

Notice Concerning Revision of the Officer Compensation System

Mitsui Fudosan Co., Ltd. (the “Company”) formulated & INNOVATION 2030, the Group’s Long-Term Vision, in April 2024. In light of the need to encourage contributions that help realize this Long-Term Vision, the Company resolved to revise its current officer compensation system (the “Revision”) for directors and corporate auditors at a meeting of its Board of Directors held on March 27, 2025. Brief details are provided as follows.

Meanwhile, plans are in place to submit an agenda item regarding the Company’s stock compensation system for approval at its 113th Ordinary General Shareholders’ Meeting to be held on June 27, 2025 in accordance with the Revision.

1. Overview of the Revision

(1) Reinforcing the link with the Group’s Long-Term Vision

In light of the need to encourage contributions that help realize the Long-Term Vision, the Revision is designed to reinforce the link between officer compensation and KPIs for the Group’s Long-Term Vision with respect to performance-based compensation comprising bonuses and stock compensation.

(2) Revision of the stock compensation system

The Company plans to introduce restricted stock units in a bid to secure funds for taxes payable at the time restricted stock transfer restriction are lifted in order to further enhance the operability of the stock compensation system.

2. Policy on the Officer Compensation System

(1) Basic compensation system policy

①	Create a framework and mechanism that strongly motivates officers to increase corporate value over the short and medium term in a bid to realize the Group’s Long-Term Vision
②	Create a framework and mechanism that enables the sharing of further value with shareholders
③	Establish competitive levels of recruitment and the retention of human resources that are comparable to competing corporate groups
④	Put in place an objective and transparent compensation system that facilitates and enables accountability to stakeholders

(2) Compensation determination process by individual

Directors	Put in place a proposal draft for the amount to be paid based on the basic officer compensation policy and each compensation determination method; the compensation determination process by individual is determined by the Board of Directors following deliberation by the Compensation Advisory Committee, which is chaired by an independent outside director
Corporate Auditors	The compensation determination process by individual is determined by the Board of Corporate Auditors through discussions among corporate auditors

3. Overview of the System

(1) Compensation level

Under the system, Mitsui Fudosan has set competitive compensation levels by officer position that are comparable to the compensation levels of other corporate groups in Japan with a similar scale of revenue. (With reference to compensation level survey data conducted by third parties.)

(2) Compensation framework

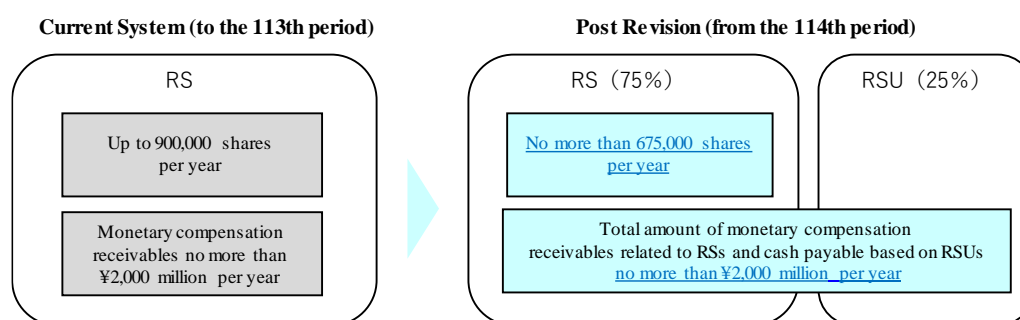
Type of Compensation		Payment Method	Purpose of Compensation	Overview of Compensation
Fixed	① Basic Compensation	Monetary	Motivate officers to carry out their duties according to their responsibilities	<ul style="list-style-type: none"> ■ The amount of payment by officer position determined by the Board of Directors within the maximum amount approved at the Ordinary General Shareholders' Meeting ■ Pro rata payment for each month
	② Bonuses	Monetary	Motivate officers to generate results in the short term and increase performance	<ul style="list-style-type: none"> ■ The total amount payable determined at the Ordinary General Shareholders' Meeting for each period ■ The amount payable by individual determined by the Board of Directors; payment undertaken after the Board of Directors' meeting
Performance-Based		Stocks/Monetary	Motivate officers to continuously enhance corporate value and sharing of further value with shareholders	<ul style="list-style-type: none"> ■ Compensation comprised of the Company's restricted common shares granted ("RSs") that are released from transfer restrictions at the time of retirement and cash (monetary payment) based on restricted stock units ("RSUs") at the time of retirement ■ Payment details by individual are determined by the Board of Directors within the maximum amount approved at the Ordinary General Shareholders' Meeting; RS and RSU payment undertaken after the Board of Directors' meeting

* Under the Revision, Mitsui Fudosan has newly introduced restricted stock units for the purpose of securing funds for taxes payable at the time RS transfer restrictions are lifted and will transition to a scheme that runs concurrently with current restricted stocks. In principle, the ratio for the number of restricted stocks payable and restricted stock units is set at 75%:25%.

(3) Maximum amount of compensation per fiscal year for officers

Type of Compensation		Maximum Amount of Compensation
Basic Compensation	Directors	Up to ¥90 million per month (including ¥10 million per month for outside directors)
	Corporate Auditors	Up to ¥20 million per month
Bonuses		Total amount approved at the Ordinary General Shareholders' Meeting for each period
Stock Compensation*		<p>① Total number of restricted common shares granted ("RSs"): <u>Up to 650,000 shares per year</u></p> <p>② Total amount of monetary compensation receivables payable for the allotment of restricted common shares granted ("RSs") and cash (monetary payment) based on restricted stock units ("RSUs"): <u>Up to ¥2,000 million per year</u></p>

* Mitsui Fudosan plans to submit an agenda item regarding the Company's stock compensation system for approval at its 113th Ordinary General Shareholders' Meeting to be held on June 27, 2025. Details of the proposed agenda item are presented above.

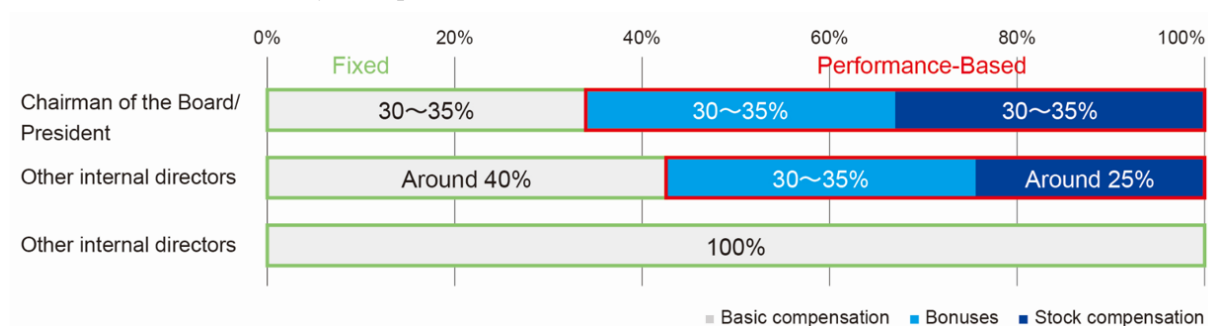


* One RSU is equivalent/converted to one common share.

*The overall maximum amount of stock compensation remains unchanged from the current system. While no maximum amount for the total number of RSU units alone has been set, the total number of RSs and RSUs will as a rule not exceed 900,000 shares per year.

(4) Composition ratio

Set the target composition ratio by officer position. (With reference to compensation level survey data conducted by third parties.)



* Ratio set on the assumptions that (1) the amount of performance-based compensation is based on a standard amount and that (2) the share price is equivalent to the average share price for the year immediately preceding

the introduction of this system (subject to change depending on performance and the Company's share price).

* Taking into consideration the need to secure independence from management, the compensation system for outside director and corporate auditor compensation consists only of a fixed amount of basic compensation that is not impacted by performance.

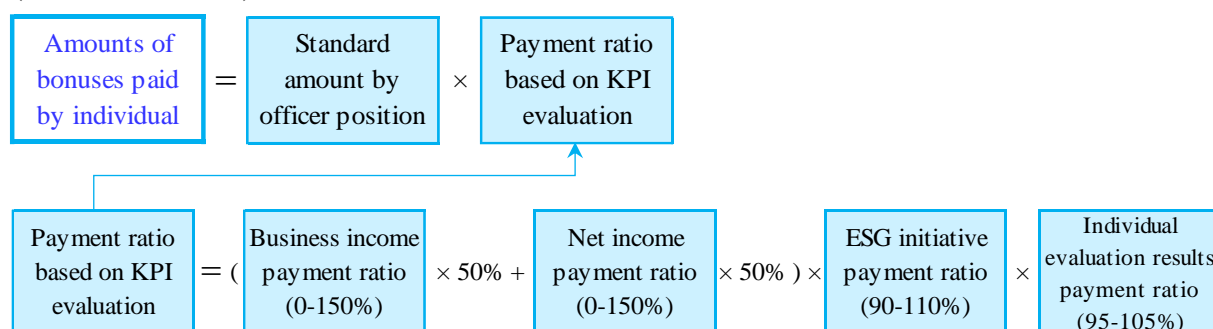
(5) Calculation method for the amounts of bonuses paid

The amounts of bonuses paid by individual are determined based on the following KPIs and calculation method.

(KPI)

KPI	Reason for Selection
① Business income	Set in a bid to evaluate profits for each fiscal year as the basis for efforts aimed at achieving quantitative targets for the Group's Long-Term Vision
② Net income	
③ ESG initiatives	Set to reflect the Group's materiality initiatives stipulated under the Group's Long-Term Vision
④ Individual evaluation results	Set to strengthen the awareness of each officer toward generating results in a bid to achieve the Group's Long-Term Vision

(Calculation method)



(6) Calculation method for the amount of stock compensation paid

The number of allotted shares and allotted units by individual is based on the following KPIs and calculation method.

(KPI)

KPI	Reason for Selection
① EPS	Set in a bid to evaluate the degree of progress for efforts aimed at achieving quantitative targets for the Group's Long-Term Vision
② ROE	
③ ESG initiatives	Set to reflect the Group's materiality initiatives stipulated under the Group's Long-Term Vision

(Compensation composition/ratio of the number of shares to the number of units/calculation method for the number of shares and the number of units)

Type of Compensation	Ratio of the Number of Shares to the Number of Units*	Calculation Method for the Number of Shares and the Number of Units
RS	75%	$\text{Number of allotted shares by individual} = \text{Number of standard shares by officer position} \times \text{Payment ratio based on KPI evaluation}$
RSU	25%	$\text{Number of allotted units granted by individual} = \text{Number of standard units by officer position} \times \text{Payment ratio based on KPI evaluation}$

$$\text{Payment ratio based on KPI evaluation} = (\text{EPS payment ratio (0-150\%)} \times 50\% + \text{ROE payment ratio (0-150\%)} \times 50\%) \times \text{ESG initiative payment ratio (90-110\%)}$$

* The RSU ratio will be 100% for the fiscal year in the officer retires.

(Calculation method for monetary compensation receivables)

- ① RS monetary compensation receivable payment amount in each fiscal year
 RS monetary compensation receivable payment amount = Number of allotted shares by individual x Closing price of the Company's shares on the business day preceding the date of RS allocation resolution
- ② RSU-based cash (monetary) payment amount at the time of retirement
 RSU-based cash (monetary) payment amount = Number of units held (cumulative total up to retirement) x Closing price of the Company's shares on the date of retirement

<Reference> Details concerning the stock compensation system

(1) RS issuance and disposal terms and conditions

Mitsui Fudosan and Eligible Directors will execute a restricted stock allotment agreement with respect to the issuance and disposal of RSs. This restricted stock allotment agreement will stipulate certain terms and conditions, including the following:

- ① Eligible Directors are prohibited from transferring to a third party, setting collateral rights for, and otherwise disposing of RSs up to the point of retirement is prohibited
- ② The Company will acquire RSs gratis in the case where Eligible Directors resign for reasons other than justifiable grounds, a serious breach of laws or regulations, or in the event that certain other circumstances arise.

(2) Terms and conditions for the granting of RSUs

Mitsui Fudosan and Eligible Directors will execute an agreement on the granting of restricted stock units with respect to the granting of RSUs. This agreement on the granting of restricted stock units will stipulate certain terms and conditions, including the following:

- ① Eligible Directors are prohibited from transferring to a third party, setting collateral rights for, and otherwise disposing of RSUs
- ② RSUs will be cancelled as a matter of course in the case where Eligible Directors resign for reasons other than justifiable grounds, a serious breach of laws or regulations, or in the event that certain other circumstances arise

* A similar system will also be introduced for directors of the Company who do not concurrently serve as corporate officers and Group corporate officers.

<Reference> About & INNOVATION 2030 the Group's Long-Term Vision

For more information, please refer to the following URL:

<https://www.mitsuifudosan.co.jp/english/corporate/innovation2030/>