amount represents acquisition cost less accumulated depreciation and accumulated loss on impairment.

The net increase in the carrying amounts mainly consists of acquisitions of real estate which amounts to ¥143,062 million and sales of real estate which amounts to ¥ 27,722 million for the year ended March 31, 2024.

The net increase in the carrying amounts mainly consists of acquisitions of real estate which amounts to ¥ 319,631 million and transfers to real property for sale which amounts to ¥ 9,851 million for the year ended March 31, 2023.

Estimated fair value was calculated internally based on Japanese Real Estate Appraisal Standards.

8. INVENTORIES

Inventories at March 31, 2024 and 2023 comprise the following:

	Millions of yen	
	2024	2023
Real property for sale		
Completed	¥1,404,142	¥1,267,702
In progress	552,659	566,455
Land held for development	394,195	305,622
Expenditure on contracts in progress	8,937	9,158
Other	8,184	10,738
Total	¥2,368,117	¥2,159,675

9. ADVANCES PAID FOR PURCHASES

Advances paid for purchases comprise primarily advance payments for purchasing real estate for sale.

10. LEASE DEPOSITS

The Company and its consolidated subsidiaries lease certain office buildings and retail facilities from the owners thereof and sublease them to subtenants. In these transactions, the Company and its consolidated subsidiaries pay lease deposits to the owners and receive deposits from subtenants (See Note 15).

11. INCOME TAXES

Significant components of deferred tax assets and liabilities as of March 31, 2024 and 2023 are as follows:

	Millions of yen	
	2024	2023
Deferred tax assets:		
Net operating loss carryforwards	¥27,950	¥27,970
Loss on impairment of fixed assets	24,122	24,458
Allowance for loss on devaluation of real property held for sale	13,609	6,924
Net defined benefit liability	11,719	14,144
Unrealized inter-company transactions	9,755	10,507
Accrued employees' bonuses	8,589	8,240
Accrued enterprise tax	5,726	4,753
Excess depreciation expense	5,702	5,746
Unrealized loss on valuation of lease deposits	3,641	3,635
Other	93,886	61,451
Subtotal	204,699	167,828
Valuation allowances	(32,620)	(31,352)
Total deferred tax assets	¥172,079	¥136,476
Deferred tax liabilities:		
Unrealized gain on valuation of securities	(212,443)	(190,060)
Consolidation difference in real property	(60,952)	(50,493)
Deferred gain on sale of land and buildings for tax purposes	(51,325)	(45,164)
Unrealized gain on valuation of lease deposits	(3,636)	(3,626)
Other	(127,013)	(108,105)
Total deferred tax assets	¥(455,369)	¥(397,448)
Net deferred tax assets (liabilities)	¥(283,290)	¥(260,972)

Differences between the statutory tax rate and the Company's effective tax rate for the years ended March 31, 2024 and 2023 are immaterial, and therefore are not disclosed.

12. EMPLOYEES' RETIREMENT BENEFITS

(1) Outline of retirement benefit plan

The Company and its consolidated subsidiaries have adopted funded and unfunded defined benefit plans and defined contribution plans for employees' retirement benefits.

The Company and its consolidated subsidiaries have adopted a corporate pension plan and lump-sum pension plans as defined benefit plans, under which employees are entitled to lump-sum or annuity payments based on their respective salaries and service periods. The Company has established a retirement benefit trust for its corporate pension plan. The Company's certain consolidated subsidiaries have calculated net defined benefit liability and retirement benefit expenses using the simplified method, under which actuarial calculation is not adopted. The Company and its consolidated subsidiaries, upon employees' retirement and other cases, may pay supplemental benefits that are not subject to retirement benefit obligation actuarially calculated in compliance with accounting standard for retirement benefits.

Certain consolidated subsidiary was approved by the Minister of Health, Labor and Welfare to be exempted from future payment obligations of the substitutional portion of the employees' pension fund on December 1, 2022, and was approved to transfer the substitutional portion of the employees' pension fund paid in the past on March 30, 2024.

(2) Defined benefit plans

(a) Change in benefit obligation, excluding plans accounted for under the simplified method, for the years ended March 31, 2024 and 2023:

	Millions of yen	
	2024	2023
Benefit obligation at beginning of year	¥179,469	¥185,293
Service cost	7,237	7,991
Interest cost	1,929	1,654
Actuarial differences	(126)	(8,401)
Prior service costs	(1,437)	(489)
Benefits paid	(6,546)	(6,874)
Decrease due to transfer of substitutional portion of employees' pension fund	(4,768)	-
Other	48	295
Benefit obligation at end of year	¥175,806	¥179,469

(b) Change in plan assets, excluding plans accounted for under the simplified method, for the years ended March 31, 2024 and 2023:

	Millions of yen	
	2024	2023
Fair value of plan assets at beginning of year	¥203,230	¥205,216
Expected return on plan assets	3,998	4,063
Actuarial differences	20,182	(5,736)
Employer contribution	3,986	4,030
Benefits paid	(4,306)	(4,411)
Other	-	68
Fair value of plan assets at end of year	¥227,090	¥203,230

(c) Change in net defined benefit liability under simplified method for the years ended March 31, 2024 and 2023:

	Millions of yen	
	2024	2023
Net defined benefit liability at beginning of year	¥4,677	¥4,707
Retirement benefit expenses	904	828
Benefits paid	(502)	(493)
Contribution to the plan	(73)	(71)
Other	(60)	(294)
Net defined benefit liability at end of year	¥4,946	¥4,677

(d) Amount recognized in the consolidated balance sheets, including plans accounted for under the simplified method, at March 31, 2024 and 2023:

	Millions of yen	
	2024	2023
Benefit obligation for funded plan	¥141,951	¥145,942
Plan assets	(227,776)	(203,883)
	¥(85,825)	¥(57,941)
Benefit obligation for unfunded plan	39,487	38,857
Net amount recognized on the consolidated balance sheets	¥(46,338)	¥(19,084)
Net defined benefit liability	39,107	45,673
Net defined benefit asset	(85,445)	(64,757)
Net amount recognized on the consolidated balance sheets	¥(46,338)	¥(19,084)

Includes plans under simplified method.

(e) Details of retirement benefit expenses for the years ended March 31, 2024 and 2023:

	Millions of yen	
	2024	2023
Service cost	¥7,237	¥7,991
Interest cost	1,929	1,654
Expected return on plan assets	(3,998)	(4,063)
Actuarial differences recognized in earnings	(6,324)	(4,621)
Prior service costs recognized in earnings	(1,720)	(917)
Retirement benefit expenses under simplified method	904	828
Defined benefit expenses	¥(1,972)	¥872

Premium benefits payments other than the above defined benefit expenses of ¥27 million and ¥188 million are recognized for the years ended on March 31, 2024 and 2023, respectively.

(f) Amount recognized in other comprehensive income (pretax) at March 31, 2024 and 2023:

	Millions of yen	
	2024	2023
Prior service costs	¥283	¥428
Actuarial differences	(13,996)	1,956
Total	¥(13,713)	¥2,384

(g) Amount recognized in accumulated other comprehensive income (pretax) at March 31, 2024 and 2023:

	Millions of yen	
	2024	2023
Unrecognized prior service costs	¥(6,446)	¥(6,729)
Unrecognized actuarial differences	(45,228)	(31,232)
Total	¥(51,674)	¥(37,961)

(h) The asset allocation for the plans, excluding plans accounted for under the simplified method, at March 31, 2024 and 2023:

	2024		2023	
Domestic stocks	32.1	%	32.5	%
Domestic bonds	23.9		24.4	
Foreign stocks	13.1		13.0	
Foreign bonds	7.1		7.7	
Life insurance company general accounts	6.7		8.2	
Cash and bank deposits	5.4		1.9	
Other	11.7		12.3	
Total	100.0	%	100.0	%

* The plan assets include retirement benefit trust established for corporate pension plan which accounts for 18.9% and 19.7% of the total plan assets as of March 31, 2024 and 2023, respectively.

The expected long-term rate of return on plan assets is determined based on the actual return on the plan asset portfolios and the expected rate of return on those portfolios.

(i) Basis for actuarial calculation:

	2024	2023
Discount rates	0.5 – 1.8%	0.5 – 1.8%
Expected long-term rates of return on plan assets	1.0 – 2.5%	1.0 – 2.5%

(3) Defined contribution plans

Contribution made to the defined contribution plans by the Company's certain consolidated subsidiaries amounted to ¥969 million and ¥991 million for the years ended March 31, 2024 and 2023, respectively.

13. BANK LOANS, COMMERCIAL PAPER AND LONG-TERM DEBT

(1) Bank loans and commercial paper

Bank loans consist mainly of short-term notes and short-term borrowings under the loan agreements. The Company and its consolidated subsidiaries have had no difficulty in renewing such notes and borrowings, when they considered it appropriate to do so.

The amounts and the weighted average interest rates of bank loans and commercial paper at March 31, 2024 and 2023 are as follows:

	Millions of yen	
	2024	2023
Bank loans		
Recourse, with the weighted average interest rates of 5.47% in 2024 and 4.54% in 2023	¥270,672	¥153,290
Commercial paper, with the weighted average interest rates of 0.11% in 2024 and 0.01% in 2023	27,000	78,000

(2) Long-term debt

Long-term debt at March 31, 2024 and 2023 comprise the following:

	Millions of yen	
	2024	2023
Long-term loans, principally from banks and insurance companies:		
Loans secured by collateral or bank guarantees	¥369,065	¥591,359
Unsecured loans	2,775,191	2,395,571
<i>Total long-term loans, principally from banks and insurance companies</i>	3,144,256	2,986,930
Bonds and debentures		
2.30%yen notes due 2030	10,000	10,000
1.95%yen notes due 2032	10,000	10,000
2.05%yen notes due 2033	10,000	10,000
1.33%yen notes due 2046	10,000	10,000
1.00%yen notes due 2046	10,000	10,000
0.71%yen notes due 2036	7,000	7,000
1.18%yen notes due 2056	6,000	6,000
0.93%yen notes due 2037	10,000	10,000
0.20%yen notes due 2024	10,000	10,000
0.24%yen notes due 2027	10,000	10,000
0.22%yen notes due 2025	10,000	10,000
0.31%yen notes due 2028	10,000	10,000
0.09%yen notes due 2023	-	10,000
0.20%yen notes due 2025	10,000	10,000
0.37%yen notes due 2028	20,000	20,000
0.16%yen notes due 2024	-	30,000
0.28%yen notes due 2026	20,000	20,000
0.38%yen notes due 2029	20,000	20,000
0.09%yen notes due 2024	50,000	50,000
0.22%yen notes due 2029	30,000	30,000
0.53%yen notes due 2039	20,000	20,000
0.31%yen notes due 2030	30,000	30,000
0.62%yen notes due 2039	20,000	20,000
0.52%yen notes due 2035	30,000	30,000
0.82%yen notes due 2050	10,000	10,000
1.03%yen notes due 2070	10,000	10,000
0.21%yen notes due 2023	-	60,000
0.48%yen notes due 2030	25,000	25,000
0.81%yen notes due 2040	10,000	10,000
0.39%yen notes due 2027(Green bond)	40,000	40,000
0.51%yen notes due 2029(Green bond)	10,000	10,000
0.69%yen notes due 2032(Green bond)	30,000	30,000
0.36%yen notes due 2028(Green bond)	30,000	-
0.81%yen notes due 2033(Green bond)	100,000	-
1.06%yen notes due 2033(Green bond)	50,000	-
1.58%yen notes due 2038(Green bond)	10,000	-
1.83%yen notes due 2043(Green bond)	40,000	-
3.65%U.S. dollar notes due 2027 (*2)	75,686	66,744
3.95%U.S. dollar notes due 2029 (*2)	45,383	40,017
2.57%U.S. dollar notes due 2032 (Green bond) (*2)	45,423	40,059
0.27% - 0.51% notes due 2024 - 2027 (*1)	94,003	85,492
<i>Total bonds and debentures</i>	988,495	830,312
Less amount due within one year	(396,493)	(571,627)
<i>Long-term debt due after one year</i>	¥3,736,258	¥3,245,615

(*1) Represents the total balance of asset backed securities issued by the Company's consolidated special purpose entities. The interest rates include both fixed rates and floating rates.

(*2) Represents bonds issued abroad.

Long-term loans, principally from banks and insurance companies consist of the following:

	Millions of yen	
	2024	2023
Due within one year		
Non-recourse, with the weighted average interest rate of 2.99% in 2024 and 5.94% in 2023	¥47,178	¥234,866
Recourse, with the weighted average interest rate of 1.94% in 2024 and 1.30% in 2023	269,513	236,461
Subtotal	316,691	471,327
Due after one year		
Non-recourse, with the weighted average interest rate of 3.30% in 2024 and 2.88% in 2023	321,887	356,493
Recourse, with the weighted average interest rate of 1.45% in 2024 and 1.19% in 2023	2,505,678	2,159,110
Subtotal	2,827,565	2,515,603
Total	¥3,144,256	¥2,986,930

Bonds and debentures consist of the following:

	Millions of yen	
	2024	2023
Due within one year		
Non-recourse	¥9,802	¥300
Recourse	70,000	100,000
Subtotal	79,802	100,300
Due after one year		
Non-recourse	84,200	85,193
Recourse	824,493	644,819
Subtotal	908,693	730,012
Total	¥988,495	¥830,312

Long-term debt and other liabilities secured by collateral or bank guarantees consist of the following:

	Millions of yen	
	2024	2023
Secured loans		
Long-term loans, principally from banks and insurance companies		
Non-recourse	¥369,065	¥591,359
Subtotal	369,065	591,359
Bonds and debentures		
Non-recourse	94,003	85,493
Subtotal	94,003	85,493
Total	¥463,068	¥676,852

The following assets are pledged as collateral for secured loans:

	Millions of yen			
	2024		2023	
	Total	Non-recourse *	Total	Non-recourse *
Real property for sale	¥242,452	¥242,452	¥327,767	¥327,767
Buildings and structures	141,226	138,340	400,443	397,458
Land	144,254	135,901	280,273	272,055
Other	29,308	14,288	38,640	25,023
Total	¥557,240	¥530,981	¥1,047,123	¥1,022,303

* Represents assets pledged as collateral for non-recourse loans.

As is customary in Japan, collateral must be given if requested, under certain circumstances, by a lending bank and such bank has the right to offset cash deposited with it against any debt or obligation that becomes due and, in case of default and certain other specified events, against all debt payable to the bank. The Company and its consolidated subsidiaries have never received any such requests nor do they expect that any such request will be made.

The annual maturities of long-term debt at March 31, 2024 and 2023 are as follows:

	Millions of yen					
	2024			2023		
	Non-recourse	Recourse	Total	Non-recourse	Recourse	Total
Due within 1 year	¥56,980	¥339,513	¥396,493	¥235,166	¥336,461	¥571,627
Due after 1 to 2 years	121,960	359,480	481,440	51,385	326,688	378,073
Due after 2 to 3 years	25,184	486,428	511,612	85,742	312,776	398,518
Due after 3 to 4 years	21,700	436,566	458,266	23,670	453,353	477,023
Due after 4 to 5 years	38,565	307,945	346,510	21,700	276,944	298,644
Thereafter	198,679	1,739,751	1,938,430	259,189	1,434,168	1,693,357
Total	¥463,068	¥3,669,683	¥4,132,751	¥676,852	¥3,140,390	¥3,817,242

14. ASSET RETIREMENT OBLIGATIONS

(1) Asset retirement obligations recognized in the consolidated balance sheets as of March 31, 2024 and 2023

The Company and its consolidated subsidiaries, in connection with operating retail facilities and parking business (Mitsui Repark), have entered into real estate lease contracts with terms ranging from several months to 49 years. Asset retirement obligations have been recognized in respect of the obligation of the Company and its consolidated subsidiaries to the landlords to remove the facilities from leased real estate at the end of those contracts. The liability has been calculated with expected useful lives ranging from several months to 49 years and discount rates ranging from 0 to 2.5%.

Asset retirement obligations are included in other current liabilities and other long-term liabilities on the consolidated balance sheets.

The following table summarizes the changes in the aggregate carrying amount of asset retirement obligations for the years ended March 31, 2024 and 2023:

	Millions of yen	
	2024	2023
Beginning of year	¥6,735	¥6,694
Increase due to acquisition of fixed assets	680	231
Net increase due to revisions to original estimate *	237	78
Decrease due to settlement	(419)	(305)
Other	35	37
End of year	¥7,268	¥6,735

* Increase for the years ended March 31, 2024 and 2023 was mainly due to additions of decommissioning costs that have become measurable in a more accurate manner.

(2) Asset retirement obligations not recognized in the consolidated balance sheets as of March 31, 2024 and 2023

The Company and its consolidated subsidiaries own properties containing asbestos material and are obligated to remove those materials upon disposition of the properties. However, since sufficient information is not available to reasonably estimate the obligation amount due to uncertainty about the method and timing of settlement, asset retirement obligation is not recognized for the obligations to remove asbestos materials.

The Company and its consolidated subsidiaries, in connection with some retail facilities, hotels and retail premises, have entered into real estate lease contracts and are obligated to the landlords to dismantle the facilities upon exit. However, sufficient information is not available to reasonably estimate the scope, the amount and other factors related to asset retirement obligations. Thus asset retirement obligation regarding reestablishing the previous state is not recognized except for those mentioned in (1) above.

15. DEPOSITS FROM TENANTS

Deposits from tenants at March 31, 2024 and 2023 comprise the following:

	Millions of yen	
	2024	2023
Non-interest-bearing	¥463,930	¥456,553
Interest-bearing	24	30
Total	¥463,954	¥456,583
Average interest rate	0.90%	0.90%

The Company and its consolidated subsidiaries generally make lease agreements with tenants under which they receive both interest-bearing deposits and non-interest-bearing deposits from tenants. The non-interest-bearing deposits and some of the interest-bearing deposits are not refundable during the life of the lease. The rest of the interest-bearing deposits are generally refundable to the tenant in equal annual or monthly payments with interest over certain periods of time commencing after the grace periods, depending on the terms of the contracts.

16. NET ASSETS

Net assets comprises four subsections, which are shareholders' equity, accumulated other comprehensive income, subscription rights to shares and non-controlling interests, as applicable. Under the Japanese Company Law (the "Law"), the entire amount paid for new shares is required to be designated as common stock. However, a company may, by resolution of the Board of Directors, designate an amount not exceeding one-half of the prices of the new shares as additional paid-in capital, which is included in capital surplus.

Under the Law, in cases where a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in-capital and legal earnings reserve must be set aside as additional paid-in-capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Under the Law, legal earnings reserve and additional paid-in capital may be used to eliminate or reduce a deficit, or may be capitalized by resolution of the shareholders' meeting. Additional paid-in capital and legal earnings reserve may not be distributed as dividends. However, all additional paid-in capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with Japanese laws and regulations.

17. SUPPLEMENTAL INFORMATION ON THE CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

(1) Changes in number of shares issued and outstanding during the years ended March 31, 2024 and 2023 are as follows:

	Issued	(Thousands) Treasury stock
	Common stock	Common stock
Numbers of shares as of March 31, 2022	959,474	8,973
Numbers of shares increased (*1)	262	17,291
Numbers of shares decreased (*2)	(11,285)	(11,312)
Numbers of shares as of March 31, 2023	948,451	14,952
Numbers of shares increased (*3)	312	6
Numbers of shares decreased (*4)	(11,885)	(12,131)
Numbers of shares as of March 31, 2024	936,878	2,827

The Company conducted a stock split on April 1, 2024, whereby each share of common stock was split into three shares. The number of shares shown in the table above represents the number of shares prior to the stock split.

(*1) Common stock issued increased due to issuance of 262 thousand shares of restricted stock as a compensation through resolution of the Board of Directors' meeting. Treasury stock increased due to purchase of 17,287 thousand shares through resolution of the Board of Directors' meeting and purchase of 4 thousand odd shares.

(*2) Common stock issued decreased due to retirement of 11,285 thousand shares of treasury stock through resolution of the Board of Directors' meeting. Treasury stock decreased due to retirement of 11,285 thousand shares of treasury stock through resolution of the Board of Directors' meeting, sale of 1 thousand odd shares and exercise of 26 thousand shares of subscription rights.

(*3) Common stock issued increased due to issuance of 312 thousand shares of restricted stock as a compensation through resolution of the Board of Directors' meeting. Treasury stock increased due to purchase of 6 thousand odd shares.

(*4) Common stock issued decreased due to retirement of 11,885 thousand shares of treasury stock through resolution of the Board of Directors' meeting. Treasury stock decreased due to retirement of 11,885 thousand shares of treasury stock through resolution of the Board of Directors' meeting, sale of nil thousand odd shares, exercise of 242 thousand shares of subscription rights and sale by affiliated companies of 4 thousand shares attributable to the Company.

(2) Information of subscription rights to shares is summarized as follows:

		Millions of yen	
	Company	Consolidated subsidiaries	Total
Type of subscription rights to shares	Stock option		
Balance as of March 31, 2023	¥1,291	-	¥1,291
Balance as of March 31, 2024	¥880	-	¥880

(3) Information of dividends is summarized as follows:

(a) Dividends paid

The following resolution was approved by the ordinary general shareholders' meeting held on June 29, 2023 and June 29, 2022:

Date of shareholders' meeting	June 29, 2023	June 29, 2022
Type of stock	Common stock	Common stock
Total amount	¥29,872 million	¥31,367 million
Per share amount	¥ 32	¥ 33
Record date	March 31, 2023	March 31, 2022
Effective date	June 30, 2023	June 30, 2022

The following resolution was approved by the Board of Directors' meeting held on November 8, 2023 and November 9, 2022:

Date of board of directors' meeting	November 8, 2023	November 9, 2022
Type of stock	Common stock	Common stock
Total amount	¥32,691 million	¥28,500 million
Per share amount	¥ 35	¥ 30
Record date	September 30, 2023	September 30, 2022
Effective date	December 4, 2023	December 2, 2022

(b) Dividend whose record date falls within the current fiscal year but to be effective in the following fiscal year

The following resolution was approved by the ordinary general shareholders' meeting held on June 27, 2024 and June 29, 2023:

Date of shareholders' meeting	June 27, 2024	June 29, 2023
Type of stock	Common stock	Common stock
Total amount	¥45,768 million	¥29,872 million
Source	Retained earnings	Retained earnings
Per share amount	¥ 49	¥ 32
Record date	March 31, 2024	March 31, 2023
Effective date	June 28, 2024	June 30, 2023

18. STOCK OPTION PLANS

The following table summarizes the stock option plans introduced by the Company.

(1) Stock option expenses charged to income for the years ended March 31, 2024 and 2023 are as follows:

	Millions of yen	
	2024	2023
Cost of revenue from operations	¥368	¥384
Selling, general and administrative expenses	499	334
Total	¥867	¥718

(2) The following table summarizes the contents and activity of stock options as of March 31, 2024 and for the year then ended:

	2019 plan	2018 plan	2017 plan
Grantees	Directors, corporate officers and group managing officers; 36 in total (*1)	Directors, corporate officers and group managing officers; 31 in total (*1)	Directors, corporate officers and group managing officers; 28 in total (*1)
Type of stock and number of shares granted	108,980 shares of common stock	95,920 shares of common stock	80,440 shares of common stock
Grant date	July 16, 2019	July 17, 2018	July 14, 2017
Vesting conditions	(*2)	(*2)	(*2)
Requisite service period	Not specified	Not specified	Not specified
Exercise period (*2)	July 17, 2019 - July 16, 2049	July 18, 2018 - July 17, 2048	July 15, 2017 - July 14, 2047
Non-vested options (number of shares):			
Outstanding at beginning of year	97,640	82,340	66,590
Granted	-	-	-
Forfeited	-	-	-
Vested	(26,610)	(29,770)	(27,030)
Outstanding at end of year	71,030	52,570	39,560
Vested options (number of shares):			
Outstanding at beginning of year	6,320	6,320	5,240
Vested	26,610	29,770	27,030
Exercised	(17,500)	(17,500)	(17,920)
Expired	-	-	-
Outstanding at end of year	15,430	18,590	14,350
	Yen	Yen	Yen
Exercise price	¥1	¥1	¥1
Average stock price on exercise date	¥3,375	¥3,375	¥3,462
Grant-date fair value	¥1,960	¥2,188	¥2,093

	2016 plan	2015 plan	2014 plan
Grantees	Directors, corporate officers and group managing officers; 27 in total (*1)	Directors, corporate officers and group managing officers; 27 in total (*1)	Directors, corporate officers and group managing officers; 27 in total (*1)
Type of stock and number of shares granted	77,720 shares of common stock	50,460 shares of common stock	52,450 shares of common stock
Grant date	August 19, 2016	August 21, 2015	August 22, 2014
Vesting conditions	(*2)	(*2)	(*2)
Requisite service period	Not specified	Not specified	Not specified
Exercise period (*2)	August 20, 2016 - August 19, 2046	August 22, 2015 - August 21, 2045	August 23, 2014 - August 22, 2044
Non-vested options (number of shares):			
Outstanding at beginning of year	55,670	35,690	30,300
Granted	-	-	-
Forfeited	-	-	-
Vested	(24,370)	(15,490)	(15,310)
Outstanding at end of year	31,300	20,200	14,990
Vested options (number of shares):			
Outstanding at beginning of year	3,300	3,480	3,560
Vested	24,370	15,490	15,310
Exercised	(14,860)	(8,850)	(9,590)
Expired	-	-	-
Outstanding at end of year	12,810	10,120	9,280
	Yen	Yen	Yen
Exercise price	¥1	¥1	¥1
Average stock price on exercise date	¥3,375	¥3,375	¥3,435
Grant-date fair value	¥1,670	¥3,218	¥3,067

	2013 plan	2012 plan	2011 plan
Grantees	Directors, corporate officers and group managing officers; 27 in total (*1)	Directors, corporate officers and group managing officers; 25 in total (*1)	Directors, corporate officers and group managing officers; 25 in total (*1)
Type of stock and number of shares granted	66,650 shares of common stock	134,640 shares of common stock	143,040 shares of common stock
Grant date	August 23, 2013	August 17, 2012	August 12, 2011
Vesting conditions	(*2)	(*2)	(*2)
Requisite service period	Not specified	Not specified	Not specified
Exercise period (*2)	August 24, 2013 - August 23, 2043	August 18, 2012 - August 17, 2042	August 13, 2011 - August 12, 2041
Non-vested options (number of shares):			
Outstanding at beginning of year	38,500	65,030	69,560
Granted	-	-	-
Forfeited	-	-	-
Vested	(19,460)	(39,840)	(42,620)
Outstanding at end of year	19,040	25,190	26,940
Vested options (number of shares):			
Outstanding at beginning of year	4,530	9,980	10,680
Vested	19,460	39,840	42,620
Exercised	(14,580)	(32,320)	(37,600)
Expired	-	-	-
Outstanding at end of year	9,410	17,500	15,700
	Yen	Yen	Yen
Exercise price	¥1	¥1	¥1
Average stock price on exercise date	¥3,504	¥3,504	¥3,583
Grant-date fair value	¥2,796	¥1,265	¥919

	2010 plan	2009 plan	2008 plan	2007 plan
Grantees	Directors, corporate officers and group managing officers; 25 in total (*1)	Directors, corporate officers and group managing officers; 25 in total (*1)	Directors, corporate officers and group managing officers; 26 in total (*1)	Directors, corporate officers and group managing officers; 27 in total (*1)
Type of stock and number of shares granted	140,420 shares of common stock	109,650 shares of common stock	71,250 shares of common stock	48,880 shares of common stock
Grant date	August 13, 2010	August 14, 2009	August 15, 2008	September 18, 2007
Vesting conditions	(*2)	(*2)	(*2)	(*2)
Requisite service period	Not specified	Not specified	Not specified	Not specified
Exercise period (*2)	August 14, 2010 - August 13, 2040	August 15, 2009 - August 14, 2039	August 16, 2008 - August 15, 2038	September 19, 2007 - September 18, 2037
Non-vested options (number of shares):				
Outstanding at beginning of year	34,220	25,760	12,100	7,590
Granted	-	-	-	-
Forfeited	-	-	-	-
Vested	(27,090)	(21,400)	(9,670)	(6,260)
Outstanding at end of year	7,130	4,360	2,430	1,330
Vested options (number of shares):				
Outstanding at beginning of year	5,870	3,080	-	-
Vested	27,090	21,400	9,670	6,260
Exercised	(30,990)	(24,480)	(9,670)	(6,260)
Expired	-	-	-	-
Outstanding at end of year	1,970	-	-	-
	Yen	Yen	Yen	Yen
Exercise price	¥1	¥1	¥1	¥1
Average stock price on exercise date	¥3,515	¥3,515	¥3,375	¥3,375
Grant-date fair value	¥1,029	¥1,493	¥1,967	¥2,357

The Company conducted a stock split on April 1, 2024, whereby each share of common stock was split into three shares. The information shown in the table is based on the number of shares prior to the stock split.

(*1) Grantees consist of 8 directors (excluding outside directors), 17 corporate officers (non-directors) and 11 group managing officers for 2019 plan, 8 directors (excluding outside directors), 16 corporate officers (non-directors) and 7 group managing officers for 2018 plan, 8 directors (excluding outside directors), 13 corporate officers (non-directors) and 7 group managing officers for 2017 plan, 8 directors (excluding outside directors), 13 corporate officers (non-directors) and 6 group managing officers for 2016 plan, 8 directors (excluding outside directors), 14 corporate officers (non-directors) and 5 group managing officers for 2015 plan, 2014 plan and 2013 plan, 9 directors (excluding outside directors), 9 corporate officers (non-directors) and 7 group managing officers for 2012 plan, 9 directors (excluding outside directors), 8 corporate officers (non-directors) and 8 group managing officers for 2011 plan, 8 directors (excluding outside directors), 9 corporate officers (non-directors) and 8 group managing officers for 2010 plan and 2009 plan, 6 directors (excluding outside directors), 12 corporate officers (non-directors) and 8 group managing officers for 2008 plan, and 6 directors (excluding outside directors), 13 corporate officers (non-directors) and 8 group managing officers for the 2007 plan.

(*2) Vesting conditions and exercise period:

Stock options granted are exercisable on the day following grantees leaving the positions of director, statutory auditor, corporate officer or group managing officer, and for 5 years commencing on that date.

(3) Method of estimating fair value of options:

Not applicable.

(4) Method of estimating number of vesting options:

Number of vesting options is estimated based on actual forfeitures due to difficulty in reasonably estimating future forfeitures.

19. REVENUE FROM OPERATIONS

(1) Disaggregation of revenue from contracts with customers

	Millions of yen	
	2024	2023
Leasing		
Office	¥446,088	¥426,928
Retail	286,553	261,394
Other	82,361	66,917
Subtotal	815,002	755,239
Property Sales		
Property sales to individuals (domestic)	314,400	270,530
Property sales to investors and individuals (overseas), etc.	313,211	371,142
Subtotal	627,611	641,672
Management		
Property management	347,025	334,974
Brokerage and asset management and other	115,832	110,951
Subtotal	462,857	445,925
Facility Operations		
Hotels & resorts	140,577	95,197
Sports & entertainment	53,935	49,380
Subtotal	194,512	144,577
Other		
New construction under consignment & renovation and other	245,949	246,236
Other	37,358	35,454
Subtotal	283,307	281,690
Total revenue from operations	¥2,383,289	¥2,269,103
Revenue from contracts with customers	¥1,573,860	¥1,490,776
Revenue from other sources *	809,429	778,327
Total	¥2,383,289	¥2,269,103

* Revenue from other sources includes revenues based on “Accounting Standard for Lease Transactions” (ASBJ Statement No.13, March 30, 2007) and other.

Change in presentation:

The Company presented information about the disaggregation of revenue from contracts with customers in Note 25 SEGMENT INFORMATION for the year ended March 31, 2023. Effective from the year ended March 31, 2024, the Company has changed the method of presentation to present the information in Note 19 REVENUE FROM OPERATIONS. The information for the year ended March 31, 2023 is presented to conform to the current presentation.

- (2) Information about the nature of revenue from contracts with customers
Refer to Note 2 (G) for information about the nature of revenue from contracts with customers.
- (3) Information about relationship between satisfaction of performance obligations based on contracts with customers and cash flows arising from the contracts, and amount and timing of revenue expected to be recognized on and after April 1, 2024 and 2023 based on the contracts existing on March 31, 2024 and 2023, respectively
- a. Balances of receivables arising from contracts with customers, contract assets and contract liabilities
Balances of receivables arising from contracts with customers, contract assets and contract liabilities at March 31, 2024 and 2023 are as follows:

	Millions of yen			
	2024		2023	
	Beginning of year	End of year	Beginning of year	End of year
Receivables arising from contracts with customers	¥61,365	¥70,844	¥51,298	¥61,365
Contract assets	9,856	6,748	10,167	9,856
Contract liabilities	178,190	196,676	141,892	178,190

Contract asset represents the right to consideration in exchange for goods or services that has been transferred to a customer, when that right is conditioned on something other than the passage of time, mainly in new construction business. Considerations are generally collected, based on the payment terms, within approximately one year after satisfaction of performance obligations.

Contract liability is related to advances received from a customer under the payment terms based on contract with a customer, mainly in property sales business. Contract liability is transferred to revenue upon revenue recognition.

Revenue recognized in the year ended March 31, 2024 that was included in the contract liabilities balance at April 1, 2023 is ¥131,591 million.

Revenue recognized in the year ended March 31, 2023 that was included in the contract liabilities balance at April 1, 2022 is ¥114,892 million.

Revenue recognized in the year ended March 31, 2024 from the performance obligations satisfied or partially satisfied before April 1 2023 is immaterial.

Revenue recognized in the year ended March 31, 2023 from the performance obligations satisfied or partially satisfied before April 1 2022 is immaterial.

- b. Transaction price allocated to remaining performance obligations
The total amount of the transaction prices allocated to remaining performance obligations and revenue expected to be recognized on and after April 1, 2024 and 2023 are presented in the table below.
Applying a practical expedient, the contracts with original expected duration of one year or less

and the contracts for which revenues by satisfaction of the performance obligations are recognized in accordance with Article 19 of “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30, March 26, 2021), are not disclosed.

	Millions of yen	
	2024	2023
Within 1 year	¥276,008	¥201,528
After 1 to 2 years	363,568	190,769
After 2 to 3 years	38,317	145,702
Thereafter	8,254	12,464
Total	686,147	¥550,463

20. IMPAIRMENT LOSS ON FIXED ASSETS

There were no impairment losses for the years ended March 31, 2024 and 2023.

21. MAJOR COMPONENTS OF INTEREST, DIVIDENDS AND MISCELLANEOUS INCOME

Years ended March 31,	Millions of yen	
	2024	2023
Interest income	¥2,223	¥1,487
Dividend income	7,409	6,996
Foreign exchange gain	2,662	1,138
Gain on sale of property and equipment	4,433	-
Gain on sale of investment securities	54,120	44,077
Gain on transfer of substitutional portion of employees' pension fund	7,621	-
Other	5,275	6,580
Total	¥83,743	¥60,278

"Foreign exchange gain", which was included in "other" for the year ended March 31, 2023 is presented separately for the year ended March 31, 2024, due to its increased materiality.

As a result, ¥7,718 million of "other" for the year ended March 31, 2023 is reclassified to ¥1,138 million of "foreign exchange gain" and ¥6,580 million of "other" to conform to the current presentation.

22. MAJOR COMPONENTS OF OTHER EXPENSES

Years ended March 31,	Millions of yen	
	2024	2023
Loss on step acquisitions	¥-	¥2,172
Loss on disposal of property and equipment	-	8,195
Impairment loss on investment securities	-	3,138
Other	18,808	8,114
Total	¥18,808	¥21,619

23. COMPREHENSIVE INCOME

An analysis of each component of other comprehensive income (loss) and related tax effects for the years ended March 31, 2024 and 2023 is presented as follows.

	Millions of yen	
	2024	2023
Net unrealized holding gains (losses) on securities		
Unrealized holding gains (losses) arising during the year	¥127,350	¥(21,199)
Reclassification to income for the year	(53,792)	(42,192)
Pretax amount	73,558	(63,391)
Tax benefit (expense)	(20,624)	18,562
Net-of-tax amount	52,934	(44,829)
Deferred gains (losses) on hedging instruments		
Deferred gains arising during the year	1,193	9,319
Pretax amount	1,193	9,319
Tax expense	(460)	(2,502)
Net-of-tax amount	733	6,817
Reserve on land revaluation		
Tax benefit	-	684
Foreign currency translation adjustments		
Aggregated adjustment during the year resulting from foreign currency translation	13,240	41,450
Reclassification to income for the year	100	(34)
Pretax amount	13,340	41,416
Net amount	13,340	41,416
Adjustments for retirement benefit		
Adjustments for retirement benefit arising during the year	21,755	3,231
Reclassification to income for the year	(8,042)	(5,615)
Pretax amount	13,713	(2,384)
Tax benefit (expense)	(4,168)	744
Net-of-tax amount	9,545	(1,640)
Equity in other comprehensive income (loss) of affiliated companies		
Unrealized gains (losses) arising during the year	25,902	17,718
Reclassification to income for the year	(408)	(27)
Net amount	25,494	17,691
Total other comprehensive income	¥102,046	¥20,139

24. LEASES

As lessee:

(A) Finance leases

Assets leased under finance leases that do not transfer ownership to the lessee consist mainly of buildings and structures used in leasing business. Such assets are capitalized as assets and depreciated using the straight-line method over their lease term assuming no residual value.

As described in Note 2 (O), finance leases that do not transfer ownership to the lessee whose commencement day falls on or before March 31, 2008 are accounted for as operating lease. Information on such leases is summarized as follows:

(1) Assumed amounts of acquisition cost, accumulated depreciation and net book value at March 31, 2024 and 2023:

Not applicable.

(2) Future lease payment inclusive of interest at March 31, 2024 and 2023:

Not applicable.

(3) Lease expense and the assumed amount of depreciation expense for the years ended March 31, 2024 and 2023:

	Millions of yen	
	2024	2023
Lease expense	¥-	¥9
Depreciation expense	-	9

(4) Calculation of the assumed amount of depreciation expense:
Assumed depreciation amounts are computed using the straight-line method over the lease terms assuming no residual value.

(B) Operating leases

Future lease payments under non-cancellable operating leases at March 31, 2024 and 2023:

	Millions of yen	
	2024	2023
Amount due within one year	¥142,881	¥134,717
Amount due after one year	481,076	484,116
Total	¥623,957	¥618,833

As lessor:

Operating leases

Future lease revenue under non-cancellable operating leases at March 31, 2024 and 2023:

	Millions of yen	
	2024	2023
Amount due within one year	¥176,200	¥142,999
Amount due after one year	1,166,067	1,037,657
Total	¥1,342,267	¥1,180,656

25. SEGMENT INFORMATION

Reportable Segment Information:

The reportable segments of the Company represent its components for which operating results are regularly reviewed, utilizing separately available financial information, by the management in deciding how to allocate resources and assessing segment performance.

The Company's Head Office organizes its business units based on products and services, with each unit controlling subsidiaries with related business, mainly consisting of leasing, property, management and facility operations.

The Company employs a matrix form of segment categorized by business unit organized by Head Office and by services provided. The Company's segments have been aggregated based on the nature of products and services into the 5 reportable segments of "Leasing", "Property Sales", "Management", "Facility Operations" and "Other."

Descriptions of reportable segments are stated below.

- (1) Leasing
Leasing of office buildings and retail facilities and other
- (2) Property Sales
Sales of condominiums and detached housing to individuals, and sales of rental housing and office buildings and other to investors
- (3) Management
Property management and brokerage and asset management and other
- (4) Facility Operations
Hotels & resorts business and sports & entertainment business
- (5) Other
New construction under consignment and other

Due to a partial change in performance management methods within the Group, "Facility Operations" has been established as a new reportable segment beginning with the year ended March 31, 2024. As a result, the segment structure has been changed from the former 4 segments of "Leasing," "Property Sales," "Management" and "Other" to new 5 segments of "Leasing," "Property Sales," "Management," "Facility Operations" and "Other." The new "Facility Operations" segment includes part of facility operations and Tokyo Dome operations, which were formerly included in the "Other" segment.

The segment information for the year ended March 31, 2023 has been restated to conform to the new reporting segments.

Financial information about reportable segments for the years ended March 31, 2024 and 2023 is summarized in the following tables. The segment information is prepared in accordance with the accounting policies adopted to prepare the consolidated financial statements. Segment operating income is based on revenue from operations, cost of revenue from operations and selling, general and administrative expenses. Transactions and transfers between segments are made at amounts based on prevailing market prices.

Millions of yen

Year ended March 31, 2024	(1)	(2)	(3)	(4)	(5)	Adjustments (*1)	Consolidated
Revenue from operations:							
Outside customers	¥815,002	¥627,611	¥462,857	¥194,512	¥283,307	¥-	¥2,383,289
Inter-segment	24,262	121	85,068	462	17,183	(127,096)	-
Total revenue from operations	¥839,264	¥627,732	¥547,925	¥194,974	¥300,490	¥(127,096)	¥2,383,289
Segment operating income (loss)	¥167,805	¥131,970	¥66,289	¥26,333	¥2,186	¥(54,892)	¥339,691
Segment assets	4,621,110	2,644,020	669,790	494,851	221,615	838,141	9,489,527
Depreciation	88,357	577	10,747	20,522	7,947	5,577	133,727
Loss on impairment of fixed assets	-	-	-	-	-	-	-
Additions to property and equipment and intangible assets	190,724	1,357	15,258	22,188	10,498	6,584	246,609

Millions of yen

Year ended March 31, 2023	(1)	(2)	(3)	(4)	(5)	Adjustments (*2)	Consolidated
Revenue from operations:							
Outside customers	¥755,239	¥641,672	¥445,925	¥144,577	¥281,690	¥-	¥2,269,103
Inter-segment	23,184	139	81,017	1,525	13,745	(119,610)	-
Total revenue from operations	¥778,423	¥641,811	¥526,942	¥146,102	¥295,435	¥(119,610)	¥2,269,103
Segment operating income (loss)	¥149,796	¥145,868	¥63,384	¥(3,690)	¥(906)	¥(49,047)	¥305,405
Segment assets	4,392,546	2,452,650	651,207	515,576	199,093	630,325	8,841,397
Depreciation	80,674	571	10,150	21,694	7,249	4,961	125,299
Loss on impairment of fixed assets	-	-	-	-	-	-	-
Additions to property and equipment and intangible assets	345,114	462	13,217	16,276	6,615	4,909	386,593

(*1) Adjustments to segment operating income of ¥(54,892) million consists of ¥(396) million of inter-segment elimination and ¥(54,496) million of corporate expenses, which mainly represent the Company's general and administrative expenses that are not allocable to any of the reportable segments. Adjustments to segment assets of ¥838,141 million consists of ¥(1,499,542) million of inter-segment elimination, ¥1,763,116 million of corporate assets and investments in affiliated companies of ¥574,567 million.

(*2) Adjustments to segment operating income of ¥(49,047) million consists of ¥(1,305) million of inter-segment elimination and ¥(47,742) million of corporate expenses, which mainly represent the Company's general and administrative expenses that are not allocable to any of the reportable segments. Adjustments to segment assets of ¥630,325 million consists of ¥(1,421,556) million of inter-segment elimination, ¥1,608,846 million of corporate assets and investments in affiliated companies of ¥443,035 million.

Reportable segment information regarding carrying amount and amortization of goodwill and income recognized from negative goodwill has been omitted due to their immateriality.

Products and Services Information:

Refer to reportable segment information.

Geographic Area Information:

(1) Revenue from operations

Revenue from operations classified by the location at March 31, 2024 and 2023 are as follows:

	Millions of yen	
	2024	2023
Japan	¥2,050,637	¥1,980,048
U.S.A.	287,945	250,100
Other	44,707	38,955
Total	¥2,383,289	¥2,269,103

(2) Property and equipment

Property and equipment classified by the location at March 31, 2024 and 2023 are as follows:

	Millions of yen	
	2024	2023
Japan	¥3,259,017	¥3,277,081
U.S.A.	764,317	687,717
Other	333,698	289,995
Total	¥4,357,032	¥4,254,793

Customer Information:

Customer information has been omitted since revenue from no single customer exceeded 10% of revenue from operations on the consolidated statements of income.

26. RELATED PARTIES

There were no significant related party transactions for the year ended March 31, 2024.

Significant related party transaction for the year ended March 31, 2023 is summarized as follows:

Transaction with the Company's directors and major individual shareholders

					Millions of yen	
					2023	
Type	Name	Occupation	Ownership ratio of voting shares	Nature of transaction	Transaction amount	Balance outstanding at year end
Close relative of Director	Close relative of Wataru Hamamoto	-	-	Renovation of residence	¥15	-

Policies for terms and conditions of the transaction:

The transaction price is determined in reference to market prices.

27. CONTINGENT LIABILITIES

Contingent liabilities at March 31, 2024 and 2023 are as follows:

Millions of yen		
	2024	2023
Loans guaranteed	¥24,620	¥22,858

It had been presumed that some of the foundation piles, part of a building's substructure, were faulty on a condominium complex (the "Condominiums") located in the City of Yokohama that were sold by Mitsui Fudosan Residential Co., Ltd. ("MFR"), one of the Company's consolidated subsidiaries. On April 11, 2016, MFR received a report of an investigation of current conditions confirming that a portion of the piles used in the construction failed to reach the required bearing layer from the building contractor, Sumitomo Mitsui Construction Co., Ltd. ("SMC"). In addition, on August 26, 2016, MFR received a notice from the City of Yokohama stating that the Condominiums were in violation of the Building Standards Law and requesting that MFR consult with the unit owners of the Condominiums and take all responsible steps to resolve the situation.

On May 8, 2016, MFR executed an agreement (the "Agreement") with the condominium association (the "Condominium Association"), establishing a basic framework to remedy the defects in the installation of the foundation piles, including the possibility of reconstructing the Condominiums, as well as compensation and providing that MFR would bear the expenses arising out of such defects. On September 19, 2016, the Condominium Association resolved in accordance with the Act on Building Unit Ownership, etc. and determined that it would seek the complete reconstruction of the entire Condominiums as the corrective measure. The reconstruction was completed on February 25, 2021.

With regard to the Condominiums, MFR received the report from the building contractor, SMC, which noted that construction records had been diverted and modified at the time of the installation of the foundation piles, and it was revealed that certain foundation piles failed to reach the required bearing layer and the Condominiums violated the Building Standards Law. Accordingly, MFR determined to seek all damages incurred including reconstruction costs and expenses relating to the temporary housing of unit owners of the Condominiums during the period of reconstruction against the building contractor, SMC, as well as Hitachi High-Technologies Corporation (presently, Hitachi High-Tech Corporation) and Asahi Kasei Construction Materials Corporation, which installed the foundation piles, based on their tort liabilities and defect liabilities. On November 28, 2017, MFR filed a lawsuit to seek damages incurred against the above 3 companies. The claim amount is approximately ¥50.5 billion as of March 31, 2024. All related temporary payments undertaken by MFR up to March 31, 2024 are recorded as current assets on the consolidated balance sheet.

Depending on the outcome of future events, the matters referred to above may impact the consolidated results of operations of the Company and its consolidated subsidiaries. At this stage, however, it is difficult to estimate reasonably the amount of any such impact.

28. SUBSEQUENT EVENTS

Stock split:

The Company conducted a stock split on April 1, 2024 based on a resolution of the Board of Directors meeting held on March 1, 2024.

(1) Objective of the stock split

To reduce the amount per share to make it easier for investors to invest, which in turn will improve the liquidity of the Company's shares and expand its investor base.

(2) Summary of the stock split

(a) Method of the stock split

Each share of common stock held by the stockholders whose names appear on the record of stockholders as of March 31, 2024, has been split into three shares of common stock.

(b) Number of shares increased by the stock split

Number of shares issued prior to the stock split:	936,877,907	shares
Number of shares increased by the stock split:	1,873,755,814	shares
Number of shares issued after the stock split:	2,810,633,721	shares
Number of shares authorized after the stock split:	9,870,000,000	shares

(c) Schedule

Publication of record date:	March 15, 2024
Record date:	March 31, 2024
Effective date:	April 1, 2024

(d) Effect on per share information

Refer to relevant sections.



Independent auditor's report

To the Board of Directors of Mitsui Fudosan Co., Ltd.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Mitsui Fudosan Co., Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheets as at March 31, 2024 and 2023, the consolidated statements of income and comprehensive income, changes in net assets and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The appropriateness of the determination as to whether to recognize impairment losses on the Properties within fixed assets

The key audit matter	How the matter was addressed in our audit
<p>In the consolidated balance sheet of Mitsui Fudosan Co., Ltd. (the “Company”) and its consolidated subsidiaries for the current fiscal year, property and equipment (including leasehold rights) of ¥4,357,032 million, held primarily as leasing and operating properties, were recognized, and the amount of these property and equipment and other assets (collectively, the “Properties”) accounted for approximately 46% of total assets in the consolidated financial statements. Of the Properties, the determination as to whether to recognize impairment losses mainly concerned certain of the Properties whose profitability had declined such as those experiencing deviations from the initial business plan.</p> <p>The Company describes its determination as to whether to recognize impairment losses on the Properties within fixed assets in Note 2. “Significant Accounting Policies,” under (Y) “Significant Accounting Estimates, 1. Impairment of fixed assets” to the consolidated financial statements. While the Properties within fixed assets are depreciated or amortized in a systematic manner, upon identifying any indication of impairment, the Company is required to determine whether an impairment loss should be recognized. The impairment indicators include recurring operating losses, a significant decline in market prices, a significant deterioration in the business environment, a change in usage and other factors. If the recognition of an impairment loss is deemed necessary, the carrying amount is reduced to the recoverable amount, and the resulting decrease in the carrying amount is recognized as an impairment loss.</p> <p>In particular, the estimates of future cash flows and discount rates used to calculate the market prices of respective Properties may be significantly affected by changes in economic conditions and interest rates, competition in the real-estate markets and external factors affecting property development, climate change and natural disasters, as well as the impact from the spread of infectious diseases and other factors. Accordingly, these estimates involved a high degree of uncertainty, as well as significant subjectivity in the Company’s judgments. The same applied to the estimates of future cash flows and discount rates used in the judgment of recognizing impairment losses.</p> <p>We, therefore, determined that the appropriateness of the Company’s determination as to whether to</p>	<p>The primary procedures we performed to evaluate whether the Company’s judgment with respect to the determination as to whether to recognize impairment losses on the Properties within fixed assets was appropriate included the following:</p> <p>(1) Internal control testing</p> <p>We tested the design and operating effectiveness of certain of the Company’s internal controls relevant to the determination as to whether to recognize impairment losses on the Properties.</p> <p>(2) Evaluation of the appropriateness of the Company’s judgment in identifying indications of impairment</p> <ul style="list-style-type: none"> ● We examined the accuracy of the actual profit and loss data for respective Properties on which the determination of recurring operating losses was based by comparing them with the relevant supporting materials and analyzing the trend of profit and loss. ● We evaluated the reasonableness of the estimate of future cash flows and the appropriateness of the discount rates used to calculate the market prices of respective Properties, with the assistance of our own real-estate valuation specialists, as necessary. ● We inspected the materials relevant to the progress toward and probability of achieving the business plan for respective Properties, to assess whether there was any significant deterioration in the business environment or a change in usage, and inquired of the departments in-charge about risk factors that could affect the feasibility of the business plan. <p>(3) Evaluation of the appropriateness of the Company’s judgment in recognizing impairment losses</p> <ul style="list-style-type: none"> ● With respect to the future cash flows and discount rates, with the assistance of our own real-estate valuation specialists, as necessary, we: <ul style="list-style-type: none"> - evaluated the reasonableness of the estimate of future cash flows, taking into consideration future economic conditions, by comparing them against the actual cash flows and other information relevant to the cash flows published by external sources; and - evaluated the appropriateness of the discount rates by comparing them against information published by external sources.

recognize impairment losses on the Properties within fixed assets was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	
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The reasonableness of the valuation of the Real Property for Sale related to the Property Sales business	
The key audit matter	How the matter was addressed in our audit
<p>In Note 8. “Inventories” to the consolidated financial statements for the current fiscal year, real property for sale completed of ¥1,404,142 million, real property for sale in progress of ¥552,659 million and land held for development of ¥394,195 million related to the Property Sales business were recognized, and their total amount (collectively, the “Real Property for Sale”) accounted for approximately 25% of total assets in the consolidated financial statements. Of the Real Property for Sale, the valuation of the Real Property for Sale related to the Property Sales business mainly concerned those that were slow-moving and those experiencing a decline in profitability. In addition, as described in Note 2. “Significant Accounting Policies,” under (Y) “Significant Accounting Estimates, 2. Evaluation of real property for sale,” loss on devaluation of real property for sale of ¥21,994 million were recognized in the consolidated statement of income.</p> <p>The Company describes the valuation of the Real Property for Sale in Note 2. “Significant Accounting Policies,” under (G) “Inventories, Revenue and Related Costs” and (Y) “Significant Accounting Estimates, 2. Evaluation of real property for sale” to the consolidated financial statements.</p> <p>The sales price and estimated additional cost including estimated development cost that are used to calculate the net realizable value of the Real Property for Sale are estimated for each property. However, during the course of long-term property development and sales activities, these estimates including overseas business may be significantly affected by changes in economic conditions and interest rates, competition in the real-estate markets and external factors affecting property development, climate change and natural disasters, as well as any impact from the spread of infectious diseases and other factors. Accordingly, these estimates involved a high degree of uncertainty, as well as significant subjectivity in the Company’s judgments.</p> <p>We, therefore, determined that the reasonableness of the valuation of the Real Property for Sale related to the Property Sales business was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.</p>	<p>The primary procedures we performed to evaluate whether the valuation of the Real Property for Sale related to the Property Sales business was reasonable included the following:</p> <p>(1) Internal control testing</p> <p>We tested the design and operating effectiveness of certain of the Company’s internal controls relevant to the valuation of the Real Property for Sale.</p> <p>(2) Evaluation of the reasonableness of the estimate of the net realizable value</p> <ul style="list-style-type: none"> ● With respect to the estimate of the selling price of respective Real Property for Sale, with the assistance of our own real-estate valuation specialists, etc, as necessary, we: <ul style="list-style-type: none"> - evaluated the appropriateness of the valuation method selected to calculate a selling price in light of applicable requirements including those in the accounting standards; - evaluated the reasonableness of the estimate of future cash flows used to calculate a selling price, taking into consideration future economic conditions, by comparing them against the actual cash flows and other information relevant to the cash flows published by external sources; and - evaluated the appropriateness of the discount rates used to calculate a selling price by comparing them against information published by external sources. ● With respect to the Real Property for Sale under development, we inspected the materials relevant to the status and probability of achieving the respective development plans, and inquired of the departments in-charge about the feasibility of these development plans.

The appropriateness of the accounting treatment and disclosures relating to the Condominiums located in the City of Yokohama

The key audit matter	How the matter was addressed in our audit
<p>The Company describes its accounting treatment and disclosures for a condominium complex (the “Condominiums”) located in the City of Yokohama in Note 27. “Contingent Liabilities” to the consolidated financial statements.</p> <p>In this situation, Mitsui Fudosan Residential Co., Ltd. (“MFR”) filed a lawsuit to seek reimbursement of all costs incurred including reconstruction costs and expenses against the construction companies. Of the costs incurred, the amount of payments made by MFR to date are recorded as part of current assets on the consolidated balance sheets. While this matter may have an impact on the consolidated results of operations of the Company depending on the progress of the pending lawsuit, at this stage it is difficult to reliably estimate a reasonable amount of any such impact. Accordingly, such estimate involved a high degree of uncertainty, as well as significant subjectivity in the Company’s judgments.</p> <p>We, therefore, determined that the appropriateness of the accounting treatment and disclosures relating to the Condominiums located in the City of Yokohama was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.</p>	<p>The primary procedures we performed on the progress and prospect of the pending lawsuit in order to evaluate whether the accounting treatment and disclosures relating to the Condominiums located in the City of Yokohama were appropriate, included the following:</p> <ul style="list-style-type: none"> ● We inquired of management and the departments in-charge of MFR and management and the departments in-charge of the Company about the progress and prospect of the pending lawsuit. In evaluating the reasonableness of their responses to our inquiries, we consulted with an external legal expert that we retained in order to understand them from a legal perspective. In addition, we evaluated the reasonableness of the estimate by assessing the consistency between the relevant litigation materials and their responses to our inquiries; and ● We circularized, through a written legal confirmation, with MFR’s legal counsel handing the matter to confirm the status and prospect of the pending lawsuit.

The appropriateness of revenue recognized for transactions for property sales to investors	
The key audit matter	How the matter was addressed in our audit
<p>As described in Note 25. “Segment Information” to the consolidated financial statements, revenue from operations of ¥2,383,289 million recognized in the Company’s consolidated statement of income for the current fiscal year included revenue from operations of ¥627,611 million in the Property Sales segment, which accounted for approximately 26% of the consolidated revenue from operations. In addition, the consolidated statement of income included a gain on sales of fixed assets of ¥4,433 million. Of revenue from operations in the Property Sales segment, the revenue recognized for transactions for property sales to investors was related to sale transactions using a complex scheme, or transactions for property sales to investors with which the Company and its consolidated subsidiaries have recurring sale transactions.</p> <p>Transactions for property sales to investors varies widely from transaction to transaction, and the amount of each transaction tends to be relatively large. In particular, for transactions involving special purpose entities using a complex scheme or to investors with which the Company has recurring sale transactions, significant judgments regarding, for example, the economic reasonableness of the sale terms and conditions, the appropriateness of the selling price and the reasonableness of an overall transaction, are involved in determining whether substantially all of the risks and rewards of the property were transferred, which must be satisfied for a sale treatment.</p> <p>We, therefore, determined that the appropriateness of revenue recognized for transactions for property sales to investors was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.</p>	<p>The primary procedures we performed to evaluate whether revenue recognized for transactions for property sales to investors was appropriate included the following:</p> <p>(1) Internal control testing</p> <p>We tested the design and operating effectiveness of certain of the Company’s internal controls relevant to the revenue recognized for transactions for property sales to investors.</p> <p>(2) Evaluation of the appropriateness of the determination on the transfer of risks and rewards</p> <ul style="list-style-type: none"> ● We inspected the final approval document, agreed the evidence including the real-estate sale agreement and confirmation of property transfer to the accounting records, as well as evaluated the economic reasonableness of property sale terms and conditions based on our understanding of an overall scheme including the buyer; ● We evaluated the appropriateness of the selling price by inspecting the real-estate sale agreement and comparing the future cash flows and discount rates reflected in the selling price against the actual cash flows and other relevant information published by external sources; and ● We obtained an understanding of the contractual terms and conditions concerning repurchase by inspecting the final approval document and the real-estate sale agreement, and evaluated the reasonableness of the sale transaction, giving consideration to the extent of continuing involvement in the property after the sale.

Other Information

The other information comprises the information included in the Financial Report, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with corporate auditors and the board of corporate auditors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries for the current year are 943 million yen and 381 million yen, respectively.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

/S/ Yutaka Terasawa
Designated Engagement Partner
Certified Public Accountant

/S/ Hironori Hashizume
Designated Engagement Partner
Certified Public Accountant

/S/ Masashi Gake
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
June 27, 2024

Notes to the Reader of Independent Auditor's Report:

This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC.

Appendices

1. History

Mitsui Fudosan Co., Ltd. was founded on July 15, 1941, as part of the reorganization of Mitsui Company by Mitsui management. It was founded with three million yen in capital and tasked with managing the real estate owned by Mitsui Company.

Since its founding, the Company's primary business has been leasing and managing real estate such as office buildings. However, we have been diversifying operations since the mid-1950s, and in 1957, we launched a marine land reclamation business by beginning a process of dredging and reclamation in a coastal region of Chiba Prefecture. In 1961, we began a business for developing and selling land for residential use and since 1968, we have also been constructing and selling condominiums and detached housing.

In recent years, the Mitsui Fudosan Group's main businesses are office building leasing, retail facility leasing, and residential property sales. We also operate other businesses including a hotel and resorts business, a logistics business, a consulting business, a property management business, and overseas businesses.

Below is an overview of how the Group's business has developed to date.

July	1941	Mitsui Fudosan Co., Ltd. established (capital: ¥3 million)
May	1949	Stock listed on the First Section of the Tokyo Stock Exchange
October	1956	Absorption of Mitsui Company by Mitsui Fudosan
February	1962	Osaka Branch Office (now Kansai Head Office) opened
December	1966	Construction of Yurigaoka Project completed
April	1968	Construction of Kasumigaseki Building completed
July	1969	Mitsui Real Estate Sales Co., Ltd. established
April	1972	Sapporo Branch Office (now Hokkaido Branch Office), Hiroshima Branch Office (now Chugoku Branch Office), and Fukuoka Branch Office (now Kyushu Branch Office) opened
October	1972	Nagoya Branch Office (now Chubu Branch Office) opened
May	1973	Mitsui Fudosan America, Inc. established
September	1973	Absorption of Shin-Nagoya Building Co., Ltd. by Mitsui Fudosan
December	1973	Sendai Branch Office (now Tohoku Branch Office) opened
September	1974	Construction of Shinjuku Mitsui Building completed
October	1974	Mitsui Home Co., Ltd. and Mitsui Fudosan Construction Co., Ltd. established
May	1980	"Let's" system of joint development launched
September	1980	Construction of Sun City fully completed
March	1981	Mitsui Fudosan (Singapore) Pte., Ltd. established
April	1981	LaLaport Funabashi Shopping Center (now Mitsui Shopping Park LaLaport TOKYO-BAY) opened
September	1983	Halekulani opened
January	1984	Mitsui Garden Hotel Osaka (Mitsui Garden Hotel Osaka Yodoyabashi) opened
April	1988	Yokohama Branch Office opened
December	1989	Mitsui Fudosan America Group established
January	1990	Mitsui Fudosan (U.K.) Ltd. established
April	1990	Chiba Branch Office opened
July	1992	Mitsui Fudosan (Singapore) Pte., Ltd. renamed as Mitsui Fudosan (Asia) Pte., Ltd.
July	1993	Construction of Bell Park City fully completed
September	1998	Yokohama Bayside Marina Shops & Restaurants (now MITSUI OUTLET PARK YOKOHAMA BAYSIDE) opened
December	1999	Absorption of Mitsui Fudosan America, Inc. by Mitsui Fudosan America Group
March	2000	Mitsui Fudosan America Group renamed as Mitsui Fudosan America, Inc.
March	2002	All shares of Mitsui Fudosan Construction Co., Ltd. sold
October	2002	Mitsui Real Estate Sales Co., Ltd. made into a full subsidiary through a share exchange
July	2005	Construction of Nihonbashi Mitsui Tower completed

December	2005	Mitsui Fudosan Residential Co., Ltd. established
January	2007	Construction of TOKYO MIDTOWN completed
April	2012	Mitsui Real Estate Sales Co., Ltd. renamed as Mitsui Fudosan Realty Co., Ltd.
July	2014	Kashiwa-no-ha Smart City Gate Square opened
September	2014	Construction of MFLP Sakai completed
February	2018	Construction of TOKYO MIDTOWN HIBIYA completed
October	2018	Mitsui Home Co., Ltd. made into a full subsidiary through a tender offer
		Construction of 55 Hudson Yards completed
March	2019	Construction of Nihonbashi Muromachi Mitsui Tower completed
January	2021	TOKYO DOME CORPORATION made into a consolidated subsidiary through a tender offer
April	2022	Mitsui Fudosan Co., Ltd. transferred from the First Section to the Prime Market of the Tokyo Stock Exchange following a review of the market classification of the Tokyo Stock Exchange
June	2022	Construction of 50 Hudson Yards completed
August	2022	Construction of TOKYO MIDTOWN YAESU completed

2. Mitsui Fudosan's Businesses

Descriptions of the main businesses operated by Mitsui Fudosan and our 407 subsidiaries and affiliated companies (comprising 310 consolidated subsidiaries and 97 affiliated companies accounted for by the equity method) as well as the names of the main companies engaging in each business and how these companies are positioned within the business are as follows.

Leasing

Mitsui Fudosan leases properties such as office buildings and retail facilities. Mitsui Fudosan America, Inc. and Mitsui Fudosan (U.K.) Ltd. (both consolidated subsidiaries) lease properties such as office buildings in the U.S. and U.K. respectively. Mitsui Fudosan (Asia) Malaysia Sdn. Bhd. and Mitsui Fudosan Taiwan Co., Ltd. (both consolidated subsidiaries) lease retail facilities in Malaysia and Taiwan respectively.

Property Sales

Mitsui Fudosan sells properties such as business facilities. Mitsui Fudosan Residential Co., Ltd. (a consolidated subsidiary) sells properties such as detached housing and condominiums. TID Pte. Ltd. (an affiliated company accounted for by the equity method), Mitsui Fudosan America, Inc. and Mitsui Fudosan (U.K.) Ltd. sell properties in Singapore, the U.S. and U.K. respectively.

Management

Property Management

Mitsui Fudosan Facilities Co., Ltd. and Mitsui Fudosan Facilities West Co., Ltd. (both consolidated subsidiaries) are the main companies responsible for carrying out management, cleaning, maintenance, and other tasks for the leasing business. Mitsui Fudosan commissions Mitsui Fudosan Building Management Co., Ltd. (a consolidated subsidiary) and Mitsui Fudosan Facilities West Co., Ltd. to manage some of its office buildings. Mitsui Fudosan Retail Management Co., Ltd. (a consolidated subsidiary) carries out the management and operation of retail facilities. Also, Mitsui Fudosan Residential Service Co., Ltd. and Mitsui Fudosan Residential Service Kansai Co., Ltd. (both consolidated subsidiaries) carry out the post-sale management, cleaning, maintenance, and other tasks for properties. Mitsui Fudosan Residential Lease Co., Ltd. (a consolidated subsidiary) acts as an agent for subleasing and managing rental housing. MITSUI HOME ESTATE Co., Ltd. (a consolidated subsidiary) offers rental housing intermediary and property management services. Mitsui Fudosan Realty Co., Ltd. (a consolidated subsidiary) operates Repark, a business offering hourly and monthly car park leasing.

Brokerage and Asset Management and Other

Mitsui Fudosan operates a business offering consultation regarding the development and securitization of real estate. Mitsui Fudosan Residential Co., Ltd. operates a sales agency for housing and other properties. Mitsui Fudosan Realty Co., Ltd. operates a brokerage business for the sale, leasing, and renting of real estate through the Mitsui Rehouse network. Mitsui Fudosan Investment Advisors, Inc. (a consolidated subsidiary) sets up and manages private placement real estate funds. Nippon Building Fund Management Ltd., Mitsui Fudosan Accommodations Fund Management Co., Ltd., Mitsui Fudosan Logistics REIT Management Co., Ltd., and Mitsui Fudosan Frontier REIT Management Inc. (all consolidated subsidiaries) operate an asset management business for real estate investment funds.

Facility Operations

Hotels & Resorts

Mitsui Fudosan Hotel Management Co., Ltd. (a consolidated subsidiary) operates hotels, primarily those leased from Mitsui Fudosan. Imperial Hotel, Ltd.* (an affiliated company accounted for by the equity method) operates hotels. Mitsui Fudosan America, Inc. operates resort and luxury facilities in Hawaii, U.S.A. Mitsui Fudosan Resort Management Co., Ltd. and Shima Resort Management Co., Ltd. (both consolidated subsidiaries) operate resort and luxury facilities leased from Mitsui Fudosan.

Sports & Entertainment

TOKYO DOME CORPORATION (a consolidated subsidiary) operates a stadium and arena business centered on Tokyo Dome City.

* Stock of Imperial Hotel, Ltd. (an affiliated company accounted for by the equity method) is listed on the Standard Market of the Tokyo Stock Exchange.

Other

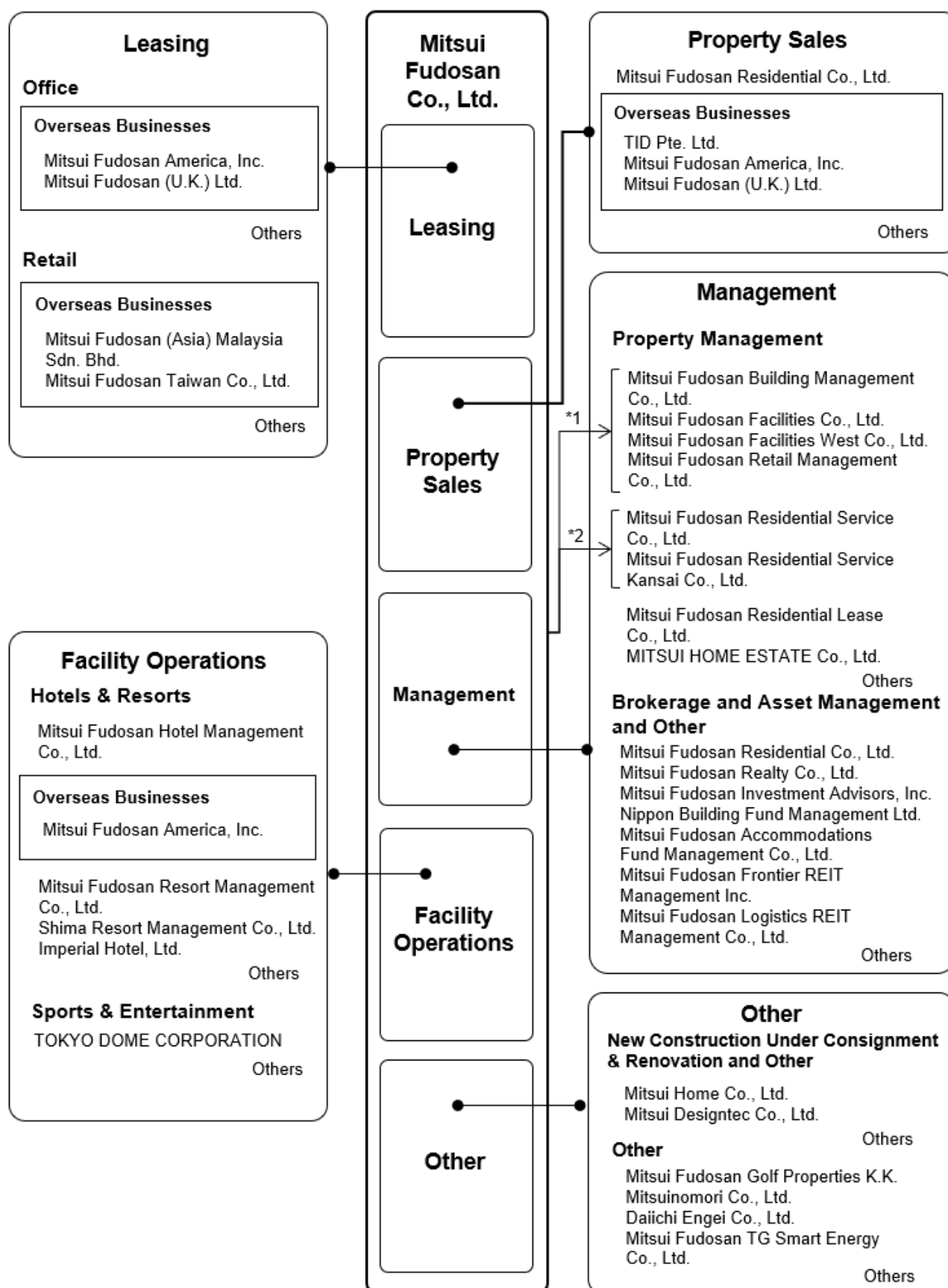
New Construction Under Consignment & Renovation and Other

Mitsui Home Co., Ltd. (a consolidated subsidiary) and each franchise company provide the design, construction management, and sub-contracting construction of new-build homes. Mitsui Designtec Co., Ltd. (a consolidated subsidiary) carries out renovation work for homes and renewal work for offices and retail facilities.

Other

Mitsui Fudosan Golf Properties K.K. and Mitsuinomori Co., Ltd. (both consolidated subsidiaries) operate golf course businesses. Daiichi Engei Co., Ltd. (a consolidated subsidiary) is a retailer of flowers and ornamental plants, seeds, and other gardening products. Mitsui Fudosan TG Smart Energy Co., Ltd. (a consolidated subsidiary) operates a specified electricity transmission and distribution and heat supply business.

The following organization chart shows how the businesses of the main subsidiaries and affiliated companies mentioned above relate to Mitsui Fudosan's business.



*1: Lease Management and Operation

*2: Residential Property Management and Operation

3. Subsidiaries and Affiliated Companies

(A) Consolidated Subsidiaries

Name	Location	Capital (Millions of yen)	Business	Proportion of voting rights owned by Mitsui Fudosan	Portion indirectly owned	Relationship with Mitsui Fudosan	Renting office space from Mitsui Fudosan	Officers in concurrent posts	Mitsui Fudosan officers among concurrent officers
Accommodation First Co., Ltd.	Minato Ward, Tokyo	10	Management	100.0	100.0			4	4
&Resilience Co., Ltd.	Chuo Ward, Tokyo	10	Other	66.7	—		Yes	2	2
Ise-Shima Resort Management Co., Ltd.	Shima City, Mie	50	Facility Operations	100.0	—	Leasing resort facilities from Mitsui Fudosan		4	4
Wave Real Estate Co., Ltd.	Chuo Ward, Tokyo	90	Leasing, Property sales	100.0	—		Yes	4	4
NBF Office Management Co., Ltd.	Chuo Ward, Tokyo	10	Management	100.0	—	Commissioned by Mitsui Fudosan to manage buildings	Yes	4	4
31 VENTURES Global Innovation Fund L.P.	Shibuya Ward, Tokyo	4,534	Other	99.0	—			—	—
31 VENTURES Global Innovation Fund II L.P.	Shibuya Ward, Tokyo	5,100	Other	99.0	—			—	—
MF Living Support Co., Ltd.	Koto Ward, Tokyo	100	Management	100.0	100.0			3	2
Kyushin Kaihatsu Inc.	Usuki City, Oita	120	Other	96.0	—			3	3
GREENCOLLAR, Inc.	Chuo Ward, Tokyo	22	Other	66.7	—			4	4
GREENCOLLAR NEWZEALAND LIMITED	Auckland, New Zealand	NZ\$ 11,820,000	Other	100.0	100.0			4	4
31VENTURES-Global Brain- Growth I GK	Chuo Ward, Tokyo	14,670	Other	99.7	—			—	—
SUNLIFE CREATION Co., Ltd.	Chuo Ward, Tokyo	300	Property sales, Management, etc.	100.0	100.0			2	1
ShareTomorrow Co., Ltd.	Chuo Ward, Tokyo	25	Other	100.0	—		Yes	3	3
Shima Resort Management Co., Ltd.	Shima City, Mie	100	Facility Operations	100.0	—	Leasing resort facilities from Mitsui Fudosan		5	5
SUPERYARD Co., Ltd.	Chuo Ward, Tokyo	38	Other	67.0	—		Yes	2	2
Sumai Support Co., Ltd.	Chuo Ward, Tokyo	50	Management	100.0	100.0			2	2
Daiasama Golf Co., Ltd.	Kitasaku District, Nagano	150	Other	86.8	0.9			2	1
Daiichi Engei Co., Ltd.	Shinagawa Ward, Tokyo	480	Leasing, Other	100.0	—		Yes	5	5
Tsunamachi Club Co., Ltd.	Minato Ward, Tokyo	10	Other	100.0	—		Yes	4	4
TM Serviced Apartment CO., Ltd.	Minato Ward, Tokyo	10	Management	100.0	—			3	3
TM Park Residences Co., Ltd.	Minato Ward, Tokyo	10	Management	100.0	—			3	3
TOKYO-BAY Arena Co., Ltd.	Chuo Ward, Tokyo	100	Facility Operations	60.0	—			4	4
Tokyo Midtown Management Co., Ltd.	Minato Ward, Tokyo	100	Management	100.0	—			7	7
Narita Sports Development Co., Ltd.	Narita City, Chiba	30	Other	100.0	—			3	3
Haimurubushi Co., Ltd.	Yaeyama District, Okinawa	200	Facility Operations	100.0	—	Leasing resort facilities from Mitsui Fudosan		4	4
First Facilities Chiba Co., Ltd.	Chiba City, Chiba	20	Management	100.0	100.0		Yes	3	3
First Facilities Challenged Co., Ltd.	Chuo Ward, Tokyo	10	Management	100.0	100.0			3	3
Funabashi Health Center Co., Ltd.	Funabashi City, Chiba	10	Other	100.0	100.0			1	1
Frontier REIT SC Management Co., Ltd.	Chuo Ward, Tokyo	10	Management	100.0	100.0			3	3
Mitsui Designtec Co., Ltd.	Chuo Ward, Tokyo	500	Other	100.0	—	Contracted by Mitsui Fudosan for office and retail facility interior work, etc.	Yes	7	6

Name	Location	Capital (Millions of yen)	Business	Proportion of voting rights owned by Mitsui Fudosan	Portion indirectly owned	Relationship with Mitsui Fudosan	Renting office space from Mitsui Fudosan	Officers in concurrent posts	Mitsui Fudosan officers among concurrent officers
MITSUMI DEVELOPMENT CO., LTD.	Chuo Ward, Tokyo	1,000	Leasing, Property sales	100.0	100.0			4	3
Mitsuinomori Co., Ltd.	Chino City, Nagano	200	Management, Other	100.0	—		Yes	4	4
Mitsui Fudosan Accommodations Fund Management Co., Ltd.	Chuo Ward, Tokyo	300	Management	100.0	—		Yes	5	5
Mitsui Fudosan Engineering Advisors Inc.	Chuo Ward, Tokyo	100	Management	100.0	—		Yes	6	6
Mitsui Fudosan Golf Properties K.K.	Chuo Ward, Tokyo	490	Other	100.0	—			3	3
Mitsui Fudosan (Shanghai) Consulting Co., Ltd.	Shanghai, China	CNY7,870,440	Management	100.0	—			4	4
Mitsui Fudosan Retail Management Co., Ltd.	Chuo Ward, Tokyo	450	Management	100.0	—	Commissioned by Mitsui Fudosan to manage retail facilities, etc.	Yes	9	8
Mitsui Fudosan TG Smart Energy Co., Ltd.	Chuo Ward, Tokyo	100	Other	70.0	—		Yes	4	4
Mitsui Fudosan Investment Advisors, Inc.	Chuo Ward, Tokyo	490	Management	100.0	—		Yes	9	7
Mitsui Fudosan Building Management Co., Ltd.	Chuo Ward, Tokyo	490	Management	100.0	—	Commissioned by Mitsui Fudosan to manage buildings	Yes	7	3
Mitsui Fudosan Facilities Co., Ltd.	Chiyoda Ward, Tokyo	490	Management	100.0	—	Commissioned by Mitsui Fudosan to manage, clean, and maintain properties and adjacent facilities	Yes	12	9
Mitsui Fudosan Facilities West Co., Ltd.	Osaka City, Osaka	200	Management	100.0	100.0		Yes	5	5
Mitsui Fudosan Frontier REIT Management Inc.	Chuo Ward, Tokyo	450	Management	100.0	—		Yes	6	6
Mitsui Fudosan Hotel Management Co., Ltd.	Chuo Ward, Tokyo	490	Facility Operations	100.0	—	Leasing hotels from Mitsui Fudosan	Yes	8	7
Mitsui Fudosan Resort Management Co., Ltd.	Chuo Ward, Tokyo	100	Facility Operations	100.0	—	Leasing resort facilities from Mitsui Fudosan	Yes	8	—
Mitsui Fudosan Residential Co., Ltd.*1, *2	Chuo Ward, Tokyo	40,000	Leasing, Property sales, etc.	100.0	—		Yes	10	4
Mitsui Fudosan Residential Service Co., Ltd.	Koto Ward, Tokyo	400	Management	100.0	100.0		Yes	9	7
Mitsui Fudosan Residential Service Kansai Co., Ltd.	Osaka City, Osaka	300	Management	100.0	100.0		Yes	6	5
Mitsui Fudosan Residential Service Kyushu Co., Ltd.	Fukuoka City, Fukuoka	100	Management	100.0	100.0		Yes	2	1
Mitsui Fudosan Residential Service Chugoku Co., Ltd.	Hiroshima City, Hiroshima	100	Management	100.0	100.0		Yes	2	1
Mitsui Fudosan Residential Service Tohoku Co., Ltd.	Sendai City, Miyagi	100	Management	100.0	100.0		Yes	2	1
Mitsui Fudosan Residential Service Hokkaido Co., Ltd.	Sapporo City, Hokkaido	100	Management	100.0	100.0		Yes	2	1
Mitsui Fudosan Residential Lease Co., Ltd.	Shinjuku Ward, Tokyo	490	Management	100.0	100.0	Commissioned by Mitsui Fudosan to manage leasing housing	Yes	9	9
Mitsui Fudosan Loan Guarantee Co., Ltd.	Chuo Ward, Tokyo	100	Other	100.0	—	Guarantees loans for properties sold by Mitsui Fudosan		3	3
Mitsui Fudosan Logistics REIT Management Co., Ltd.	Chuo Ward, Tokyo	200	Management	100.0	—		Yes	5	5
Mitsui Fudosan Worldfarm Co., Ltd.	Chuo Ward, Tokyo	235	Other	100.0	—			4	3
Minato Estate Co., Ltd.	Chuo Ward, Tokyo	110	Other	100.0	—			4	4
LaLaport Agency Co., Ltd.	Chuo Ward, Tokyo	20	Management	100.0	100.0		Yes	7	7

Name	Location	Capital (Millions of yen)	Business	Proportion of voting rights owned by Mitsui Fudosan	Portion indirectly owned	Relationship with Mitsui Fudosan	Renting office space from Mitsui Fudosan	Officers in concurrent posts	Mitsui Fudosan officers among concurrent officers
Resident Insurance Small Amount and Short Term Insurance Co., Ltd.	Chiyoda Ward, Tokyo	50	Other	100.0	100.0			2	2
Resident First Co., Ltd.	Minato Ward, Tokyo	10	Management	100.0	100.0			5	5
Nippon Building Fund Management Ltd.*3	Chuo Ward, Tokyo	495	Management	46.0	—		Yes	4	4
Mitsui Fudosan TEPCO Energy Co., Ltd. *3	Chuo Ward, Tokyo	100	Other	50.0	—		Yes	3	3
36 other companies		—							
MFA Holding, Inc.	Wilmington, Delaware, U.S.A.	US\$1,000	Leasing, Property sales, etc.	100.0	—			3	1
Mitsui Fudosan America, Inc.	Newark, Delaware, U.S.A.	US\$722,000	Leasing, Property sales, etc.	100.0	100.0			3	1
117 other MFA Holding, Inc. Group companies		—							
Mitsui Fudosan (Asia) Pte. Ltd.	Singapore	S\$103,863,128	Leasing, Property sales, etc.	100.0	40.0			6	5
4 other Mitsui Fudosan (Asia) Pte. Ltd. Group companies		—							
Mitsui Fudosan (Asia) Malaysia Sdn. Bhd.	Kuala Lumpur, Malaysia	MYR 115,794,000	Leasing, Property sales	100.0	40.0			4	3
3 other Mitsui Fudosan (Asia) Malaysia Sdn. Bhd. Group companies		—							
Mitsui Fudosan Asia Development (Thailand) Co., Ltd.	Bangkok, Thailand	THB 4,000,000	Leasing, Property sales	100.0	40.0			5	4
Mitsui Fudosan Asia (Thailand) Co., Ltd.	Bangkok, Thailand	THB 30,000,000	Leasing, Property sales	100.0	100.0			5	4
Mitsui Fudosan Australia Pty. Ltd.	Sydney, Australia	A\$ 77,000,000	Leasing, Property sales	100.0	—			4	4
2 other Mitsui Fudosan Australia Pty. Ltd. Group companies		—							
Mitsui Fudosan (U.K.) Ltd.*1	London, U.K.	£477,250,000	Leasing, Property sales	100.0	—			3	1
37 other Mitsui Fudosan (U.K.) Ltd. Group companies		—							
Mitsui Fudosan Taiwan Co., Ltd.	Taipei, Taiwan	NT\$ 4,476,308,545	Leasing, Property sales, etc.	100.0	40.0			4	4
11 other Mitsui Fudosan Taiwan Co., Ltd. Group companies		—							
Mitsui Fudosan Realty Co., Ltd.	Chiyoda Ward, Tokyo	20,000	Management	100.0	—		Yes	8	4
6 other Mitsui Fudosan Realty Co., Ltd. Group companies		—							
Mitsui Home Co., Ltd.	Shinjuku Ward, Tokyo	13,900	Other	100.0	—		Yes	9	7
MITSUMI HOME ESTATE Co., Ltd.	Chiyoda Ward, Tokyo	100	Management	100.0	100.0		Yes	1	1
MITSUMIHOME ENGINEERING Co., LTD.	Setagaya Ward, Tokyo	100	Other	100.0	100.0		Yes	2	2
MITSUMIHOME LINKAGE Co., Ltd.	Shinjuku Ward, Tokyo	300	Other	100.0	100.0		Yes	—	—
8 other Mitsui Home Co., Ltd. Group companies		—							
TOKYO DOME CORPORATION	Bunkyo Ward, Tokyo	2,038	Facility Operations, Other	80.0	—			3	3
Matsudo Kousan Co., Ltd.	Matsudo City, Chiba	100	Leasing, Other, etc.	100.0	100.0			3	3
TOKYO DOME HOTEL CORPORATION	Bunkyo Ward, Tokyo	100	Facility Operations	100.0	100.0			2	2
6 other TOKYO DOME CORPORATION Group companies		—							

Note: The "Business" column uses the name of the business segment.

*1 Qualifies as a specified subsidiary.

*2 Mitsui Fudosan Residential Co., Ltd.'s revenue (excluding inter-company sales between consolidated companies) accounts for over 10% of consolidated revenue from operations. The main financial information of the company is as below.

(1) Revenue from operations:	¥368,368 million
(2) Ordinary income:	¥62,539 million
(3) Net income:	¥44,783 million
(4) Net assets:	¥191,908 million
5) Total assets:	¥1,106,671 million

*3 Although Mitsui Fudosan owns less than 50% of voting rights, it effectively holds control of the company and therefore classifies it as a subsidiary.

(B) Affiliated Companies Accounted for by the Equity Method

Name	Location	Capital (Millions of yen)	Business	Proportion of voting rights owned by Mitsui Fudosan	Portion indirectly owned	Relationship with Mitsui Fudosan	Renting office space from Mitsui Fudosan	Officers in concurrent posts	Mitsui Fudosan officers among concurrent officers
Imperial Hotel, Ltd.*1	Chiyoda Ward, Tokyo	1,485	Hotel management and operation	33.2	—			2	2
TID Pte. Ltd..	Singapore	S\$10,000,000	Property sales to individuals	49.0	—			4	2
RESOL HOLDINGS CO., LTD.*1	Shinjuku Ward, Tokyo	3,948	Management of resort facilities, etc.	31.1	—		Yes	3	2
Keiyo Tochi Kaihatsu Co., Ltd.	Chiyoda Ward, Tokyo	10	Real estate business	33.3	—			1	1
SENON LIMITED	Shinjuku Ward, Tokyo	100	Security business	20.8	—	Commissioned to provide security for Mitsui Fudosan buildings	Yes	1	1
ST. LUKE'S TOWERS Co., Ltd.	Chuo Ward, Tokyo	100	Building lease business	42.5	—	Rents properties from Mitsui Fudosan	Yes	2	2
Kyushu Kumamoto International Airport Co., Ltd.	Kamimashiki District, Kumamoto	6,440	Management and operation of Kyushu Kumamoto International Airport	29.0	—			2	2
Hiroshima International Airport Co., Ltd.	Mihara City, Hiroshima	100	Management and operation of Hiroshima International Airport	32.0	—			3	3
Village Shonan, Inc.*2	Miura District, Kanagawa	494	Management and operation of Shonan Village Center	16.0	—			1	1
Other 5 other Mitsui Home Co., Ltd. Group companies 1 other TOKYO DOME CORPORATION Group company 14 other Mitsui Fudosan Asia Development (Thailand) Co., Ltd. Group companies 20 other MFA Holding, Inc. Group companies 7 other Mitsui Fudosan (Asia) Pte. Ltd. Group companies 6 other Mitsui Fudosan (U.K) Ltd. Group companies 7 other Mitsui Fudosan Taiwan Co., Ltd. Group companies 2 other Mitsui Fudosan Australia Pty. Ltd. Group company 3 other Mitsui Fudosan (Asia) Malaysia Sdn. Bhd. Group company 23 other companies									

*1 Submits a securities report.

*2 Although Mitsui Fudosan owns less than 20% of voting rights, it effectively holds influence over the company and therefore classifies it as an affiliated company.

4. Major Properties

The major properties owned by the Group (Mitsui Fudosan and consolidated subsidiaries) in each segment are shown below.

(A) Leasing Segment

Company name	Property name (location)	Type of property	Structure and scale	Date of construction completion/ acquisition	Total floor area (m²)	Total land area (m²)	Book value (Millions of yen)				
							Building	Land	Other	Total	
(1) Properties											
Mitsui Fudosan Co., Ltd.	Mitsui Main Building (Chuo Ward, Tokyo)	Office	Steel-reinforced concrete structure 7 floors above ground 2 basement floors	Mar. 1929	32,245	14,256	2,628	122,472	169	156,848	
Mitsui Fudosan Co., Ltd.	Mitsui Building No. 2 (Chuo Ward, Tokyo)	Office	Steel-reinforced concrete structure 11 floors above ground 3 basement floors	Feb. 1985	26,490		5,544		175		
Mitsui Fudosan Co., Ltd.	Nihonbashi Mitsui Tower (Chuo Ward, Tokyo)	Office	Steel construction/steel-reinforced concrete structure (portion) 39 floors above ground 4 basement floors	Jul. 2005	133,727		25,515		342		
Mitsui Fudosan Co., Ltd. M Three Real Estate Co., Ltd. Murosano Real Estate Co., Ltd.	Nihonbashi Muromachi Mitsui Tower (Chuo Ward, Tokyo)	Office, Retail facility	Reinforced concrete structure/steel-reinforced concrete structure (portion) 26 floors above ground 3 basement floors	Mar. 2019	151,579 *1	10,255 *1,*2	76,229	108,443	3,495	188,168	
Mitsui Fudosan Co., Ltd.	Muromachi Higashi Mitsui Building (Chuo Ward, Tokyo)	Office, Retail facility	Steel construction/steel-reinforced concrete structure (portion)/ reinforced concrete structure (portion) 22 floors above ground 4 basement floors	Oct. 2010	40,363	2,454	7,768	25,088	142	32,999	
Mitsui Fudosan Co., Ltd.	Muromachi Furukawa Mitsui Building (Chuo Ward, Tokyo)	Office, Retail facility, Residence	Steel construction/steel-reinforced concrete structure (portion)/ reinforced concrete structure (portion) 22 floors above ground 4 basement floors	Feb. 2014	25,439 *1	1,534 *1	4,206	7,487	49	11,744	
Mitsui Fudosan Co., Ltd.	Muromachi Chibagin Mitsui Building (Chuo Ward, Tokyo)	Office, Retail facility	Steel construction/steel-reinforced concrete structure (portion)/ reinforced concrete structure (portion) 17 floors above ground 4 basement floors	Feb. 2014	13,380 *1	771 *1,*2	2,210	8,398	20	10,628	
Mitsui Fudosan Co., Ltd.	Nihonbashi 1-Chome Mitsui Building (Chuo Ward, Tokyo)	Office, Retail facility	Steel construction/steel-reinforced concrete structure (portion) 20 floors above ground 4 basement floors	Jan. 2004	92,755	5,611	13,277	64,427	396	78,102	
Mitsui Fudosan Co., Ltd. Lotus Estate Co., Ltd.	Nihonbashi Astellas Mitsui Building (Chuo Ward, Tokyo)	Office	Steel construction /reinforced concrete structure/steel-reinforced concrete structure 17 floors above ground 2 basement floors	Jan. 2013	26,516	2,364	4,406	21,338	54	25,799	
Mitsui Fudosan Co., Ltd.	Suruga Building (Chuo Ward, Tokyo)	Office	Reinforced concrete structure 9 floors above ground 4 basement floors	Oct. 2019	16,445	1,358	1,201	33,401	1	34,604	
Mitsui Fudosan Co., Ltd.	Nihonbasi Takashimaya Mitsui Building (Chuo Ward, Tokyo)	Office	Reinforced concrete structure/steel-reinforced concrete structure 32 floors above ground 5 basement floors	Jun. 2018	83,746 *1	3,460 *1	27,712	55,776	520	84,009	

Company name	Property name (location)	Type of property	Structure and scale	Date of construction completion/ acquisition	Total floor area (m ²)	Total land area (m ²)	Book value (Millions of yen)			
							Building	Land	Other	Total
Mitsui Fudosan Co., Ltd.	TOKYO MIDTOWN YAESU (Chuo Ward, Tokyo)	Office Retail facility	Yaesu Central Tower: Steel construction/ steel- reinforced concrete structure (portion)/ reinforced concrete structure (portion) 45 floors above ground 4 basement floors 2 floors of penthouse Yaesu Central Square: Steel construction/ steel- reinforced concrete structure (portion)/ reinforced concrete structure (portion) 7 floors above ground 2 basement floors 1 floor of penthouse	Aug. 2022	108,350 *1	4,528 *1	46,698	78,949	3,165	128,813
Mitsui Fudosan Co., Ltd.	Kojun Building (Chuo Ward, Tokyo)	Retail facility	Steel-reinforced concrete structure 10 floors above ground 2 basement floors	Sep. 2004	13,662 *1	1,316 *1	2,209	7,832	46	10,087
Mitsui Fudosan Co., Ltd.	Sumitomo Mitsui Banking Corporation Head Office Building (Chiyoda Ward, Tokyo)	Office	Steel construction/steel- reinforced concrete structure (portion)/ reinforced concrete structure (portion) 23 floors above ground 4 basement floors	Jul. 2010	80,047	5,430	12,706	89,148	140	101,996
Mitsui Fudosan Co., Ltd.	Kasumigaseki Building (Chiyoda Ward, Tokyo)	Office	Steel construction/steel- reinforced concrete structure (portion) 36 floors above ground 3 basement floors	Apr. 1968	145,494 *1	8,264 *1,*2	16,826	7,762	774	25,363
Mitsui Fudosan Co., Ltd.	Shin-Kasumigaseki Building (Chiyoda Ward, Tokyo)	Office	Steel construction/steel- reinforced concrete structure (portion) 20 floors above ground 3 basement floors	Feb. 1987	14,895 *1	2,891 *1	1,044	16,597	15	17,656
Mitsui Fudosan Co., Ltd.	Marunouchi Mitsui Building (Chiyoda Ward, Tokyo)	Office	Steel-reinforced concrete structure 11 floors above ground 2 basement floors	Feb. 1981	20,373	1,851	2,546	23,690	47	26,284
Mitsui Fudosan Co., Ltd.	Jimbocho Mitsui Building (Chiyoda Ward, Tokyo)	Office	Steel construction/steel- reinforced concrete structure (portion) 23 floors above ground 2 basement floors	Mar. 2003	14,061 *1	1,273 *1	3,141	8,353	12	11,507
Mitsui Fudosan Co., Ltd.	GranTokyo North Tower (Chiyoda Ward, Tokyo)	Office	Steel construction/steel- reinforced concrete structure (portion)/ reinforced concrete structure (portion) 43 floors above ground 4 basement floors	Oct. 2007	82,001 *1	3,723 *1	11,640	43,778	122	55,541
Mitsui Fudosan Co., Ltd.	TOKYO MIDTOWN HIBIYA (Chiyoda Ward, Tokyo)	Office, Retail facility	Steel construction/steel- reinforced concrete structure (portion) 35 floors above ground 4 basement floors	Feb. 2018	189,245	10,702	70,613	121,375	2,013	194,002
Mitsui Fudosan Co., Ltd.	(Former) Hibiya U-1 Building (Chiyoda Ward, Tokyo)	-	-	-	-	5,065	-	68,067	-	68,067
Mitsui Fudosan Co., Ltd.	Otemachi One Tower (Chiyoda Ward, Tokyo)	Office	Steel-reinforced concrete structure 40 floors above ground 5 basement floors	Feb. 2020	27,759 *1	1,617 *1	12,525	51,056	933	64,516
Chorus Property, LLC	Aoyama OM-SQUARE (Minato Ward, Tokyo)	Office	Steel construction/steel- reinforced concrete structure (portion) 25 floors above ground 3 basement floors	Jul. 2008	14,603 *1	2,040 *1	2,395	8,903	23	11,321
Mitsui Fudosan Co., Ltd.	Shiodome City Center (Minato Ward, Tokyo)	Office	Steel construction/steel- reinforced concrete structure (portion) 43 floors above ground 4 basement floors	Jan. 2003	15,775 *1	1,322 *1	1,564	9,468	39	11,072

Company name	Property name (location)	Type of property	Structure and scale	Date of construction completion/ acquisition	Total floor area (m ²)	Total land area (m ²)	Book value (Millions of yen)			
							Building	Land	Other	Total
Mitsui Fudosan Co., Ltd.	TOKYO MIDTOWN (Minato Ward, Tokyo)	Office, Retail facility, Residence	Steel construction/steel-reinforced concrete structure (portion)/ reinforced concrete structure (portion) 54 floors above ground 5 basement floors	Jan. 2007	281,901 *1	34,465 *1	40,411	148,163	1,625	190,201
Mitsui Fudosan Co., Ltd.	msb Tamachi (Tamachi Station Tower South) (Minato Ward, Tokyo)	Office	Reinforced concrete structure/ steel-reinforced concrete structure (portion) 31 floors above ground 2 basement floors	May 2018	75,178 *1	5,407 *1,*2	25,043	—	875	25,918
Mitsui Fudosan Co., Ltd.	GATE CITY OHSAKI (Shinagawa Ward, Tokyo)	Office	Steel construction/steel-reinforced concrete structure (portion)/ reinforced concrete structure (portion) 24 floors above ground 4 basement floors	Jan. 1999	33,612 *1	5,405 *1	5,535	13,445	72	19,054
Mitsui Fudosan Co., Ltd.	RAYARD MIYASHITA PARK (Shibuya Ward, Tokyo)	Retail facility	Steel construction/steel-reinforced concrete structure (portion)/ reinforced concrete structure (portion) 4 floors above ground 1 basement floor	Jul. 2020	34,502	8,055 *2	11,898	—	805	12,704
Mitsui Fudosan Co., Ltd.	Urban Dock LaLaport TOYOSU (Koto Ward, Tokyo)	Retail facility	Steel construction/steel-reinforced concrete structure (portion) 5 floors above ground 1 basement floor	Aug. 2006	164,525	67,499 *2	11,386	20,199	585	32,171
Mitsui Fudosan Co., Ltd.	Mitsui Fudosan Industrial Park Haneda (Ota Ward, Tokyo)	Logistics facility	Steel construction 5 floors above ground	Jun. 2019	81,030	36,213 *2	9,634	16,056	843	26,534
Mitsui Fudosan Co., Ltd.	LAZONA Kawasaki Plaza (Kawasaki City, Kanagawa)	Retail facility	Steel construction/ reinforced concrete structure (portion) 6 floors above ground 1 basement floor	Sep. 2006	69,081 *1	72,013 *2	3,432	26,022	263	29,718
Mitsui Fudosan Co., Ltd.	Yokohama Mitsui Building (Yokohama City, Kanagawa)	Office	Steel construction/steel-reinforced concrete structure (portion)/ reinforced concrete structure (portion) 30 floors above ground 2 basement floors	Feb. 2012	90,356	7,799	12,880	6,940	215	20,036
Mitsui Fudosan Co., Ltd. Kamoi Properties, LLC	LaLaport YOKOHAMA (Yokohama City, Kanagawa)	Retail facility	Steel construction 6 floors above ground 1 basement floor	Feb. 2007	244,154	102,030	12,101	17,073	584	29,760
Mitsui Fudosan Co., Ltd.	LaLaport EBINA (Ebina City, Kanagawa)	Retail facility	Steel construction 4 floors above ground	Oct. 2015	121,127	32,942 *2	9,477	—	368	9,845
Mitsui Fudosan Co., Ltd.	MFLP Ebina I (Ebina City, Kanagawa)	Logistics facility	Steel construction 6 floors above ground	Sep. 2022	54,847	122,180 *2	16,232	—	1,318	17,550
Mitsui Fudosan Co., Ltd.	LaLaport Mitsui Building (Funabashi City, Chiba)	Office	Steel-reinforced concrete structure/ steel construction (portion) 14 floors above ground 1 basement floor	Jun. 1988	23,558	157,850	1,654	48,919	34	75,695
Mitsui Fudosan Co., Ltd.	(Partly under reconstruction) LaLaport TOKYO-BAY (Funabashi City, Chiba)	Retail facility	Reinforced concrete structure/steel construction (portion)/steel-reinforced concrete structure (portion) 10 floors above ground 1 basement floor	Apr. 1981	283,711		22,253		2,833	
Mitsui Fudosan Co., Ltd.	ViVit Minami Funabashi (Funabashi City, Chiba)	Retail facility	Steel construction 5 floors above ground	Nov. 2020	98,026	30,258	2,666	7,077	207	9,951
Mitsui Fudosan Co., Ltd.	MFLP Funabashi I (Funabashi City, Chiba)	Logistics facility	Reinforced concrete structure/steel construction (portion) 8 floors above ground	Oct. 2016	202,156	51,000	21,527	4,425	908	26,861
Mitsui Fudosan Co., Ltd.	GATE SQUARE (Kashiwa City, Chiba)	Office, Retail facility, Residence	Shop & Office: Steel-reinforced concrete structure 7 floors above ground 1 basement floor Hotel & Residence: Reinforced concrete structure 14 floors above ground 1 basement floor	Apr. 2014	48,166	20,871	7,082	4,858	322	12,263

Company name	Property name (location)	Type of property	Structure and scale	Date of construction completion/ acquisition	Total floor area (m²)	Total land area (m²)	Book value (Millions of yen)			
							Building	Land	Other	Total
Mitsui Fudosan Co., Ltd.	Park City Kashiwa-no-ha Campus The Gate Tower West (Kashiwa City, Chiba)	Residence, Retail facility	Steel-reinforced concrete structure 36 floors above ground	Jan. 2018	38,771	6,095	8,303	2,823	294	11,421
Mitsui Fudosan Co., Ltd.	MITSUI OUTLET PARK KISARAZU (Kisarazu City, Chiba)	Retail facility	Steel construction/wood structure (portion) 1 floor above ground	Apr. 2012	71,795	350,325	7,194	11,920	2,678	21,794
Mitsui Fudosan Residential Co., Ltd.	PARK WELLSTATE KAMOGAWA (Kamogawa City, Chiba)	Residence	Reinforced concrete structure 22 floors above ground 1 basement floor	Jul. 2021	47,415	26,526	15,695	374	3,207	19,276
Mitsui Fudosan Co., Ltd.	LaLaport FUJIMI (Fujimi City, Saitama)	Retail facility	Retail Tower: Steel construction 4 floors above ground Parking Tower: Steel construction 5 floors above ground	Feb. 2015	183,858	152,055	14,540	10,365	820	25,726
Mitsui Fudosan Co., Ltd.	LaLaport NUMAZU (Numazu City, Shizuoka)	Retail facility	Retail Tower: Steel construction 4 floors above ground Parking Tower: Steel construction 5 floors above ground	Aug. 2019	164,353	119,816 *2	18,304	—	1,711	20,016
Mitsui Fudosan Co., Ltd.	Otemachi Tatemono Nagoya Station Building (Nagoya City, Aichi)	Office, Retail facility	Steel-reinforced concrete structure 11 floors above ground 2 basement floors	Aug. 2007	37,834	2,976	175	14,242	3	14,421
Mitsui Fudosan Co., Ltd.	Nagoya Mitsui North Building (Nagoya City, Aichi)	Office	Steel construction /reinforced concrete structure (portion) 20 floors above ground 2 basement floors	Jan. 2021	29,410	2,247 *2	10,458	4,686 *2	502	15,647
Mitsui Fudosan Co., Ltd.	LaLaport NAGOYA minato AQUUS (Nagoya City, Aichi)	Retail facility	Steel construction 4 floors above ground (6 floors above ground in part)	Sep. 2018	171,815	83,200 *2	16,487	—	1,581	18,068
Mitsui Fudosan Co., Ltd.	Yodoyabashi Mitsui Building (Osaka City, Osaka)	Office, Retail facility	Steel construction/steel-reinforced concrete structure (portion)/reinforced concrete structure (portion) 16 floors above ground 3 basement floors	Mar. 2008	38,934 *1	3,091 *1	4,695	14,635	112	19,443
Mitsui Fudosan Co., Ltd.	EXPOCITY (Suita City, Osaka)	Retail facility	Steel construction 3 floors above ground	Nov. 2015	222,506	172,240 *2	15,135	—	1,215	16,350
Mitsui Fudosan Co., Ltd.	LaLaport SAKAI (Sakai City, Osaka)	Retail facility	Retail Tower: Steel construction 3 floors above ground Parking Tower: Steel construction 6 floors above ground	Sep. 2022	143,600	74,300 *2	19,358	41	2,215	21,614
Mitsui Fudosan Residential Co., Ltd.	PARK WELLSTATE Senri-Chuo (Toyonaka City, Osaka)	Residence	Reinforced concrete structure/steel construction (portion) 13 floors above ground	Feb. 2023	45,120	17,909	12,118	3,455	1,556	17,130
Mitsui Fudosan Co., Ltd.	(Under reconstruction) MITSUI OUTLET PARK MARINE PIA KOBE (Kobe City, Hyogo)	Retail facility	-	-	—	78,205	8	11,096	446	11,551
Mitsui Fudosan Co., Ltd.	Sapporo Mitsui JP Building (Sapporo City, Hokkaido)	Office, Retail facility	Steel construction/steel-reinforced concrete structure (portion)/reinforced concrete structure (portion) 20 floors above ground 3 basement floors	Aug. 2014	47,714 *1	3,861 *1	7,322	6,707	38	14,068
Hakata Nakaroku Kaihatsu Special Purpose Company	LaLaport FUKUOKA (Fukuoka City, Fukuoka)	Retail facility	Retail Tower: Steel construction 5 floors above ground 1 basement floor Parking Tower: Steel construction 7 floors above ground	Mar. 2022	206,500	86,600	31,595	18,740	2,250	52,586
Mitsui Fudosan America, Inc. (Overseas subsidiary)	Homer Building (Washington D.C., U.S.A.)	Office	Reinforced concrete structure 12 floors above ground 5 basement floors	Jan 2012	45,699	4,024 *2	32,741	—	6,703	39,445
Mitsui Fudosan America, Inc. (Overseas subsidiary)	1251 Avenue of the Americas (New York City, New York, U.S.A.)	Office	Steel construction 54 floors above ground 4 basement floors	Dec. 1986	215,308	9,232	42,865	31,490	13	74,368

Company name	Property name (location)	Type of property	Structure and scale	Date of construction completion/ acquisition	Total floor area (m ²)	Total land area (m ²)	Book value (Millions of yen)			
							Building	Land	Other	Total
Mitsui Fudosan America, Inc. (Overseas subsidiary)	55 Hudson Yards (New York City, New York, U.S.A.)	Office	Reinforced concrete structure 51 floors above ground 2 basement floors	Oct. 2018	117,585	3,718	86,625	60,019	—	146,644
Mitsui Fudosan America, Inc. (Overseas subsidiary)	50 Hudson Yards (New York City, New York, U.S.A.)	Office	Steel construction/ reinforced concrete structure (portion) 58 floors above ground 3 basement floors	Jun. 2022	269,000	6,400	286,457	149,650	1,791	437,899
Mitsui Fudosan (U.K.) Ltd. (Overseas subsidiary)	5 Hanover Square (London, U.K.)	Office	Reinforced concrete structure 7 floors above ground 1 basement floor	Mar. 2012	7,957	1,122	3,703	10,982	231	14,917
Mitsui Fudosan (U.K.) Ltd. (Overseas subsidiary)	1 Angel Court (London, U.K.)	Office	Steel construction/ reinforced concrete structure (portion) 27 floors above ground 2 basement floors	Mar. 2017	45,384	3,925 *2	16,789	15,037 *2	7,523	39,349
Sanxin Outlets Co., Ltd. (Overseas subsidiary)	MITSUI OUTLET PARK LINKOU (New Taipei City, Taiwan))	Retail facility	Reinforced concrete structure/ steel construction (portion) 2 floors above ground 1 basement floor (3 floors above ground in part)	Jan. 2016	53,200	47,138 *2	12,754	—	18,327	31,081
Sanxin Outlets Co., Ltd. (Overseas subsidiary)	MITSUI OUTLET PARK TAICHUNG PORT (Taichung, Taiwan)	Retail facility	Reinforced concrete structure 1 floor above ground (2 floors above ground in part)	Dec. 2018	79,790	177,932 *2	7,956	—	5,581	13,538
Sanxin Outlets Co., Ltd. (Overseas subsidiary)	Mitsui Shopping Park LaLaport TAICHUNG (Taichung, Taiwan)	Retail facility	North Tower.: Steel construction 7 floors above ground 1 basement floor South Tower.: Steel construction 4 floors above ground 1 basement floor	May 2023	198,000	43,000 *2	23,673	—	23,439	47,112
Sanxin Outlets Co., Ltd. (Overseas subsidiary)	MITSUI OUTLET PARK TAINAN (Tainan, Taiwan)	Retail facility	Reinforced concrete structure 4 floors above ground	Feb. 2022	64,000	59,000 *2	10,051	—	8,106	18,158
Mitsui Fudosan (Asia) Malaysia Sdn. Bhd. (Overseas subsidiary)	LaLaport BUKIT BINTANG CITY CENTRE (Kuala Lumpur, Malaysia)	Retail facility	Reinforced concrete structure/steel construction (portion) 5 floors above ground 5 basement floors (includes parking lot in 2 nd -5 th basement floors)	Jan. 2022	133,000	41,800 *2	30,022	14,789 *2	6,642	51,454
(2) Others										
Mitsui Fudosan Co., Ltd.	Chuo Ward, Tokyo Land	Planned Construction site	—		—	2,899	—	15,312	—	15,312

Note: Land includes leasehold. Other is tangible fixed assets excluding buildings, land, and construction in progress.

*1 Data for the buildings and land are calculated based on the area in which the Group (the Company and its consolidated subsidiaries) maintains an equity interest.

*2 Land includes the area and amount corresponding to leasehold.

(B) Facility Operations Segment

Company name	Property name (location)	Type of property	Structure and scale	Date of construction completion/ acquisition	Total floor area (m ²)	Total land area (m ²)	Book value (Millions of yen)			
							Building	Land	Other	Total
Mitsui Fudosan Co., Ltd. Mitsui Fudosan Resort Management Co. Ltd.	The Bvlgari Hotel Tokyo (Chuo Ward, Tokyo)	Hotel	Yaesu Central Tower: Steel construction/ steel-reinforced concrete structure (portion)/ reinforced concrete structure (portion) 45 floors above ground 4 basement floors 2 floors of penthouse (Hotel: 40 th -45 th floors)	Aug. 2022	26,453	1,106	11,401	19,275	772	31,449
TOKYO DOME CORPORATION TOKYO DOME HOTEL CORPORATION	Tokyo Dome City (Bunkyo Ward, Tokyo)	Multipurpose Dome, Hotel, Retail facility	—	Jan. 2021	399,222	131,535 *2	72,855	155,198 *2	11,190	239,245
TOKYO DOME CORPORATION	ATAMI BAY RESORT KORAKUEN (Shizuoka City, Shizuoka)	Hotel	Steel construction/ reinforced concrete structure 19 floors above ground	Jan. 2021	44,137	23,575	8,772	1,027	303	10,103

Company name	Property name (location)	Type of property	Structure and scale	Date of construction completion/ acquisition	Total floor area (m ²)	Total land area (m ²)	Book value (Millions of yen)			
							Building	Land	Other	Total
Mitsui Fudosan Co., Ltd. Mitsui Fudosan Resort Management Co. Ltd.	HOTEL THE MITSUI KYOTO (Kyoto City, Kyoto)	Hotel	Steel construction/steel-reinforced concrete structure (portion) /reinforced concrete structure/wood structure 4 floors above ground 1 basement floor	Nov. 2020	19,026	7,454	11,078	6,545	1,811	19,434
Mitsui Fudosan Co., Ltd. Mitsui Fudosan Resort Management Co. Ltd.	Halekulani Okinawa (Kunigami District, Okinawa)	Hotel	Reinforced concrete structure 10 floors above ground	May 2019	40,731	126,746 *2	17,312	3,907 *2	3,041	24,262
Mitsui Fudosan Co., Ltd. Mitsui Fudosan Hotel Management Co., Ltd.	Mitsui Garden Hotel Ginza Premier Other domestic hotels in 18 locations	Hotel	—	—	214,148 *1	34,702 *1,*2	36,566	6,627 *2	3,082	46,276
Mitsui Fudosan America, Inc. (Overseas subsidiary)	Halekulani 1 other overseas hotel in another location	Hotel	—	—	77,172	20,927 *2	22,757	3,433 *2	18,195	44,386

Note: Land includes leasehold. Other is tangible fixed assets excluding buildings, land, and construction in progress.

*1 Data for the buildings and land are calculated based on the area in which the Group (the Company and its consolidated subsidiaries) maintains an equity interest.

*2 Land includes the area and amount corresponding to leasehold.

(C) Other Segment

Company name	Property name (location)	Type of property	Structure and scale	Date of construction completion/ acquisition	Total floor area (m ²)	Total land area (m ²)	Book value (Millions of yen)			
							Building	Land	Other	Total
Mitsui Fudosan Co., Ltd.	Tsunamachi Mitsui Club (Minato Ward, Tokyo)	State guest house	Floors: reinforced concrete structure Walls: masonry construction 2 floors above ground 1 basement floor	Feb. 1913	5,427	28,563	1,019	23,571	529	25,120
Mitsui Fudosan Co., Ltd. Mitsui Fudosan Golf Properties Co., Ltd. Daiaasama Golf Co., Ltd. Kysin Kaihatsu Inc.	Mitsuinomori Karuizawa Country Club 6 other locations	Golf course	—	—	32,057	6,896,415 *1	669	1,265 *1	1,870	3,806

Note: Land includes leasehold. Other is tangible fixed assets excluding buildings, land, and construction in progress.

*1 Land includes the area and amount corresponding to leasehold.

5. Strategic Shareholdings

(A) Standards and Approach to the Classification of Investment Stocks

(1) Standards for Classification of Investment Stocks

Standards for classification of investment stocks have been established in February 2023 as follows in accordance with the "Approach to the Classification of Investment Stocks" described in (2) below.

Investment stocks held for pure investment purposes:

Investments in businesses held for the purposes of generating revenues from capital appreciation on medium- to long-term perspective.

Investment stocks held for purposes other than pure investment purposes (Strategic shareholdings):

Stocks held for the purposes other than those referred to above, i.e., equity investments considered effective for management strategies to improve Mitsui Fudosan Group's corporate value from a medium- to long-term perspective by comprehensively considering business strategy and relationships with business partners.

(2) Approach to the Classification of Investment Stocks

In Mitsui Fudosan's business model, in addition to the case where the Company directly invests in real estate to benefit from appreciation of the value of the real estate and other factors, the Company also participates in businesses through equity investment to make profits from appreciation of the stock value and other factors. Taking into consideration its business model, the Company defines "investment stocks held for pure investment purposes" as "investments in businesses held for the purposes of generating revenues from capital appreciation on medium- to long-term perspective."

(B) Investment stocks held for purposes other than pure investment purposes

(1) Method for verifying policy and rationality of shareholdings and content of verifications of individual stocks by the Board of Directors, etc.

Mitsui Fudosan holds shares of listed companies considered effective for management strategies to improve the Group's corporate value from a medium- to long-term perspective by comprehensively considering business strategy and relationships with business partners, as investment stocks held for purposes other than pure investment purposes (Strategic shareholdings). The Company's policy is to continuously review shareholding status, and reduce its shareholdings upon confirming the significance of shareholdings based on the quantitative rationality of holdings and relationships with business partners. During the year ended March 31, 2024, the Company sold 6 stock brands worth a total of ¥10.9 billion.

The Company's policy, under "& INNOVATION 2030" (long-term vision), is to reduce its strategic shareholdings by 50% over the three years ending March 31, 2027, from the level at March 31, 2024, and will continue to actively pursue reductions beyond that date.

When verifying the rationality of shareholdings, the Company verifies whether or not the benefits and risks associated with the shareholdings are commensurate with the capital cost. Furthermore, in addition to confirming the significance of shareholdings from perspectives such as transaction performance, stable funding procurement, and creation of business opportunities, the Company also verifies whether or not the holdings contribute to improving the medium to long-term corporate value of the Group.

At a meeting held on May 10, 2024, the Board of Directors verified appropriateness with regard to the significance of strategic shareholdings based on the quantitative rationality of holding and relationships with business partners for each stock. As a result, the Company is considering selling stocks for which the rationality of holding or significance of holding has decreased, taking into account factors such as impact on the stock market.

(2) Number of stocks and total amount as recorded on the balance sheet

	Number of stocks	Book value of shares (Millions of yen)
Unlisted shares	68	10,156
Other holdings	51	260,301

Stocks which saw an increase in the number of shares during the year ended March 31, 2024:

	Number of stocks	Total amount of transactions to increase the number of shares (Millions of yen)	Reason for increase
Unlisted shares	—	—	—
Other holdings	—	—	—

Stocks which saw a decrease in the number of shares during the year ended March 31, 2024:

	Number of stocks	Total amount of sales to decrease the number of shares (Millions of yen)
Unlisted shares	—	—
Other holdings	6	10,964

(3) Information concerning the number of shares held and amount recorded on the balance sheet regarding specified investment stocks and deemed stocks

a. Specified Investment Stocks

Stock name	As of March 31, 2024	As of March 31, 2023	Purpose of shareholding, outline of business alliance, etc., quantitative effects of shareholding, and reasons for increase in number of shares See Note 1	Holdings by the company of the Company's shares
	Number of shares held	Number of shares held		
	Book value of shares (Millions of yen)	Book value of shares (Millions of yen)		
Mitsui & Co., Ltd.	6,493,466	6,493,466	Mitsui & Co., Ltd. is a co-operator of Otemachi One in Chiyoda Ward, Tokyo. We believe the investment is beneficial to the creation of business opportunities for the Mitsui Fudosan Group. Mitsui & Co., Ltd. is a tenant in properties including Sapporo Mitsui JP Building in Sapporo City, Hokkaido. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group.	Yes
	46,142	26,727		
TBS HOLDINGS, INC.	5,713,728	5,713,728	TBS HOLDINGS, INC. is a co-operator of the akasaka Sacas commercial complex in Minato Ward, Tokyo. We believe the investment is beneficial to the creation of business opportunities for the Mitsui Fudosan Group.	Yes
	24,906	10,884		
MS&AD Insurance Group Holdings, Inc.	2,246,269	2,398,269	The Company has borrowings from MS&AD Insurance Group Holdings, Inc.'s consolidated subsidiary Mitsui Sumitomo Insurance Co., Ltd. We believe that the investment is beneficial to the stable procurement of funds by the Mitsui Fudosan Group. MS&AD Insurance Group Holdings, Inc.'s consolidated subsidiary Mitsui Sumitomo Insurance Co., Ltd. is a tenant in LaLaport Mitsui Building in Funabashi City, Chiba Prefecture. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group.	No However, MS&AD Insurance Group Holdings, Inc.'s consolidated subsidiaries Mitsui Sumitomo Insurance Co., Ltd. and Aioi Nissay Dowa Insurance Co., Ltd. hold shares.
	18,268	9,847		
Toray Industries, Inc.	19,460,720	19,460,720	Toray Industries, Inc. is a tenant in properties including Nihonbashi Mitsui Tower in Chuo Ward, Tokyo. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group.	Yes
	14,402	14,720		

Stock name	As of March 31, 2024	As of March 31, 2023	Purpose of shareholding, outline of business alliance, etc., quantitative effects of shareholding, and reasons for increase in number of shares See Note 1	Holdings by the company of the Company's shares
	Number of shares held	Number of shares held		
	Book value of shares (Millions of yen)	Book value of shares (Millions of yen)		
Sumitomo Mitsui Financial Group, Inc.	1,578,657	1,744,657	The Company has borrowings from Sumitomo Mitsui Financial Group, Inc.'s consolidated subsidiary Sumitomo Mitsui Banking Corporation. We believe that the investment is beneficial to the stable procurement of funds by the Mitsui Fudosan Group. Sumitomo Mitsui Financial Group, Inc.'s consolidated subsidiary Sumitomo Mitsui Banking Corporation is a tenant in properties including Sumitomo Mitsui Banking Corporation Head Office Building in Chiyoda Ward, Tokyo. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group.	No However, Sumitomo Mitsui Financial Group, Inc.'s consolidated subsidiary Sumitomo Mitsui Banking Corporation holds shares.
	14,064	9,243		
Taisei Corporation	2,096,400	2,096,400	Taisei Corporation is the supplier of new construction including Mita Garden Hills in Minato Ward, Tokyo. We believe the investment is beneficial to the smooth promotion of the Mitsui Fudosan Group's business activities.	Yes
	11,781	8,584		
Daiwa House Industry Co., Ltd.	2,565,300	2,565,300	Daiwa House Industry Co., Ltd. is a co-operator of properties including DiverCity Tokyo Plaza in Koto Ward, Tokyo. We believe the investment is beneficial to the creation of business opportunities for the Mitsui Fudosan Group.	Yes
	11,615	7,988		
FUJIFILM Holdings Corporation	1,092,600	1,092,600	FUJIFILM Holdings Corporation is a tenant in TOKYO MIDTOWN in Minato Ward, Tokyo. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group.	Yes
	11,046	7,318		
SHIMIZU CORPORATION	8,554,000	8,554,000	SHIMIZU CORPORATION is the supplier of new construction including LaLa arena TOKYO-BAY in Funabashi City Chiba Prefecture. We believe the investment is beneficial to the smooth promotion of the Mitsui Fudosan Group's business activities.	Yes
	8,558	6,415		
Kajima Corporation	2,465,770	2,465,770	Kajima Corporation is the supplier of new construction including Former Yokohama City Hall Block Utilization Project in Yokohama City, Kanagawa Prefecture. We believe the investment is beneficial to the smooth promotion of the Mitsui Fudosan Group's business activities.	Yes
	7,707	3,940		
The Chiba Bank, Ltd.	5,611,250	5,611,250	The Company has borrowings from The Chiba Bank, Ltd. We believe that the investment is beneficial to the stable procurement of funds by the Mitsui Fudosan Group. The Chiba Bank, Ltd. is a co-operator of Muromachi Chibagin Mitsui Building in Chuo Ward, Tokyo. We believe the investment is beneficial to the creation of business opportunities for the Mitsui Fudosan Group.	Yes
	7,078	4,797		
Obayashi Corporation	3,678,800	3,678,800	Obayashi Corporation is the supplier of new construction for PARK WELLSTATE Nishiazabu in Minato Ward, Tokyo. We believe the investment is beneficial to the smooth promotion of the Mitsui Fudosan Group's business activities.	Yes
	6,851	3,726		
T&D Holdings, Inc.	2,362,360	3,129,560	The Company has borrowings from T&D Holdings, Inc.'s consolidated subsidiaries Taiyo Life Insurance Company and Daido Life Insurance Company. We believe that the investment is beneficial to the stable procurement of funds by the Mitsui Fudosan Group.	No However, T&D Holdings, Inc.'s consolidated subsidiary, Taiyo Life Insurance Company, holds shares.
	6,136	5,135		
East Japan Railway Company	673,100	673,100	East Japan Railway Company is a co-operator of the GranTokyo North Tower in Chiyoda Ward, Tokyo. We believe the investment is beneficial to the creation of business opportunities for the Mitsui Fudosan Group.	Yes
	5,894	4,937		
Seven & i Holdings Co., Ltd.	2,445,900	815,300	Seven & i Holdings Co., Ltd.'s consolidated subsidiary THE LOFT CO., LTD. is a tenant in properties including EXPOCITY located in Suita City, Osaka Prefecture. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group. The number of shares has increased due to a stock split.	Yes
	5,395	4,871		
Credit Saison Co., Ltd.	1,570,800	1,570,800	Credit Saison Co., Ltd. issues the Mitsui Shopping Park card. We believe the investment is beneficial to the smooth promotion of our Group's business activities.	Yes
	4,988	2,638		

Stock name	As of March 31, 2024	As of March 31, 2023	Purpose of shareholding, outline of business alliance, etc., quantitative effects of shareholding, and reasons for increase in number of shares See Note 1	Holdings by the company of the Company's shares
	Number of shares held	Number of shares held		
	Book value of shares (Millions of yen)	Book value of shares (Millions of yen)		
Mitsui Chemicals, Inc.	1,148,080	1,148,080	Mitsui Chemicals, Inc. is a tenant in properties including Yaesu Central Tower in Chuo Ward, Tokyo. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group.	Yes
	4,972	3,914		
Keisei Electric Railway Co., Ltd.	748,500	748,500	Keisei Electric Railway Co., Ltd. is the co-operator of Mitsui Garden Hotel Shiodome Italia-gai in Minato Ward, Tokyo. We believe the investment is beneficial to the creation of business opportunities for the Mitsui Fudosan Group.	Yes
	4,610	3,050		
INFRONEER Holdings Inc.	2,902,600	2,902,600	INFRONEER Holdings Inc.'s consolidated subsidiary MAEDA CORPORATION is the supplier of new construction, including OMIYA SKY & SQUARE THE TOWER in Saitama City, Saitama Prefecture. We believe the investment is beneficial to the smooth promotion of the Mitsui Fudosan Group's business activities.	No However, INFRONEER Holdings Inc.'s consolidated subsidiary MAEDA CORPORATION holds shares.
	4,189	2,966		
IBIDEN CO., LTD.	620,778	620,778	IBIDEN CO., LTD.'s consolidated subsidiary IBIDEN GREENTEC CO., LTD. is the supplier of planting management work at properties including TOKYO MIDTOWN in Minato Ward, Tokyo. We believe the investment is beneficial to the smooth promotion of the Mitsui Fudosan Group's business activities.	Yes
	4,127	3,265		
Asahi Kasei Corp.	3,247,084	3,247,084	Asahi Kasei Corp. is a tenant in Hibiya Mitsui Tower in Chiyoda Ward, Tokyo. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group.	No
	3,610	3,007		
TOBU RAILWAY CO., LTD.	784,600	784,600	TOBU RAILWAY CO., LTD. is the land and building owner of Tobu Annex Building, in which WORK STYLING Ikebukuro Nishiguchi is a tenant, in Toshima Ward, Tokyo. We believe the investment is beneficial to the smooth promotion of the Mitsui Fudosan Group's business activities	Yes
	2,966	2,487		
Seibu Holdings Inc.	1,088,000	1,088,000	Seibu Holdings Inc.'s consolidated subsidiary SEIBU REALTY SOLUTIONS INC. is a co-operator of MITSUI OUTLET PARK SHIGA RYUO in Ryuo Town, Gamo District, Shiga Prefecture. We believe the investment is beneficial to the creation of business opportunities for the Mitsui Fudosan Group.	No
	2,635	1,478		
The Gunma Bank, Ltd.	2,832,904	2,832,904	The Company has borrowings from The Gunma Bank, Ltd. We believe that the investment is beneficial to the stable procurement of funds by the Mitsui Fudosan Group.	Yes
	2,487	1,254		
BANDAI NAMCO Holdings Inc.	846,900	282,300	Bandai Namco Holdings Inc.'s consolidated subsidiary BANDAI NAMCO Amusement Inc. is a tenant in properties including LaLaport AICHI TOGO located in Togo Town, Aichi District, Aichi Prefecture. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group. The number of shares has increased due to a stock split.	Yes
	2,395	2,412		
Sumitomo Mitsui Construction Co., Ltd.	5,397,965	5,397,965	Sumitomo Mitsui Construction Co., Ltd. is the supplier of new construction including PARK CITY KOIWA THE TOWER in Edogawa Ward, Tokyo. We believe the investment is beneficial to the smooth promotion of the Mitsui Fudosan Group's business activities.	No
	2,321	2,072		
Mebuki Financial Group, Inc.	4,229,190	4,229,190	The Company has borrowings from Mebuki Financial Group, Inc.'s consolidated subsidiary Joyo Bank, Ltd. We believe that the investment is beneficial to the stable procurement of funds by the Mitsui Fudosan Group. Mebuki Financial Group, Inc.'s consolidated subsidiary Joyo Bank, Ltd. is a tenant of Mitsui Building No. 2 in Chuo Ward, Tokyo. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group.	No However, Mebuki Financial Group, Inc.'s consolidated subsidiary Joyo Bank, Ltd. Holds shares.
	2,163	1,370		
IHI Corporation	513,200	513,200	IHI Corporation is a co-operator of Toyosu Bayside Cross in Koto Ward, Tokyo. We believe the investment is beneficial to the creation of business opportunities for the Mitsui Fudosan Group.	Yes
	2,103	1,703		

Stock name	As of March 31, 2024	As of March 31, 2023	Purpose of shareholding, outline of business alliance, etc., quantitative effects of shareholding, and reasons for increase in number of shares See Note 1	Holdings by the company of the Company's shares
	Number of shares held	Number of shares held		
	Book value of shares (Millions of yen)	Book value of shares (Millions of yen)		
Mitsui O.S.K. Lines, Ltd.	450,261	450,261	Mitsui O.S.K. Lines, Ltd. is a tenant in Nagoya Mitsui Main Building in Nagoya City, Aichi Prefecture. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group.	Yes
	2,075	1,490		
The Japan Steel Works, LTD.	560,541	560,541	The Japan Steel Works, LTD. is a tenant in properties including GATE CITY OHSAKI in Shinagawa Ward, Tokyo. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group.	Yes
	1,899	1,389		
Nippon Steel Corporation	490,400	490,400	Nippon Steel Corporation's consolidated subsidiary NIPPON STEEL ENGINEERING CO., LTD. is the supplier of new construction for properties including MFLP Ebina I located in Ebina City, Kanagawa Prefecture. We believe the investment is beneficial to the smooth promotion of the Mitsui Fudosan Group's business activities.	No
	1,798	1,530		
SHIN NIPPON AIR TECHNOLOGIES CO., LTD.	500,648	500,648	SHIN NIPPON AIR TECHNOLOGIES CO., LTD. is a tenant in properties including Hamacho Center Building in Chuo Ward, Tokyo. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group.	Yes
	1,734	933		
FUJI MEDIA HOLDINGS, INC.	757,200	757,200	The Company is entrusted with the leasing and management operation of rental housing owned by Sankei Kaikan Co., Ltd., FUJI MEDIA HOLDINGS, INC.'s consolidated subsidiary. We believe the investment is beneficial in creating business opportunities for the Mitsui Fudosan Group.	Yes
	1,502	904		
Taiheiyo Cement Corporation	384,400	384,400	Taiheiyo Cement Corporation is a tenant in properties including BUNKYO GARDEN GATE TOWER in Bunkyo Ward, Tokyo. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group. Taiheiyo Cement Corporation is a co-operator of the Mitsui Fudosan Sanyo- Onoda Solar Power Plant located in Sanyo-Onoda City, Yamaguchi Prefecture. We believe the investment is beneficial to the creation of business opportunities for the Mitsui Fudosan Group.	Yes
	1,352	956		
Sumitomo Mitsui Trust Holdings, Inc.	265,392	132,696	The Company has borrowings from Sumitomo Mitsui Trust Holdings, Inc.'s consolidated subsidiary Sumitomo Mitsui Trust Bank, Limited. We believe that the investment is beneficial to the stable procurement of funds by the Mitsui Fudosan Group. Sumitomo Mitsui Trust Holdings, Inc.'s consolidated subsidiary Sumitomo Mitsui Trust Bank, Limited, is a tenant in properties including Mitsui Main Building in Chuo Ward, Tokyo. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group. The number of shares has increased due to a stock split.	No However, Sumitomo Mitsui Trust Holdings, Inc.'s consolidated subsidiary Sumitomo Mitsui Trust Bank, Limited, holds shares.
	877	602		
OHBA CO., LTD.	727,050	727,050	OHBA CO., LTD. is the supplier of surveying and design services for the Group's development business, etc. We believe the investment is beneficial to the smooth promotion of the Mitsui Fudosan Group's business activities.	Yes
	748	567		
Concordia Financial Group, Ltd.	848,245	848,245	The Company has borrowings from Concordia Financial Group, Ltd.'s consolidated subsidiary The Bank of Yokohama, Ltd. We believe that the investment is beneficial to the stable procurement of funds by the Mitsui Fudosan Group.	No However, Concordia Financial Group, Ltd.'s consolidated subsidiary The Bank of Yokohama, Ltd. holds shares.
	652	413		
Denka Company Limited	269,261	269,261	Denka Company Limited is a tenant in properties including Nihonbashi Mitsui Tower in Chuo Ward, Tokyo. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group. Denka Company Limited is the co-operator of Mitsui Fudosan Tomakomai Solar Power Plant in Tomakomai City, Hokkaido. We believe the investment is beneficial to the creation of business opportunities for the Mitsui Fudosan Group.	No
	631	736		
The Hachijuni Bank, Ltd.	577,500	577,500	The Company has borrowings from The Hachijuni Bank, Ltd. We believe that the investment is beneficial to the stable procurement of funds by the Mitsui Fudosan Group.	Yes
	600	332		

Stock name	As of March 31, 2024	As of March 31, 2023	Purpose of shareholding, outline of business alliance, etc., quantitative effects of shareholding, and reasons for increase in number of shares See Note 1	Holdings by the company of the Company's shares
	Number of shares held	Number of shares held		
	Book value of shares (Millions of yen)	Book value of shares (Millions of yen)		
Nakamura Co., Ltd.	180,000	180,000	Nakamura Co., Ltd. is a co-operator of the Shinjuku Nakamura Building in Shinjuku Ward, Tokyo. We believe the investment is beneficial to the creation of business opportunities for the Mitsui Fudosan Group.	Yes
	556	557		
Heiwa Real Estate Co., Ltd.	121,400	121,400	Heiwa Real Estate Co., Ltd. is a leaseholder of land in Chuo Ward, Tokyo. We believe the investment is beneficial to the smooth promotion of the Mitsui Fudosan Group's business activities.	Yes
	495	459		
ONWARD HOLDINGS CO., Ltd.	841,000	841,000	ONWARD HOLDINGS CO., Ltd.'s consolidated subsidiary ONWARD KASHIYAMA CO. LTD. is a tenant in properties including LaLaport TOKYO-BAY located in Funabashi City, Chiba Prefecture. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group.	Yes
	480	322		
Isetan Mitsukoshi Holdings Ltd.	170,011	170,011	Isetan Mitsukoshi Holdings Ltd.'s consolidated subsidiary Isetan Mitsukoshi Ltd. is a tenant in properties including TOKYO MIDTOWN HIBIYA in Chiyoda Ward, Tokyo. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group.	No However, Isetan Mitsukoshi Holdings Ltd.'s consolidated subsidiary Isetan Mitsukoshi Ltd. Holds shares.
	424	251		
SANKI ENGINEERING CO., LTD.	175,000	175,000	SANKI ENGINEERING CO., LTD. is a tenant in properties including St. Luke's Tower in Chuo Ward, Tokyo. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group.	Yes
	373	256		
Mitsui-Soko Holdings Co., Ltd.	44,029	44,029	Mitsui-Soko Holdings Co., Ltd.'s consolidated subsidiary MITSUI-SOKO LOGISTICS Co., Ltd. is a tenant in properties including MFLP Hiratsuka II in Hiratsuka City, Kanagawa Prefecture. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group.	Yes
	207	172		
KDDI Corporation	37,200	37,200	KDDI Corporation is a tenant in properties including Garden Air Tower in Chiyoda Ward, Tokyo. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group.	No
	166	152		
Oji Holdings Corporation	200,000	200,000	Oji Holdings Corporation's consolidated subsidiary Oji Paper Co., Ltd. is a tenant in Hakata Mitsui Building No. 2 in Fukuoka City, Fukuoka Prefecture. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group.	Yes
	127	104		
Mitsui DM Sugar Holdings Co., Ltd.	20,160	20,160	The Mitsui Fudosan Group performs contracted leasing operation and management work for the leased residences held by Mitsui DM Sugar Holdings Co., Ltd. We believe that the investment is beneficial to the creation of business opportunities for the Mitsui Fudosan Group.	No
	62	41		
The Yamanashi Chuo Bank, Ltd.	32,750	32,750	The Company has borrowings from The Yamanashi Chuo Bank, Ltd. We believe that the investment is beneficial to the stable procurement of funds by the Mitsui Fudosan Group.	Yes
	61	37		
OSAKI ELECTRIC CO., LTD.	43,172	43,172	OSAKI ELECTRIC CO., LTD. is a co-operator of Mitsui Garden Hotel Gotanda in Shinagawa Ward, Tokyo. We believe the investment is beneficial to the creation of business opportunities for the Mitsui Fudosan Group.	No
	29	22		
The Nanto Bank, Ltd.	5,512	5,512	The Company has borrowings from The Nanto Bank, Ltd. We believe that the investment is beneficial to the stable procurement of funds by the Mitsui Fudosan Group.	Yes
	16	12		
Toshiba Corporation	—	1,439,050	As of March 31, 2023: Toshiba Corporation is a co-operator of LAZONA Kawasaki Plaza located in Kawasaki City, Kanagawa Prefecture. We believe the investment is beneficial to the creation of business opportunities for the Mitsui Fudosan Group.	Yes
	—	6,396		
Seiyoken KK	—	417,500	As of March 31, 2023: Seiyoken KK is a co-operator of Mitsui Garden Hotel Roppongi Premier in Minato Ward, Tokyo. We believe the investment is beneficial to the creation of business opportunities for the Mitsui Fudosan Group.	No
	—	497		

Stock name	As of March 31, 2024	As of March 31, 2023	Purpose of shareholding, outline of business alliance, etc., quantitative effects of shareholding, and reasons for increase in number of shares See Note 1	Holdings by the company of the Company's shares
	Number of shares held	Number of shares held		
	Book value of shares (Millions of yen)	Book value of shares (Millions of yen)		
Mitsubishi UFJ Financial Group, Inc.	—	304,000	As of March 31, 2023: The Company has borrowings from Mitsubishi UFJ Financial Group, Inc.'s consolidated subsidiary MUFG Bank, Ltd. We believe that the investment is beneficial to the stable procurement of funds by the Mitsui Fudosan Group.	No
	—	257		
MITSUI E&S Co., Ltd.	—	520,957	As of March 31, 2023: MITSUI E&S Co., Ltd. is a tenant in properties including Hamarikyu Mitsui Building in Chuo Ward, Tokyo. We believe the investment is beneficial to the leasing business of the Mitsui Fudosan Group. MITSUI E&S Co., Ltd. is a co-operator of the Mitsui Fudosan Oita Solar Power Plant in Oita City, Oita Prefecture. We believe the investment is beneficial to the creation of business opportunities for the Mitsui Fudosan Group.	No
	—	217		

Notes:

1. Mitsui Fudosan reviews the propriety of its shareholdings by confirming the purpose of each individual stock based on the quantitative feasibility of the holding and our relationship with the company in question. We are unable to disclose details regarding these relationships for reasons of confidentiality. Additionally, under our policy of reducing shareholdings, stocks that are deemed to be beneficial but the benefits of which are relatively small compared to other holdings will be considered for sale.

2. The symbol "—" indicates that the Company does not hold the shares in question.

b. Deemed Stocks

Mitsui Fudosan does not hold deemed stocks.

(C) Investment stocks held for pure investment purposes

Type	As of March 31, 2024		As of March 31, 2023	
	Number of stocks	Book value of shares (Millions of yen)	Number of stocks	Book value of shares (Millions of yen)
Unlisted shares	—	—	—	—
Other holdings	2	480,047	2	493,558

Type	For the year ended March 31, 2024		
	Total value of dividends received (Millions of yen)	Total gain or loss on sale (Millions of yen)	Total valuation gain or loss (Millions of yen)
Unlisted shares	—	—	—
Other holdings	974	48,955	479,687

Notes:

The above investment stocks held for pure investment purposes consist of investments in Oriental Land Co., Ltd. and stock acquired through dividend in kind from a venture capital invested by Mitsui Fudosan.

Mitsui Fudosan was involved in the establishment of Oriental Land Co., Ltd. in 1960, through equity investments for the purpose of developing an urban resort and an entertainment business. The investment in Oriental Land Co., Ltd., similar to real estate investment, is part of the Company's core business, and is held for the purposes of generating revenues from capital appreciation on medium- to long-term perspective. Thus, investment in Oriental Land Co., Ltd. is classified as an investment stocks held for pure investment purposes.