

For immediate release



Mitsui Fudosan Co., Ltd. Future Corporation &Resilience Co., Ltd.

Establishment of &Resilience Co., Ltd., a New Company Specializing in Support for "Strengthening of Disaster Response Capability"

- Pinpointing issues in "ability to act at the time of a disaster" using training data of

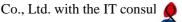
over 3,000 individuals at over 1,000 companies

- Newly expanded digital training services offer efficient course participation

Tokyo, Japan March 1, 2023 - Mitsui Fudosan, Co., Ltd., a leading global real estate company headquartered in Tokyo, announced today that it has concluded a joint venture agreement with Future Corporation, a leading IT consulting firm headquartered in Tokyo, for the purpose of a capital and business alliance, and that the two companies have jointly established a new company, &Resilience, Co., Ltd. (pronounced "and resilience"). From March 2023, the new company will further expand its digital training service, &Resilience, to support strengthening the ability to act at the time of a disaster. In doing so, it aims to serve even more Japanese companies by providing them with solutions for their business continuity plans (BCP).

Key Points of this Release

The new company, & Resilience Co., Ltd., was established in January 2023 to accelerate support for enhanced disaster response capability by combining the disaster response expertise of Mitsui Fudosan





- The company will highlight issues in Japanese companies' ability to act at the time of a disaster as issues to be addressed from analysis by &Resilience of disaster training results and so forth.
- From March 2022, the company started provision of Japan's first*1 fixed-price membership consulting service, &Resilience, in the area of BCP operation support. Since launch, a cumulative total of more than 3,000 people at over 1,000 companies (organization) have participated in the training. Over 90% of participants found the training effective.
- Based on training results and questionnaires, the company analyzed the status of disaster preparedness initiatives.

A clear issue emerged that ability to act after a disaster remains at a low level, with only 54% of companies implementing improvement activities*2 through training, regardless of their size or whether they have a BCP in place. (Refer to p. 4 for details)

- By deploying the new &Resilience service, the company will provide opportunities for even more people to efficiently enhance their disaster response capability.
 - Creation of a system for managing issues and responses derived through vulnerability assessments and visualization training for ability to act after a disaster.
 - Launch of a tool that allows individual employees to take training courses at times to suit their own schedules.

*1 Japan's first fixed rate membership service for establishing and continuously improving BCP utilizing digital tools and ongoing support from partner consultants throughout the year (in-house survey).

*2 "Improvement activities through disaster preparedness training" involve using disaster simulations and other tools to identify issues in disaster response action and connecting them with countermeasures.

Background and purpose of establishing the new company

Earthquakes such as the Great East Japan Earthquake, major flooding, and pandemics caused a novel coronavirus are among the unexpected disasters and situations that have occurred frequently in recent times. From a perspective of corporate business continuity, it is becoming more important to formulate and implement a BCP, and increasingly necessary to take continuous, highly effective initiatives that do not end being just a plan.

Given this situation, in 2023, the 100th anniversary of the Great Kanto Earthquake, the two companies will seek to provide better support services for enhancing disaster response capability as well as customer convenience by combining Mitsui Fudosan Co., Ltd.'s accumulated expertise in responding to various disasters and Future Corporation's technology-based corporate problem-solving and social design capabilities.

This project is a new business created from the Mitsui Fudosan Group's MAG!C project proposal system.



Disaster response initiatives in urban development and accumulated expertise in effective training



Overview of & Resilience Co., Ltd.

Company name: &Resilience Co., Ltd. Head office: 3-2 Nihombashimuromachi, Chuo-ku, Tokyo Representative Director and President: Hiroyuki Fushiki Established: January 6, 2023 Website: <u>https://www.andresilience.com/</u> (Japanese only)

Comment from & Resilience Co., Ltd. Representative Director and President, Hiroyuki Fushiki



In disaster-prone Japan, it is clearly essential to take steps to strengthen our crisis response capabilities. However, I think it is also undeniable that such efforts are hampered by the ambiguity and unapproachable nature of the three-letter concept of "BCP."

IT Consu

FUTURE

From new business creation based on

technology to DX support through

implementation

Business

&Resilience Co., Ltd. aims to transform initiatives to enhance disaster readiness, which are predominantly formalistic and tend to fall into the traps of plans never implemented and reliance on ineffective manuals. By providing simple and efficient services with a primary emphasis on efficacy, we seek to contribute to raising the overall level of disaster response capability across the board.

■ Disaster response capability enhancement support service: &Resilience

&Resilience was launched in March 2022 as a fixed-price membership service. It is designed to provide accompanying support for the management cycle of business continuity capability enhancement in the post-planning implementation phase, which has been inefficient to date. The support is provided year-round from highly specialized partner consultants. Based on the service provision results over one year, the company has newly conducted digital

environment upgrades to increase convenience for our customers.

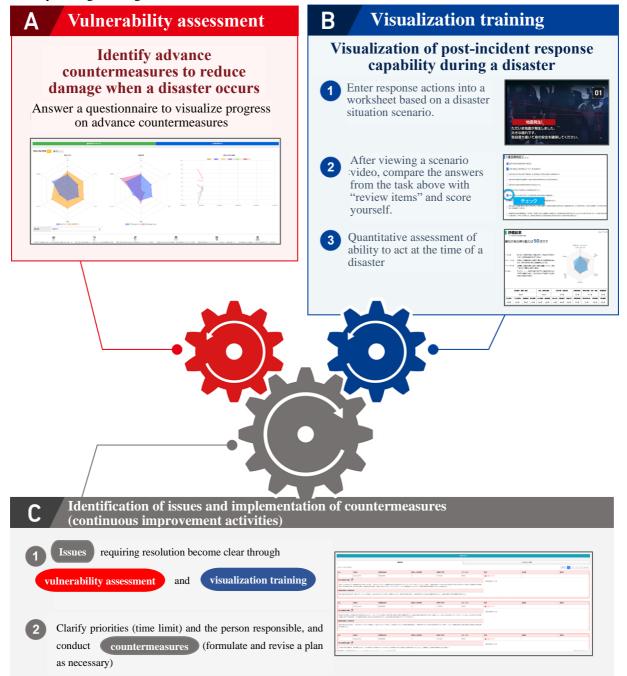


(Service Logo)

<Overview of the &Resilience Service>

&Resilience identifies issues to be addressed in the client's BCP through 1) a vulnerability assessment in order to reduce damage before a disaster occurs, 2) drawing attention to the need for training to "deepen experience value" using the simulated experience of a disaster by viewing a scenario video that portraying various situations that occur in an actual disaster, and 3) conducing visualization training to promote visualization of ability to act at the time of a disaster.

Furthermore, once these issues have been identified, the status of progress on their countermeasures can be efficiently managed using IT tools.



<Key point of this expansion -Development of a digital environment->

To increase the convenience of the service and offer the opportunity to efficiently enhance disaster response capability to a greater number of people, the company has developed and enhanced its digital environment.

- (1) Constructed a system capable of efficiently managing issues identified through vulnerability assessment and visualization training and countermeasures to them. Established functions for providing total support to ongoing improvement activities, such as a reminder function for countermeasure implementation due dates, comment function for partner consultants, manual version management functions, and so forth.
- (2) Launch of a tool that allows individual employees to take training courses at times to suit their own schedules. Participants can view videos, conduct check of ability to act, and output an assessment on demand, making it possible to take training courses easily using idle time. A full complement of management functions is also planned, so that managers can ascertain the status of participation of employees, the score trends, and make comparisons between departments and so forth.

*Reference: Please refer to the following press release for an overview of the fixed-price membership consulting service that was launched in March 2022.

Upgrading Japan's BCP to Version 2.0

Mitsui Fudosan Launches & Resilience, Japan's First Fixed Rate Membership Service Leveraging Digital Tools to Efficiently Strengthen Business Continuity

https://www.mitsuifudosan.co.jp/english/corporate/news/2022/0310 01/

Current status and issues of BCP initiatives in Japan interpreted from survey results

According to the disaster prevention white paper (2022), the percentage of private companies that had formulated BCPs in the wake of the Great East Japan Earthquake increased sharply, led by major Japanese companies, reaching 70.8% in 2021. However, due to the difficulty of formulating such plans and the cost of countermeasures, only 40.2% of small- to medium-sized companies had completed such plans.

Furthermore, according to a survey based on &Resilience training data from a cumulative total of over 3,000 individuals at over 1,000 companies, looking at the percentage that have conducted advance countermeasures, such as stockpiling supplies in preparation for a disaster, major companies have made more progress than small- to medium-sized companies, with the percentage at 70% of major companies and 48% for small- to medium-sized companies.

By contrast, even for major companies, only around half have conducted repeated training and improvement activities envisaging action after a disaster. In &Resilience's proprietary evaluation index, both major and small-to medium-sized companies' ability to act after a disaster occurs currently score around 50, which corresponds to an assessment that "in a disaster, the company will fall into a state of major confusion and be unable even to mount the response necessary to secure human life and safety."

In other words, there is clearly an issue that with regard to the ability to act after a disaster, the overall level is low, with companies unable to conduct effective initiatives regardless of their size or whether or not they have a BCP in place.

To improve this situation, &Resilience Co., Ltd. will work to resolve issues in the BCPs of even more Japanese companies going forward.

	"Advance countermeasures" in preparation for a disaster		Ability to act after a disaster	
	Percentage of companies with BCPs in place	Percentage of companies that has taken advance countermeasures such as stockpiling supplies	Conducting improvement activities through repeated annual training	Average score of action ability assessment (Out of 100 points: explanation of scores below)
Major companies	71%	70%	54%	51 points
Small-to medium-size companies	40%	48%	38%	49 points



Improvement of ability to act after a disaster is a major issue to be addressed,

regardless of company size or whether a BCP is in place

<Explanation of scores>

0–50 points: In a disaster, the company will fall into a state of major confusion and be unable even to mount the response necessary to secure human life and safety

51–70 points: While there is an awareness of the necessary actions at the time of a disaster, the company lacks the flexibility to respond to various situations

71 points and above: Has an awareness of the necessary actions at the time of a disaster and is able to mount a flexible response to the situation.

<Overview of the survey>

· Survey period: March 2022 to January 2023

·Valid respondents: 547 persons

* In calculation, manufacturing companies with 300 or more employees and other industry companies with 100 or more employees are treated as large companies, and those with fewer employees as small- to medium-size companies

Mitsui Fudosan's BCP initiatives to date

Mitsui Fudosan invested about ¥20 billion related to BCP and disaster prevention in roughly 60 existing buildings over the five years following the Great East Japan Earthquake from 2011 to 2016. In addition, Mitsui Fudosan has worked on steps to contribute to various kinds of safety and security as a developer responsible for neighborhood creation, including through the smart city project in Nihonbashi and Toyosu entailing supplying electricity and heat to raise the entire neighborhood's disaster resilience, and by holding large-scale disaster prevention events in collaboration with municipal governments and local residents. Going forward, Mitsui Fudosan will continue to promote the creation of neighborhoods that are safe, secure, resilient and resistant to disasters, thereby contributing to the realization of a sustainable society.

The Mitsui Fudosan Group's Business Proposal System, MAG!C

This system was created during fiscal 2018 to reboot the Mitsui Fudosan Group's DNA of Innovation and for the Companywide promotion to innovate the real estate business.

In principle, those who propose a business are given responsibility for it to move ahead.

Future Corporation

https://www.future.co.jp/en/

Future Group has developed businesses in two main areas: "IT Cconsulting & Services Business" and "Business Innovation Business" with advanced technology and business expertise at the core. The main operating company, Future Architect, Inc. leads the group in supporting DX from the dual perspectives of business management and IT for customers in various industries, including finance, logistics, distribution, services, and energy. At the same time, the group is also creating its own services in fields such as education, media, and sports. The group is also focusing on contributions to the SDGs and ESG initiatives. The social contribution foundation Future Innovation Forum, established in 2006, received the Award for Companies Promoting Experience-based Learning Activities for Youth from the Ministry of Education, Culture, Sports, Science and Technology for four consecutive years. In 2022, the group was ranked fourth in the Forbes JAPAN WOMEN AWARD Corporate General Category (category for companies with 1,000 or more employees). By announcing these kinds of sustainability initiatives in the metaverse space and so forth, the group is also contributing to the advancement of society through its main business.

Mitsui Fudosan Group's Contribution to SDGs

https://www.mitsuifudosan.co.jp/english/esg_csr/

The Mitsui Fudosan Group aims for a society that enriches both people and the planet under the principles of coexist in harmony with society, link diverse values and achieve a sustainable society, and advances business with an awareness of the environment (E), society (S) and governance (G), thus promoting ESG management. By further accelerating its ESG management, the Group will realize Society 5.0, which the Japanese government has been

advocating, and contribute significantly to achieving the SDGs.

Additionally, the Group formulated the following Group guidelines related to "Realize a Decarbonized Society" and "Diversity & Inclusion Promotion" in November 2021. The Mitsui Fudosan Group will continue to work toward solving social issues through neighborhood creation.

[References]

- Group Action Plan to Realize a Decarbonized Society https://www.mitsuifudosan.co.jp/english/corporate/news/2021/1124/
- Diversity & Inclusion Promotion Declaration and Initiative Policy https://www.mitsuifudosan.co.jp/english/corporate/news/2021/1129_02/

* The initiatives covered in this press release are contributing to one of the UN's SDGs.

