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April 11, 2024

To whom it may concern

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Announcement regarding Formulation of the Mitsui Fudosan Group's New Philosophy  
and Long-Term Vision, & INNOVATION 2030

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Mitsui Fudosan Co., Ltd. (the "Company"), hereby announces that the Company has formulated its new Group Philosophy and the long-term vision, & INNOVATION 2030. Details are provided in the separate document attached.

**“Transforming the city Transforming the future”**

**Formulation of the Mitsui Fudosan Group’s New Philosophy and Long-Term Vision**  
**ROE of 10% or Higher, Growth Investments of ¥2 Trillion, and M&A Investments of ¥0.4 Trillion**

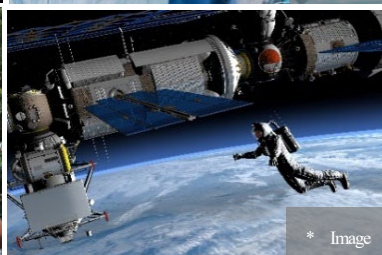
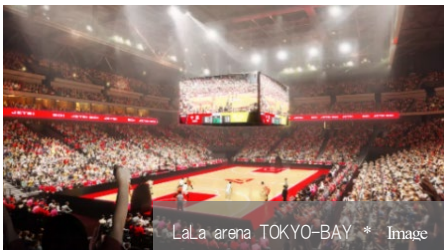
**Outline of this release**

- **Redefine the Group’s Philosophy with a view toward a new era of value creation.**
    - ✓ Based on the Group’s spirit (DNA) passed down from generation to generation and in a bid to realizing the vision we wish to fulfill, identify a corporate message that indicates the direction in which the Group is moving while at the same time revising its group logo.
  - **Formulate the Group’s new long-term vision, & INNOVATION 2030** and contribute to innovation and the creation of added value for society as an industry developer.
    - ✓ Set an **EPS\*<sup>1</sup> growth rate of 8% or higher\*<sup>2</sup> and an ROE of 10% or higher** as quantitative targets for around fiscal 2030 and promote business strategies that focus on efficiency
    - ✓ Undertake **growth investments of around ¥2 trillion in core businesses up to fiscal 2026** and set an **M&A investment budget of over ¥400 billion and a startup equity investment limit of over ¥100 billion both up to fiscal 2030**
    - ✓ Identify **1. Promote further core business growth, 2. Expand into new asset classes, including sports and entertainment, and 3. Explore new business domains and capture business opportunities** as three business strategy paths and put into practice ambidextrous management.
- \* 1 EPS: Earnings Per Share    \*2 FY2023(forecast) - FY2030 (forecast) CAGR

Mitsui Fudosan Co., Ltd. (the “Company”), hereby announces that the Company has formulated its new Group Philosophy and the long-term vision, & INNOVATION 2030, through to fiscal 2030.

In 2018, the Group formulated its long-term vision, “VISION 2025,” and has worked diligently to establish a sustainable society through the creation of neighborhoods, harness technology to innovate the real estate business, and evolve into a global company. As a result, the Group’s business has expanded on a global scale and evolved into the form outlined in VISION 2025.

The world is today experiencing a major paradigm shift. Seizing these changes as an opportunity to evolve as an industry developer or platformer that goes beyond the boundaries of a real estate developer, we will contribute more than ever to the creation of innovation and added value for society.



## 1. Formulation of the Group's New Philosophy

The world is today experiencing a major paradigm shift. Meanwhile, the Japanese economy is transitioning toward a new phase, with the Nikkei Stock Average reaching record highs, the lifting of the negative interest rate policy, and introduction of wage increases aimed at putting an end to “the lost 30 years” that followed the nation’s bubble economy. In order to promote value creation in this new era, we must transform and evolve ourselves. With this in mind, we reexamined our raison d’être and redefined Our Philosophy. Moreover, we have formulated the corporate message “Transforming the city Transforming the future” to summarize Our Philosophy and indicate the direction in which the Group is moving.

In addition, we have revised our group logo to better clarify the “&” philosophy in the “& mark” and express as a more fluid and robust symbol.

### Our Philosophy

**[GROUP DNA]** ~ The spirit that has been passed down to us ~

#### The meaning of “&”

To generate new value with society through cooperation, coexistence and co-creation, we forge ahead, innovating.

**[GROUP MISSION]** ~ The MISSION that we wish to fulfill ~

**& EARTH** With nature, sharing the future  
**& INNOVATION** With creativity, sharing the brilliance  
**& PEOPLE** With people, sharing the inspiration

### The Mitsui Fudosan Group's new Philosophy

Our **GROUP DNA** is the spirit that has been passed down to us, and **GROUP MISSION** is what we wish to fulfill.

### Corporate Message

**Transforming the city  
Transforming the future**

\* The message summarizes Our Philosophy and indicates the direction in which the Group is moving.

### Priority Issues

#### **[GROUP MATERIALITY]**

- Contribute to industrial competitiveness
- Health and vitality
- Coexist with the environment
- Safety and security
- Diversity and inclusion
- Compliance and governance

Based on Our Philosophy, we have identified **GROUP MATERIALITY** as a priority issue.

### Long-Term Vision

**& INNOVATION 2030**  
DREAM, VISION, REALITY

**& INNOVATION 2030**, the Group's long-term vision to FY2030. The name, **& INNOVATION 2030**, encapsulates our desire to cultivate the future through tireless value creation. Bringing **& INNOVATION 2030** to a **REALITY** by clarifying our **DREAM** and **VISION**.

### Group logo

**MITSUI FUDOSAN GROUP**

\* Trademark application filed and under review.

- Better clarify the “&” philosophy in the “& mark” that is our DNA and express as a more fluid and robust symbol. Each and every member of the Group will continue to serve as a link between people, nature, and industry.
- The image of the “& mark” is a single stroke design, much like the “obi” of a kimono. This not only represents suppleness and strength, but also intertwines closely with the Company’s “Echigoya” clothing store roots.
- Maintain the Company’s red and blue corporate colors. Red represents the sun, passion, and cities while blue the ocean, wisdom, and nature.

## 2. About the Group's New Long-Term Vision, & INNOVATION 2030

& INNOVATION 2030 codifies our vision as a group “to contribute to the creation of added value for society as an industry developer.” “Creating social value” leads to differentiation and competitiveness, which in turn helps “create economic value.” The economic value created then helps create even greater social value. Based on this understanding, we will promote the creation of both “social value” and “economic value” to achieve our goals. Our **VISION** aims to bring the Group’s **DREAM** for 2030 to a **REALITY** by conceptualizing specific strategies while turning these two wheels of a cart.

## (1) The structure of our long-term vision



## (2) Quantitative targets

### Quantitative Targets: Around FY2030

<b>Growth Indicator</b>	<b>EPS<sup>*1</sup> growth rate</b> <b>+8% or higher<sup>*2</sup></b>	<b>Efficiency Indicator</b>	<b>ROE</b> <b>10% or higher</b>
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### Quantitative Targets: FY2026

<b>Growth Indicator</b>	<b>EPS growth rate</b> <b>+8% or higher<sup>*3</sup></b>	<b>Efficiency Indicator</b>	<b>ROE</b> <b>8.5% or higher</b>
<b>PL</b>	<b>Business income</b> <b>¥440 billion or higher<sup>*4</sup></b> <b>Net income*</b> <b>¥270 billion or higher</b> <small>* Net income = Profit attributable to owners of parent</small>	<b>Shareholder Returns (FY2024-FY2026)</b>	<b>Total payout return ratio</b> <b>50% or higher each period</b>
<b>BS</b>	<b>Total assets</b> <b>Around ¥9 trillion</b> <b>Interest-bearing debt</b> <b>Around ¥4.5 trillion</b>		<b>Dividend payout ratio</b> <b>Around 35% each period</b>
<b>Efficiency Indicator</b>	<b>ROA</b> <b>5% or higher<sup>*5</sup></b>		<b>Stable dividend increases linked to sustainable profit growth (continuous and progressive dividends)</b> <b>Flexible and continuous repurchase of own shares</b>

<sup>\*1</sup>: Earnings Per Share  
<sup>\*2</sup>: FY2023 (forecast) – FY2030 (forecast) CAGR

<sup>\*</sup> U.S. dollar-yen exchange rate: ¥120/US\$ to ¥140/US\$ range  
Interest rates, inflation, etc. are factored after calculating and estimating based on the forecasts of various research institutions.

<sup>\*3</sup>: FY2023 (forecast) – FY2026 (forecast) CAGR  
<sup>\*4</sup>: Operating income + Equity in earnings/losses of affiliates (including Gain/loss on sales of shares of subsidiaries and affiliates for the purpose of real estate sales) + Gain/loss on sales of fixed assets  
<sup>\*5</sup>: Business income / Average total assets over period

The Group's shareholder return policy will also be applied to the fiscal year ended March 31, 2024. For details, please refer to the press release, "Announcement regarding Revisions of Dividend Forecast and the Determination of Share Repurchase" dated April 11, 2024.

URL: <https://www.mitsuibufudosan.co.jp/english/corporate/ir/library/news/2024/pdf/20240411.pdf>

### (3) Three business strategy paths

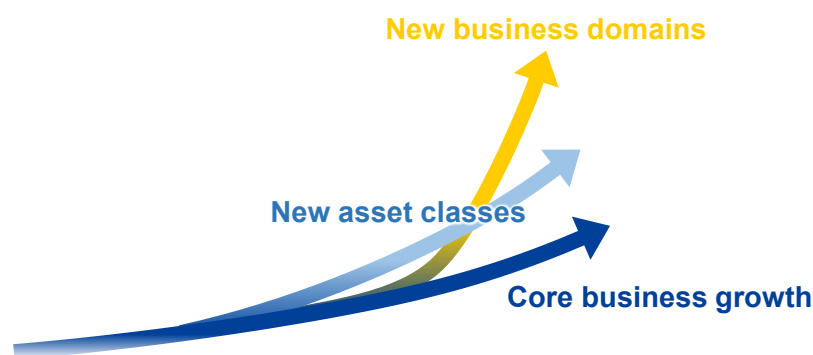
The Mitsui Fudosan Group identified (1) Promote further core business growth, (2) Expand into new asset classes in the real estate domain, and (3) Explore new business domains and capture business opportunities that go beyond the real estate domain as its three business strategy paths. Precisely since we can now expect solid growth in our core businesses, we will search for new business seeds that are expected to display significant future growth and nurture them into new sources of revenue to realize the Group's growth.

To that end, we have established the following investment limits:

- Growth investments in existing core business areas of around ¥2 trillion (to FY2026)
- Funds for strategic purposes of around ¥0.6 trillion (to FY2026)
- M&A investment budget of over ¥0.4 trillion (to FY2030)
- Startup equity investment limit of over ¥0.1 trillion (to FY2030)

We will put into practice ambidextrous management, by which we will promote further growth in our core businesses and neighboring fields, while also searching for business opportunities in new business domains beyond our existing real estate domain.

### Three business strategy paths



#### 1. Promote further core business growth (develop and evolve)

Work to further grow (develop and evolve) the core businesses that have supported the Group's efforts to create value to date.

- (1) Decouple from the market\*
- (2) Strengthen development profitability  
~Realize added value
- (3) Further develop and evolve overseas business

\* Achieve high profitability regardless of the external environment through differentiation and efforts to create new markets.

#### 2. Expand into new asset classes

Accelerate expansion into new asset classes by leveraging the strengths and know-how cultivated in core businesses.

- (1) Create neighborhoods harnessing the power of sports and entertainment
- (2) Expand the Mitsui Lab & Office business
- (3) Further expand business domains by strengthening the data center business, etc.

#### 3. Explore new business domains and capture business opportunities

Explore new business domains and capture business opportunities to realize the Group's continued growth in the future.

- (1) Further develop and evolve as a platformer
- (2) Invest in mainstay fields
- (3) Establish a new division

For details of the new long-term vision, & INNOVATION 2030, please refer to the following:

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

### 3. New Materiality

Based on its new Philosophy, the Mitsui Fudosan Group has also revised its "GROUP MATERIALITY" and identified the following six priority issues: 1. Contribute to industrial competitiveness, 2. Coexist with the environment, 3. Health and vitality, 4. Safety and security, 5. Diversity and inclusion, and 6. Compliance and governance.

Details of progress in creating social value through the Group's new long-term vision, & INNOVATION 2030 in response to this materiality will be disclosed in the Group's Sustainability Report scheduled for publication in August 2024.

For details of the Group's new materiality, please refer to the following:

URL : [https://www.mitsuifudosan.co.jp/english/esg\\_csr/approach/materiality/](https://www.mitsuifudosan.co.jp/english/esg_csr/approach/materiality/)

# & INNOVATION 2030

DREAM, VISION, REALITY

Digest Edition



& INNOVATION 2030

The world is today experiencing a major paradigm shift.

People's behavior has changed dramatically with the trend toward digitization in the wake of the COVID-19 pandemic. By the same token, rapid advances in AI are transforming society and is likely to prove a game changer.

The large swell of free trade and globalization that followed the fall of the Berlin Wall in 1989 has emerged as an era of division amid rising geopolitical risks.

The pace of global monetary easing triggered by the collapse of Lehman Brothers in 2008 has accelerated as a result of the pandemic, causing rapid inflation in many parts of the world and the shift away from the era of low interest rates.

At the same time, climate change is occurring on an increasingly worldwide scale, making it even more important for companies to contribute to the preservation of the global environment.

These trends are significantly impacting the direction that society takes. And I believe this will serve as a tailwind for Japan to reenergize its economy, impacted over a period often referred to as "the lost 30 years." For example, the supply chain is returning to Japan, and there is a growing trend toward the fair evaluation of legitimate added value and wage increases.

We, at the Mitsui Fudosan Group also see these changes as an opportunity to achieve further growth.

We have in fact worked diligently to address the social issues of each era through value creation.

In 2018, we formulated our long-term vision "VISION 2025" while successfully establishing a sustainable society through the creation of neighborhoods, harnessing technology to innovate the real estate business, and evolving into a global company. I am confident that the Group's business has expanded on a global scale and has evolved into the form that we have outlined in VISION 2025.

In order to promote value creation in this new era, we must transform and evolve ourselves. With this in mind, we reexamined our raison d'être and redefined Our Philosophy.

Guided by this Philosophy, we formulated a long-term vision under the "& INNOVATION 2030" banner. This *VISION* aims to bring the Group's *DREAM* for 2030 to a *REALITY* by conceptualizing specific strategies.

We see ourselves as an industry developer or platformer that goes beyond the boundaries of a real estate developer. By providing a platform for open innovation, we take pride in contributing to the creation of both added value for society and new industries by helping bring together the wisdom of companies, society, and the people who live there.

The Mitsui Fudosan Group will continue to contribute to the creation of new industries and new demand.

In the value creation which we aim for, we view "creation of social value" and "creation of economic value" as two wheels of a cart. Creating social value leads to the creation of economic value, which in turn leads to the creation of even greater social value.

As far as creating economic value is concerned, we will accelerate asset turnover and realize added value while taking into consideration the balance between leasing income and sales profit. Furthermore, we will work to increasingly meet the expectations of shareholders and investors by steadily growing our earnings per share (EPS), improving efficiency, raising the total payout return ratio, and continuing to pay progressive dividends in order to maximize shareholder value.

Moving forward, we will continue to work together with our various stakeholders to achieve further growth and welcome your expectations toward the Mitsui Fudosan Group.

April 2024

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

*Takashi Ueda*

## Our Philosophy

**[GROUP DNA]** ~ The spirit that has been passed down to us ~

### The meaning of “&”

To generate new value with society through cooperation, coexistence and co-creation, we forge ahead, innovating.

**[GROUP MISSION]** ~ The MISSION that we wish to fulfill ~

- & EARTH** With nature, sharing the future
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The Mitsui Fudosan Group's new Philosophy

Our GROUP DNA is the spirit that has been passed down to us, and GROUP MISSION is what we wish to fulfill.

## Corporate Message

**Transforming the city  
Transforming the future**

\* The message summarizes Our Philosophy and indicates the direction in which the Group is moving.

## Priority Issues

### **[GROUP MATERIALITY]**

- Contribute to industrial competitiveness
- Health and vitality
- Coexist with the environment
- Safety and security
- Diversity and inclusion
- Compliance and governance

Based on Our Philosophy, we have identified GROUP MATERIALITY as a priority issue.

## Long-Term Vision

**& INNOVATION 2030**  
DREAM, VISION, REALITY

**& INNOVATION 2030**, the Group's long-term vision to FY2030. The name, **& INNOVATION 2030**, encapsulates our desire to cultivate the future through tireless value creation. Bringing **& INNOVATION 2030** to a **REALITY** by clarifying our **DREAM** and **VISION**.



## Vision

**Contribute to the creation of added value for society as an industry developer**

Create social value      Create economic value

# & INNOVATION 2030

DREAM, VISION, REALITY

## Business Strategies

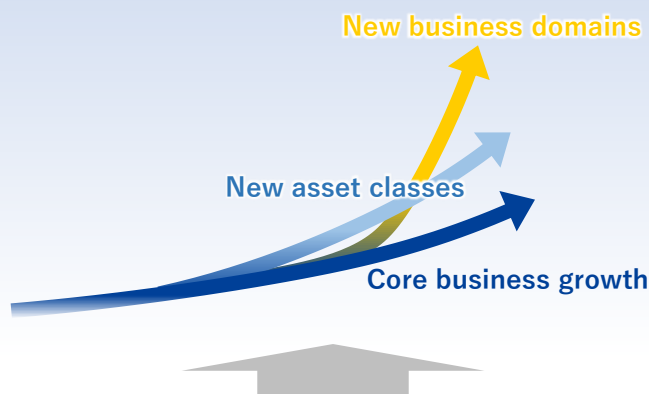
**Achieve growth through three paths**

1. Promote further core business growth (develop and evolve)
2. Expand into new asset classes
3. Explore new business domains and capture business opportunities

## Financial Strategies

**Manage with an equal focus on the three key objectives: enhance growth, efficiency and shareholder returns**

1. Achieve stable and continuous profit growth and enhance cash-generating capabilities
2. Improve efficiency and maintain financial soundness by managing the Company's balance sheet
3. Expand shareholder returns based on growth and efficiency



## Infrastructure That Supports the Strategy

Human resources      DX      ESG

- ▶ **Contribute to the creation of added value for society as an industry developer.**
- ▶ **“Create social value” and “create economic value ” as two wheels of a cart.**
- ▶ **“Creating social value” leads to differentiation and competitiveness, which in turn helps “create economic value.”  
Employ the economic value created to then create even greater social value.**

**Create social value**

**Create economic value**

### **Contribute to global innovation and industrial development**

- Accelerate efforts to generate innovation and develop new industries by bringing together the wisdom of various people and companies through the provision of places and communities.

### **Create exciting experiences**

- Create attractive neighborhoods to help realize a vibrant society where people's hearts are overflowing with excitement.

### **Help address social issues**

- Create wide-ranging added value through innovation and the creation of neighborhoods where people can work, live, enjoy, and visit.
- Help build a sustainable society on a global scale by coexisting with the environment and contributing to such efforts as addressing climate change.

### **Achieve sustainable growth and efficiency in excess of the cost of capital**

- Achieve stable and continuous profit and cash growth over the long term through the efficient use of invested capital.
- Further develop the “Holding & Leasing, Development & Sales, and Management”\* business model. In addition to stable leasing income from property holdings, accelerate efforts to realize added value by ramping up the sale of properties and promote management that enhance both growth and efficiency.

### **Ensure the stable and continuous redistribution of profits among shareholders and increase value per share**

- Increase shareholder value over the medium to long term by reinvesting earnings.
- Redistribute profits among shareholders, taking into consideration such factors as the business environment, performance, and financial position.
- In addition to the stable payment of dividends, increase value per share through the flexible and continuous repurchase own shares.

\* Holding & Leasing, Development & Sales, and Management activities

Holding & Leasing: Generate stable leasing income and facility operating income through the ownership of operating assets.

Development & Sales: Realize added value through the sale of assets and development profit (gain on sale).

Management: Generate continuous management profit through assets under management, etc.

Quantitative Targets: Around FY2030

<b>Growth Indicator</b>	<b>EPS<sup>*1</sup> growth rate</b>	<b>+8% or higher<sup>*2</sup></b>	<b>Efficiency Indicator</b>	<b>ROE</b>	<b>10% or higher</b>

Quantitative Targets: FY2026

\* 1: Earnings Per Share  
\* 2: FY2023 (forecast) – FY2030 (forecast) CAGR

<b>Growth Indicator</b>	<b>EPS growth rate</b>	<b>+8% or higher<sup>*3</sup></b>	<b>Efficiency Indicator</b>	<b>ROE</b>	<b>8.5% or higher</b>	
<b>PL</b>	<b>Business income</b>	<b>¥440 billion or higher<sup>*4</sup></b>	<b>Shareholder Returns (FY2024-FY2026)</b>	<b>Total payout return ratio</b>	<b>50% or higher each period</b>	
	<b>Net income*</b>	<b>¥270 billion or higher</b>		<b>Dividend payout ratio</b>	<b>Around 35% each period</b>	
<small>* Net income = Profit attributable to owners of parent</small>				<b>Stable dividend increases linked to sustainable profit growth (continuous and progressive dividends)</b>		
<b>BS</b>	<b>Total assets</b>	<b>Around ¥9 trillion</b>		<b>Flexible and continuous repurchase of own shares</b>		
	<b>Interest-bearing debt</b>	<b>Around ¥4.5 trillion</b>				
<b>Efficiency Indicator</b>	<b>ROA</b>	<b>5% or higher<sup>*5</sup></b>				

<sup>\*3</sup>: FY2023 (forecast) – FY2026 (forecast) CAGR  
<sup>\*4</sup>: Operating income + Equity in earnings/losses of affiliates (including Gain/loss on sales of shares of subsidiaries and affiliates for the purpose of real estate sales) + Gain/loss on sales of fixed assets  
<sup>\*5</sup>: Business income / Average total assets over period

Balance Sheet Control

<b>Fixed Assets/ Real Property for Sale</b>	Asset turnover with no exceptions (Scope not limited to only real property for sale; fixed assets to also be considered) (FY2024-FY2026)	<b>Around ¥2 trillion</b>	<b>D/E Ratio</b>	<b>Maintain financial soundness while conscious of ratings</b>	<b>Around 1.2-1.5 times</b>
<b>Marketable Securities</b>	<b>Strategic shareholdings (FY2024-FY2026)</b>	<b>Reduction of 50%</b>	Accelerate efforts to reduce strategic shareholdings; reduce current holdings by 50% over the three-year period to FY2026. Continue to actively reduce strategic shareholdings from FY2026 onward.		
	<b>Stocks held purely for investment</b>	<b>Sell at the right time</b>	Reflecting our track record to date, we will continue to take a flexible and sustainable approach to selling over time, allocating proceeds to invest for future growth while also taking the share price into account.		

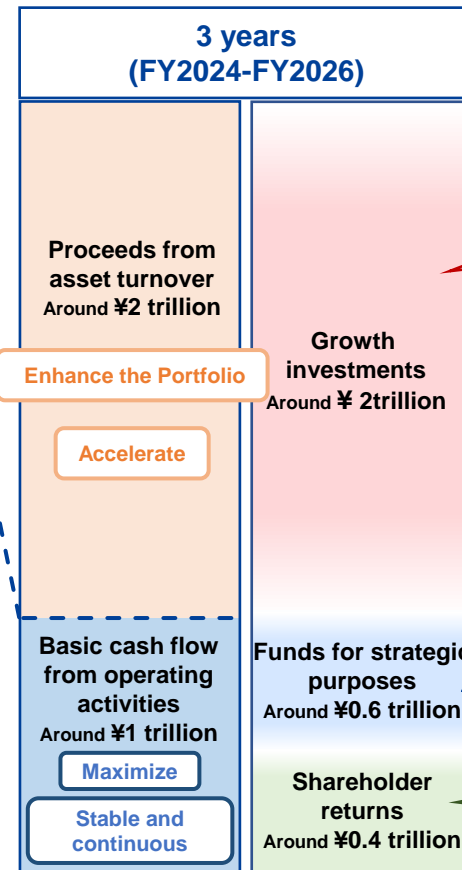
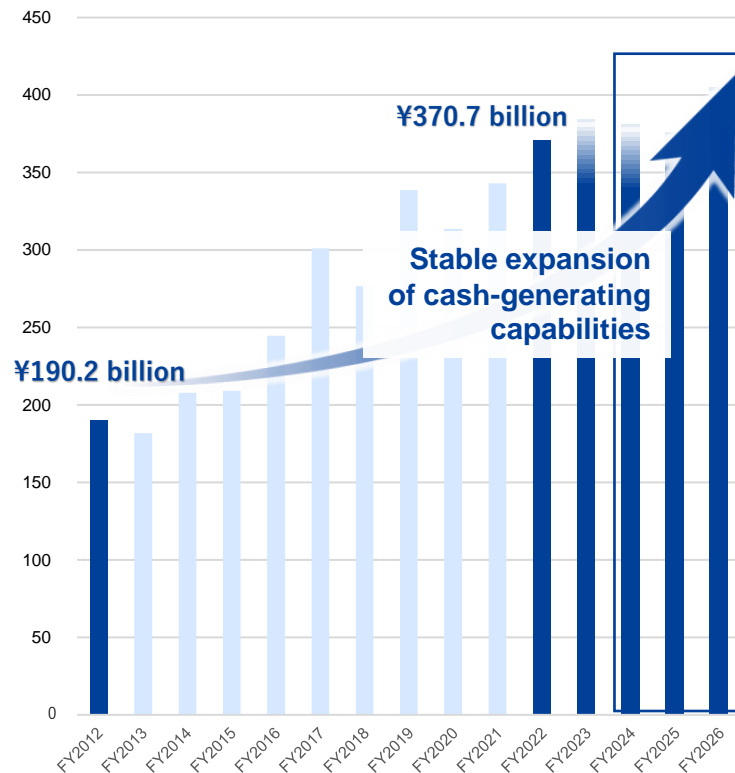
\* U.S. dollar-yen exchange rate: ¥120/US\$ to ¥140/US\$ range  
Interest rates, inflation, etc. are factored after calculating and estimating based on the forecasts of various research institutions.

### Cash Allocation Assumptions (FY2024-FY2026 cumulative total)

<b>Cash in</b>	Proceeds from asset turnover	Around <b>¥2 trillion</b>	<b>Cash out</b>	Growth investments	Around <b>¥2 trillion</b>
	Basic cash flow from operating activities* <sup>1</sup>	Around <b>¥1 trillion</b>		Funds for strategic purposes	Around <b>¥0.6 trillion</b>
				Shareholder returns	Around <b>¥0.4 trillion</b>

\*1 Basic cash flow from operating activities: Cash flow minus changes in such items as working capital (including increase/decrease in real property for sale) from operating cash flows, plus gains/losses on asset turnover.

Unit: Billions of yen

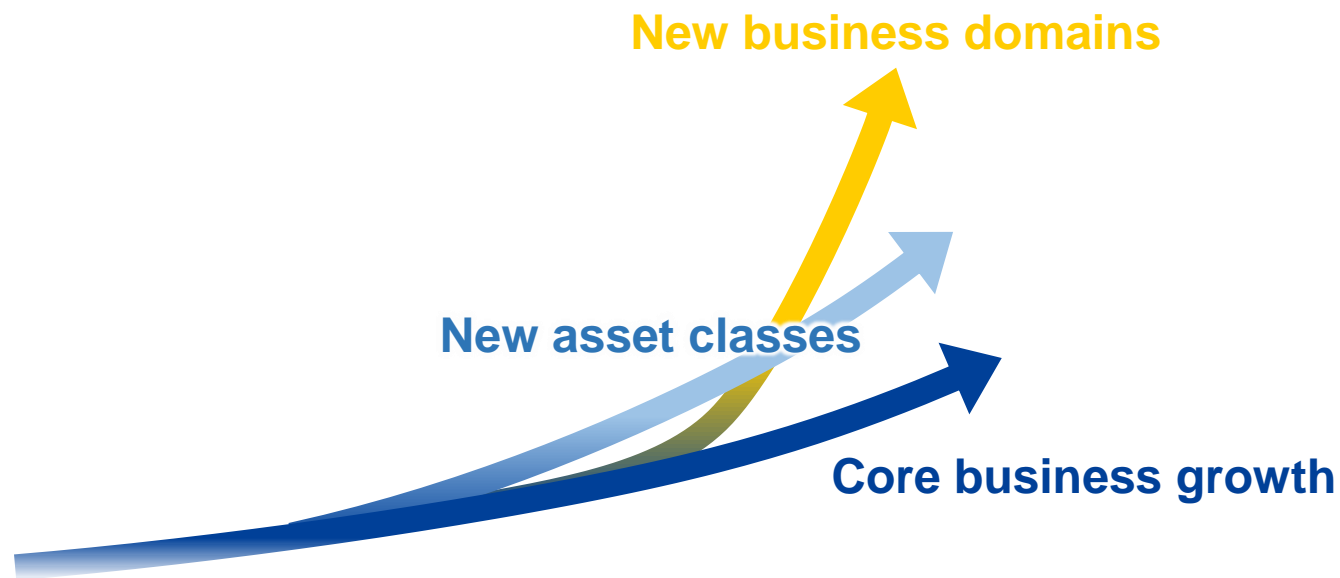


**Growth investments in core business**  
Enhance the quality of the asset portfolio and strengthen the earnings platform

**Set aside funds for strategic purposes**  
Utilize flexibly while also taking into account the operating environment, financial market conditions, and other factors

**Total payout return ratio 50% or higher each period**  
Provide stable and continuous returns to shareholders with the aim of improving EPS and ROE

## Three business strategy paths



### 1. Promote further core business growth (develop and evolve)

Work to further grow (develop and evolve) the core businesses that have supported the Group's efforts to create value to date.

- (1) Decouple from the market\*
- (2) Strengthen development profitability  
~ Realize added value
- (3) Further develop and evolve overseas business

\* Achieve high profitability regardless of the external environment through differentiation and efforts to create new markets.

### 2. Expand into new asset classes

Accelerate expansion into new asset classes by leveraging the strengths and know-how cultivated in core businesses.

- (1) Create neighborhoods harnessing the power of sports and entertainment
- (2) Expand the Mitsui Lab & Office business
- (3) Further expand business domains by strengthening the data center business, etc.

### 3. Explore new business domains and capture business opportunities

Explore new business domains and capture business opportunities to realize the Group's continued growth in the future.

- (1) Further develop and evolve as a platformer
- (2) Invest in mainstay fields
- (3) Establish a new division

- ▶ Pursue a customer-centered approach.
- ▶ Decouple from the market by differentiating each business and efforts to develop neighborhoods while creating new demand.

**Increase the quality and quantity of core business value provided through real and digital measures**

- **Offices:** Develop offices you want to work in in cities you want to visit. Enhance the level of services to provide optimal work styles for each customer.
- **Retail facilities:** Build a one-of-a-kind omni-channel platform that combines various services. Diversify revenue sources and innovate business models.
- **Housing:** Integrate the management of customer data and strengthen collaboration among Group companies. Provide one-stop service for all needs.
- **Hotels and resorts:** Utilize customer data and propose a personalized stay experience. Improve customer service through DX and provide high-quality stay value.
- **Logistics:** Utilize digital technology and further strengthen various service functions. Help address customer issues throughout the supply chain, not just in the warehouse.

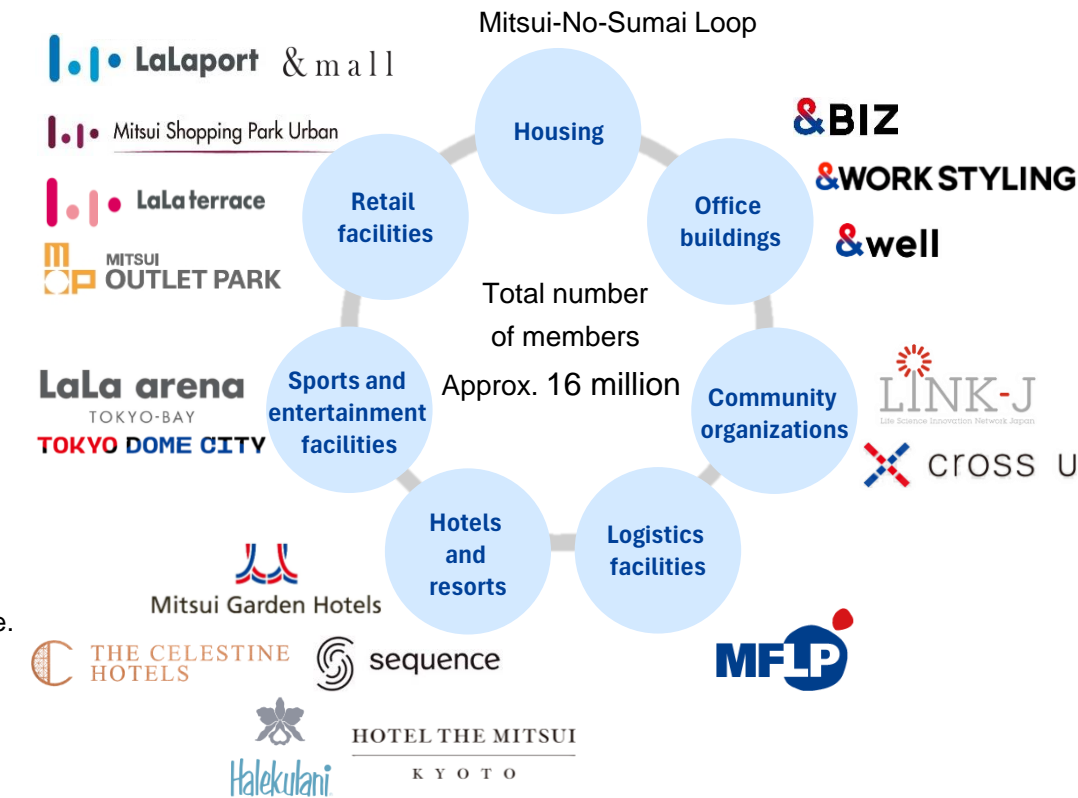
**Create mixed-use neighborhoods**

Provide value that meets the various working, living, enjoying, and relaxing needs of people.



**Strengthen the Mitsui Fudosan Group Network**

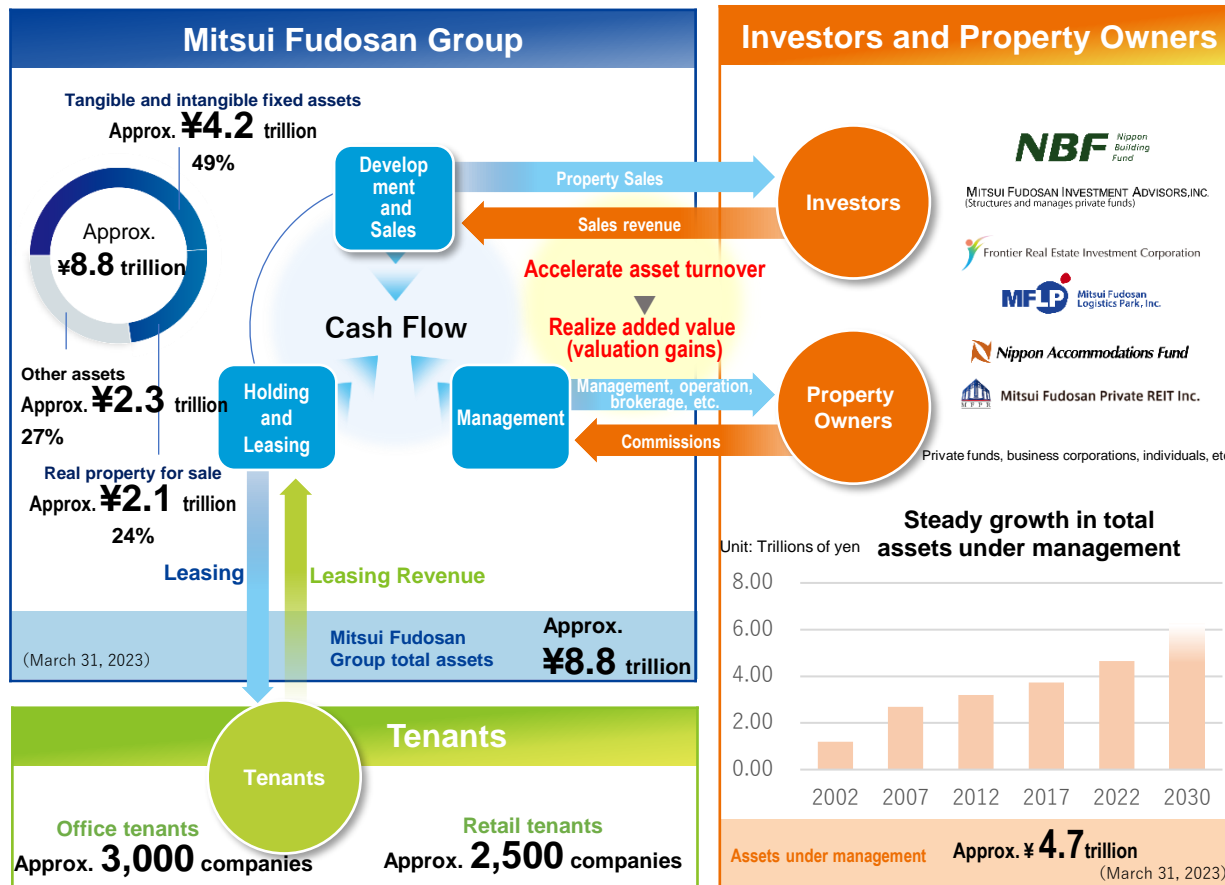
- Work to strengthen the Mitsui Fudosan Group network and expand membership organizations.



- ▶ Further develop the “Holding & Leasing, Development & Sales, and Management”\* business model. In addition to stable leasing income from property holdings accelerate asset turnover and realize added value (valuation gains) at an early stage from total real property for sale and fixed assets.
- ▶ Engage in long-term management of assets under management after sale.
- ▶ Also consider the proactive use\*1 of third-party funding from the kick-off stage of large-scale developments.

\*1 Proactively call for third-party funding from various entities, including institutional investors from the business kick-off stage; in addition to the Company's share of revenues, improve business efficiency by acquiring management fees.

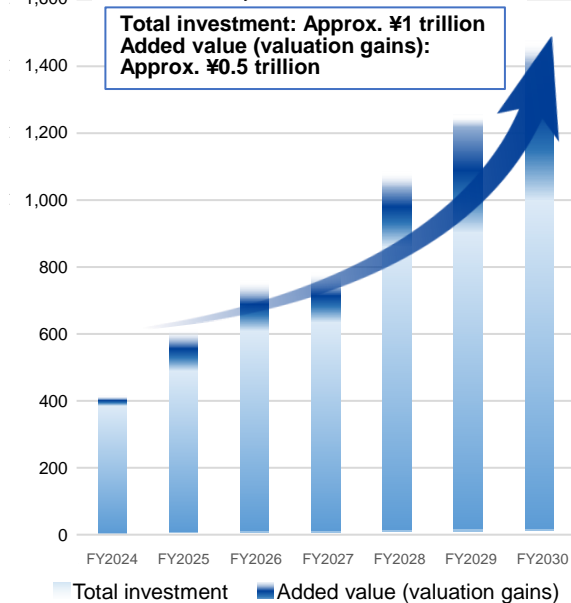
Strengthen development profitability



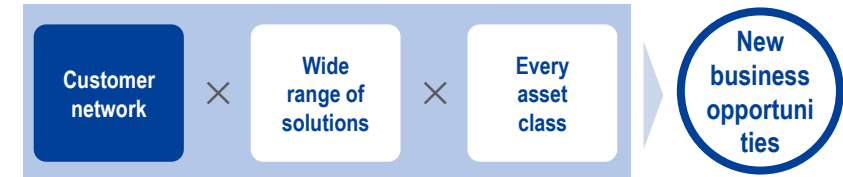
Create sustainable added value

a. Create added value through major projects

\* Based on the Company's own current estimates.  
 \* Amounts for each fiscal year are cumulative for FY2024 and beyond.



b. Capture new business opportunities

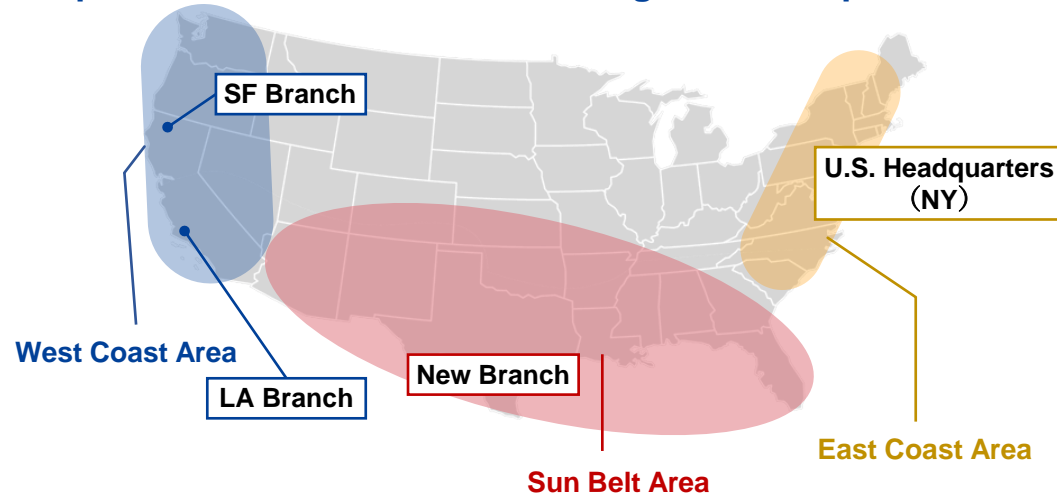


- ▶ Accelerate new acquisitions focusing on merchant development purchases while carefully selecting products and areas. Generate added value and realize profits at an early stage. Strengthen BS control endeavors.
- ▶ Expand investment in areas with growth potential (U.S. Sun Belt Area, Australia, India, etc.) and new asset classes.
- ▶ Target further overseas business growth.

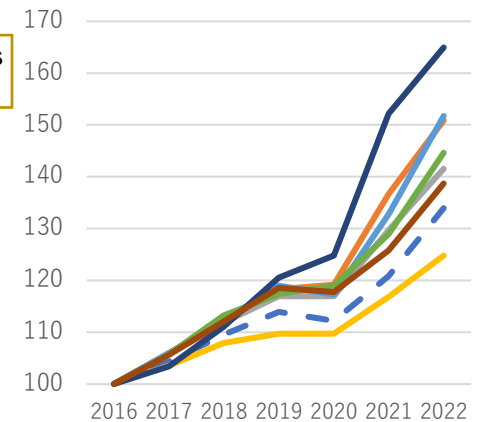
Accelerate the merchant development investment model



Expand investment in areas where growth is expected.

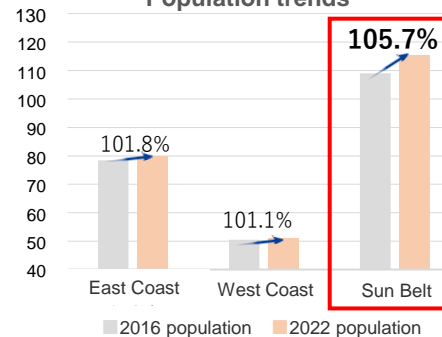


Trends in Housing Complex Rents\*3 (With 2016 as 100)



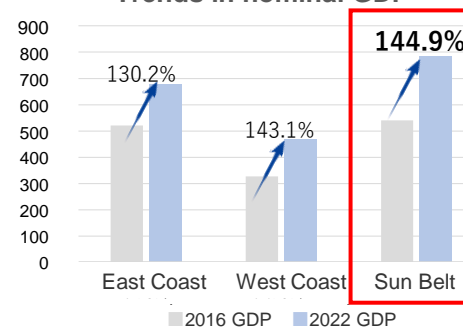
Unit: Millions

Population trends\*1



Unit: US\$ billions

Trends in nominal GDP\*2



- USA
- Atlanta
- Dallas
- Houston
- Miami
- Nashville
- Phoenix
- Denver



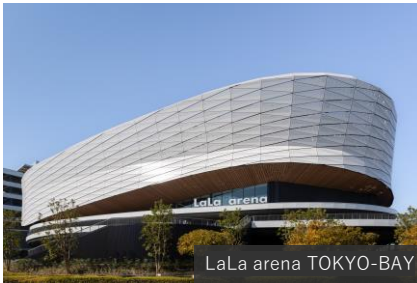
- ▶ Leverage the Group's strengths and expertise, expand into various asset classes, and create value for customers.
- ▶ Establish a new division to maximize synergies between retail facilities, sports and entertainment.

(1) Create neighborhoods harnessing the power of sports and entertainment

Expand on the back of TOKYO DOME CORPORATION's strengths



Promote the arena business



Create exciting experiences through sports and entertainment



(2) Expand the Mitsui Lab & Office business

Project development in Japan and overseas



Putting in place an environment for various research scenarios



(3) Further expand business domains by strengthening the data center business, etc.

Data center initiatives



Developments that leverage the Group's strengths



- ▶ Leverage the Group's established network and upgrade expansion areas (menus) that provide places and communities. Accelerate contributions to the innovation and creation of new industries through increased involvement as a platformer.
- ▶ Search for business seeds that contribute to the creation of new industries by drawing on the places and communities we provide.
- ▶ Identify and invest in mainstay areas where the Group can leverage its strengths, including its diverse network, vast points of customer contact, and planning know-how, and nurture into a new source of revenue.

Extensive networks and communities

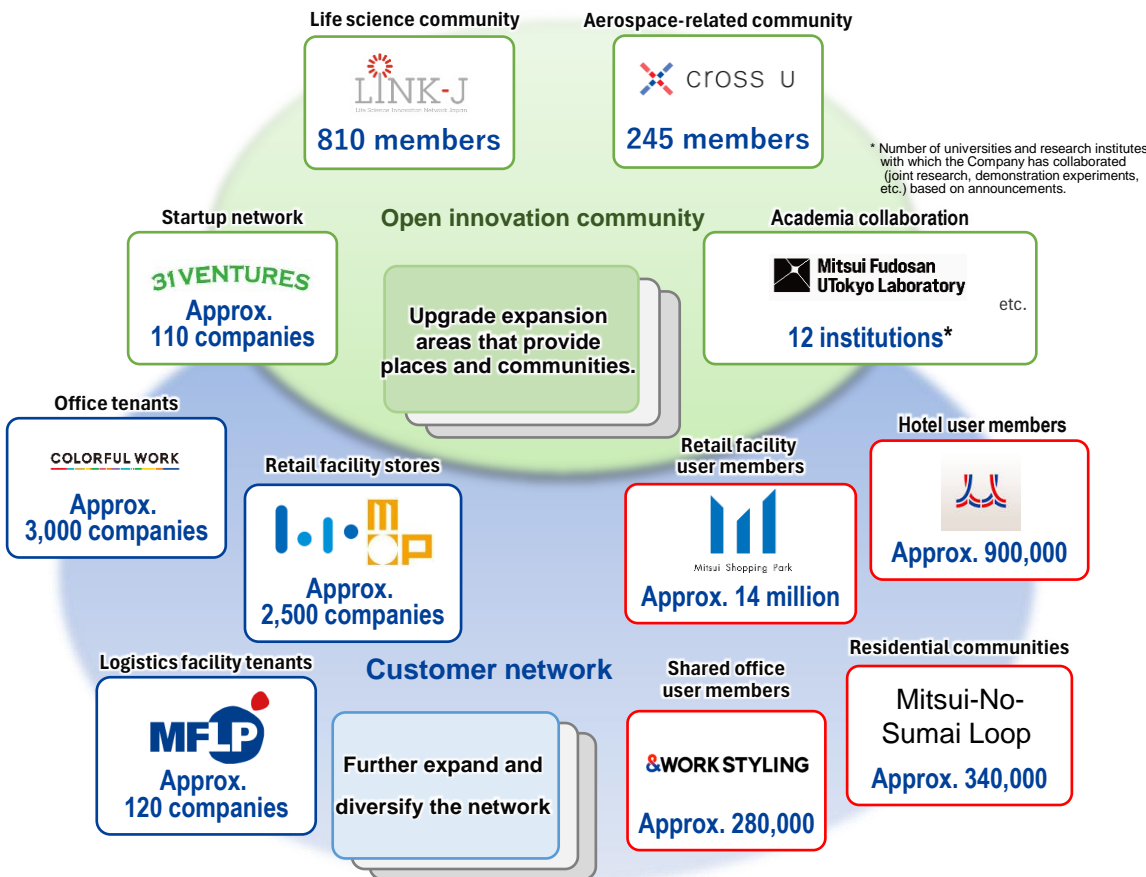


Image of investment consideration areas

Life science field



Aerospace-related field



Create new industries identified as mainstay areas



Newly establish the Innovation Promotion Division

M&A investment budget\* Over **¥400 billion**

Startup equity investment limit\* Over **¥100 billion**

\* To FY2030

**Manage with an equal focus on the three key objectives: enhance growth, efficiency and shareholder returns****Achieve stable and continuous profit growth and enhance cash-generating capabilities**

- Achieve stable and continuous leasing income growth through various measures, including the development of new properties and existing property top-line growth.
- Realize development added value through the stable and continuous turnover of assets, while taking into consideration the balance between leasing income and sales profit.
- Enhance cash-generating capabilities through business planning, property development, and management capabilities that are the source of the Company's competitive advantage.

**Improve efficiency and maintain financial soundness by managing the Company's balance sheet**

- Further enhance the quality of the asset portfolio by considering and executing asset turnover, reviewing not only real property for sale but fixed assets and investment securities.
- Maintain an "A" rating as a measure of financial soundness and appropriately control financial leverage.
- Steadily and sustainably improve ROE to a level that exceeds the cost of capital.

**Expand shareholder returns based on growth and efficiency**

- Improve the dividend payout ratio and achieve stable dividend increase linked to profit growth (continuous and progressive dividends).
- Undertake the flexible and continuous repurchase of own shares.
- Implement measures to increase the proportion of long-term shareholders.

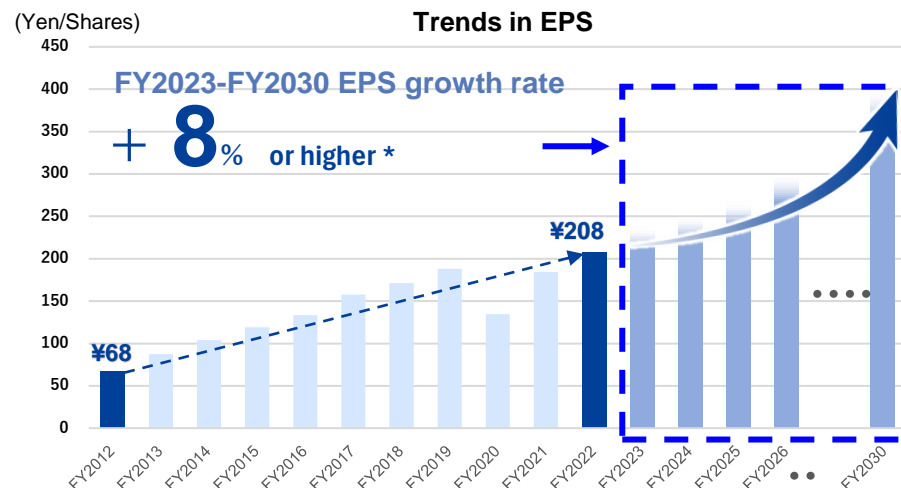
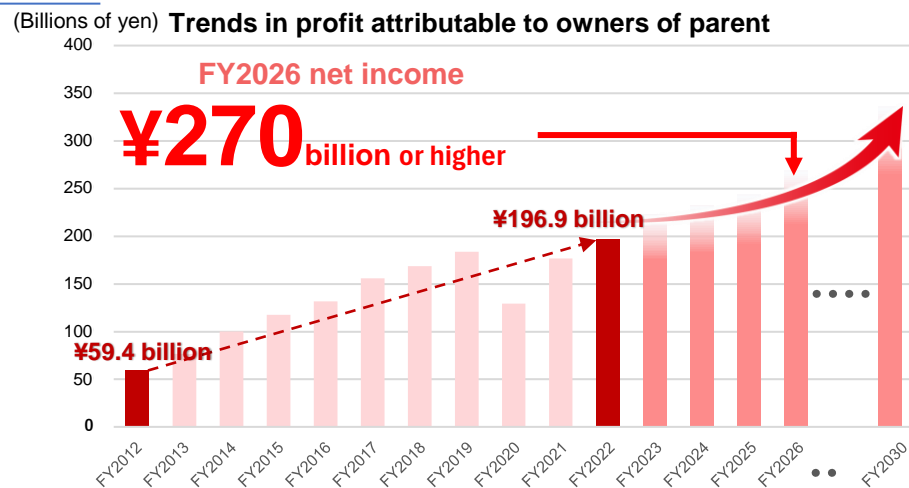
► Increase profit with a view toward FY2030.  
 Set the EPS growth rate as a quantitative target and key indicator of increased shareholder value and target an EPS CAGR of +8% or higher from FY2023 to FY2030 together with the flexible and continuous repurchase of own shares.

## Business income by segment

	FY2022		FY2026	
<b>Leasing</b>	Approx. ¥150 billion	►	Around ¥180 billion	<ul style="list-style-type: none"> <li>• Increase in leasing income due to the completion of new properties.</li> <li>• Increase in leasing income due to such factors as the increase in existing property rent revenue.</li> </ul>
<b>Property Sales</b>	Approx. ¥153 billion	►	Around ¥210 billion	<ul style="list-style-type: none"> <li>• Focus on the stable generation of high margins.</li> <li>• Amounts recorded each period vary depending on market conditions.</li> </ul>
<b>Management</b>	Approx. ¥63 billion	►	Around ¥70 billion	<ul style="list-style-type: none"> <li>• Increase in management fees due to such factors as AUM growth and increase in property management fees.</li> </ul>
<b>Facility Operations</b>	Approx. - ¥4 billion	►	Around ¥30 billion	<ul style="list-style-type: none"> <li>• Further improvements in ADR for hotels and resorts.</li> <li>• Increase in the number of Tokyo Dome customers, etc.</li> </ul>
<b>Business Income</b>	Approx. ¥313 billion	►	¥440 billion or higher	

\* Business income = Operating income + Equity in earnings/losses of affiliates (including Gain/loss on sales of shares of subsidiaries and affiliates for the purpose of real estate sales) + Gain/loss on sales of fixed assets

## High profit growth



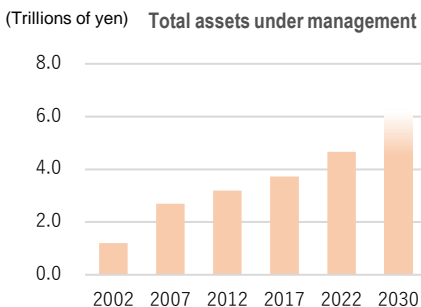
\* FY2023 (forecast) – FY2030 (forecast) CAGR

- ▶ **Accelerate asset turnover and realize added value (valuation gains), while taking into consideration the balance between leasing income and sales profit.**  
 (Sale of fixed assets and real property for sale without exception; reduction of strategic shareholdings; sell at the right time stocks held purely for investment purposes)  
**Work to increase management revenue by expanding assets under management.**
- ▶ **Maintain a highly efficient and sound financial structure while controlling the balance sheet (BS).**

**Assets under management**  
 Expand assets under management (AUM)  
 ⇒ Expand management income

Private funds, business corporations, individuals, etc.

**Steady growth in total assets under management**



**Total assets**  
 Accelerate asset turnover  
 ⇒ Realize added value (valuation gains)  
 Proceeds from asset turnover  
 Around ¥2 trillion (FY2024-FY2026)

**Fixed assets/ Real property for sale**  
 Sale without exception

**Marketable securities**  
 ● **Strategic shareholdings**  
 Reduction of around 50% (FY2024-FY2026)  
 Accelerate efforts to reduce strategic shareholdings; reduce current holdings by 50% over the three-year period to FY2026. Continue to actively reduce strategic shareholdings from FY2026 onward.

● **Stocks held purely for investment purposes**  
 Sell at the right time  
 Reflecting our track record to date, we will continue to take a flexible and sustainable approach to selling over time, allocating proceeds to invest for future growth while also taking the share price into account.

**Interest-bearing debt/Equity**  
 Financial leverage  
 Maintain an "A" rating

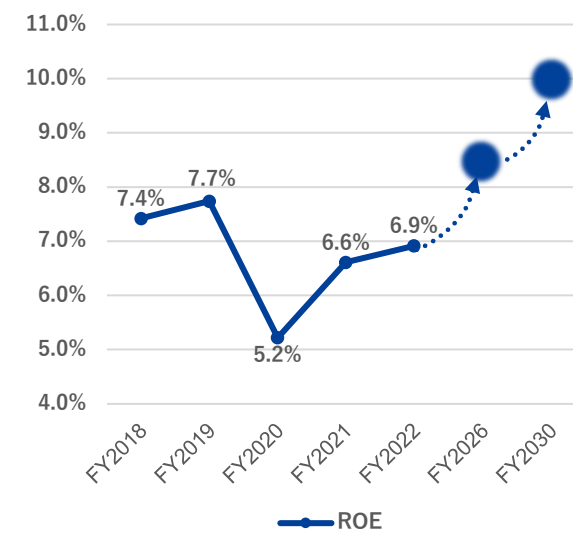
**D/E ratio**  
 Around 1.2-1.5 times

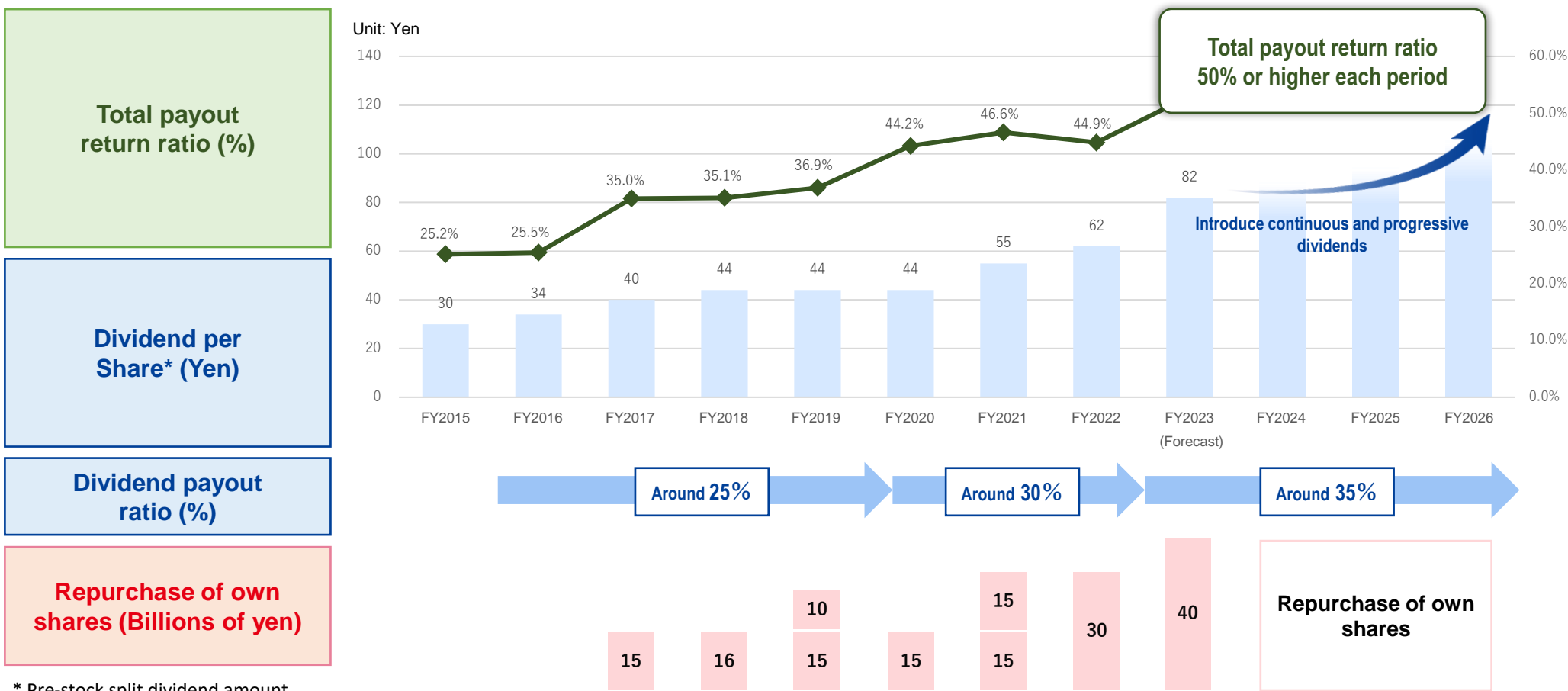
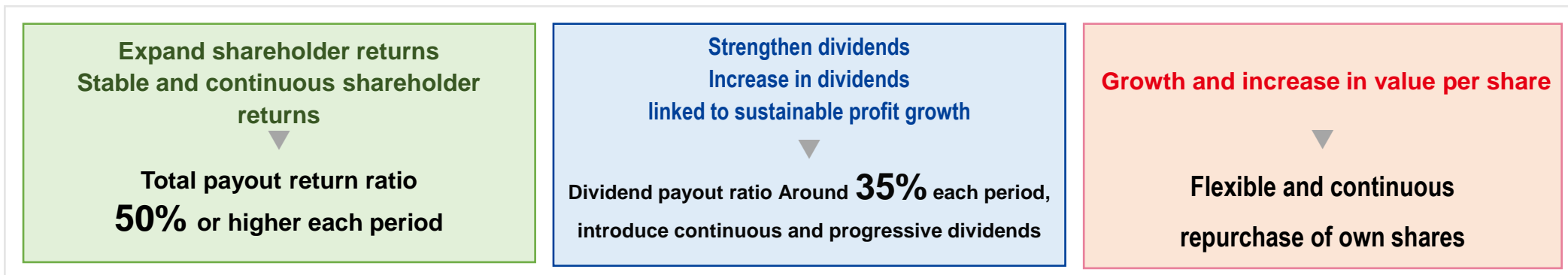
**Shareholder returns**  
 Return of profits to shareholders taking into consideration financial soundness and capital efficiency

**ROE Target**

**FY2026**  
**ROE 8.5% or higher**

**Around FY2030**  
**ROE 10% or higher**

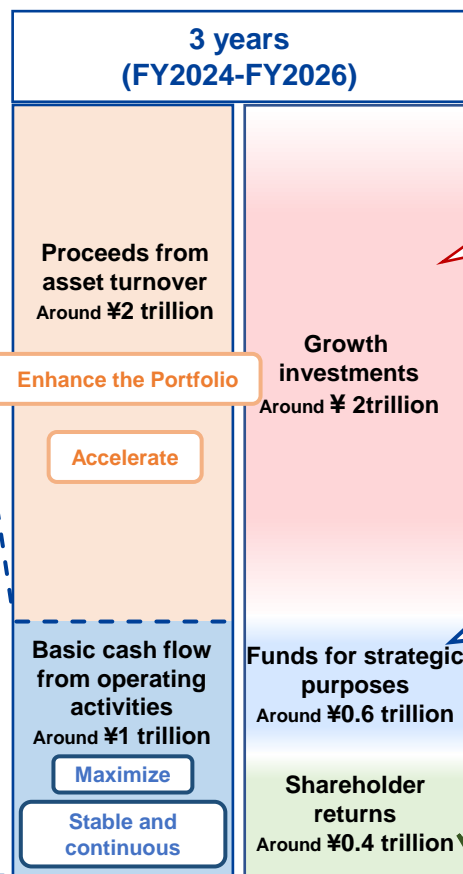
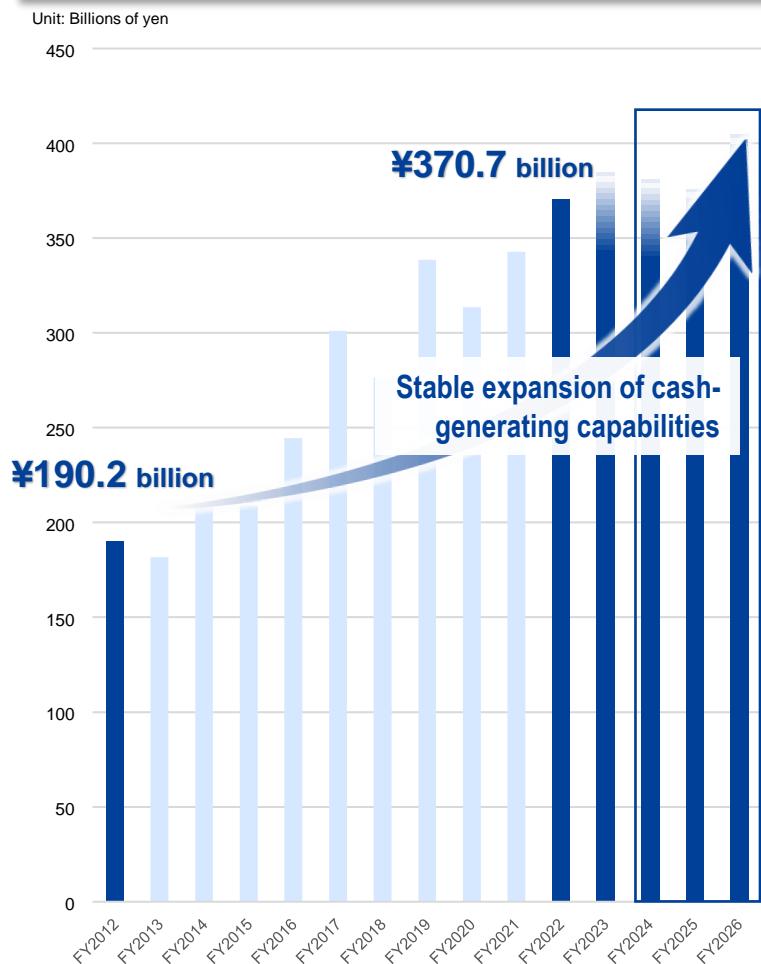




\* Pre-stock split dividend amount

7 consecutive years Undertake the flexible and continuous repurchase of own shares

- ▶ Maximize core operating cashflow generated by mainstay businesses. Strengthen stable and continuous cash-generating capabilities.
- ▶ Enhance the quality of the asset portfolio, accelerate asset turnover, and realize added value.
- ▶ Appropriately allocate basic cash flow from operating activities and proceeds from asset turnover to growth investments, strategic funds and shareholder returns with a focus on growth and efficiency while controlling increases in outstanding debt.



**Growth investments in existing core business areas**

Enhance the quality of the asset portfolio and strengthen the earnings platform

- Domestic: Mixed-use developments, office buildings, retail facilities, logistics facilities, etc., housing with a focus on metropolitan, high-grade, large-scale condominiums
- Overseas: Mainly real property for sale

**Set aside funds for strategic purposes**

Respond flexibly, taking into account such factors as the business and financial environment

- Budget for expansion into new asset classes
- Budget for capturing business opportunities in new business domains (M&As, etc.)
- Funds set aside for balance sheet control (maintain financial discipline and improve ROE)

**Total payout return ratio 50% or higher each period**

Provide stable and continuous returns to shareholders with the aim of EPS growth and improving ROE

- Dividend payout ratio Around **35%** each period
- Introduce continuous and progressive dividends, Increase in dividends linked to profit growth
- Flexible and continuous repurchase of own shares

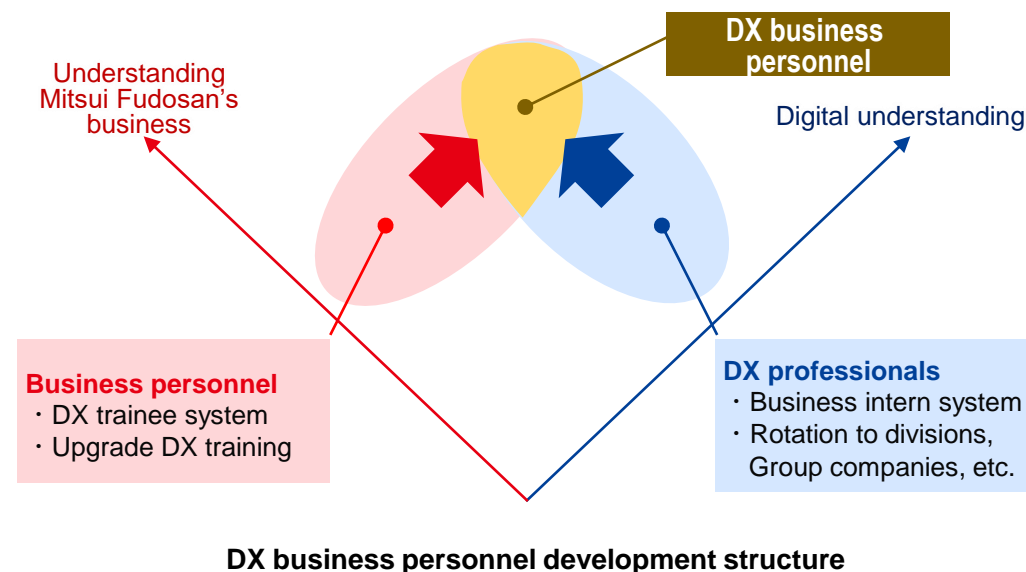
\* Basic cash flow from operating activities: Cash flow minus changes in such items as working capital (including increase/decrease in real property for sale) from operating cash flows, plus gains/losses on asset turnover.

## 1. Group Personnel Strategies



## 2. Two halves that support the business model that combines the real and digital

### (1) Personnel supported by AI and digital resources



### (2) Indispensable platform for DX use = Strengthen the digital platform

- Build and renew an optimal Group-wide system
- Strengthen system development capabilities and expand high-speed development
- Increase the sophistication of system infrastructure and security
- Put in place infrastructure and engage in data management to ensure AI and digital support

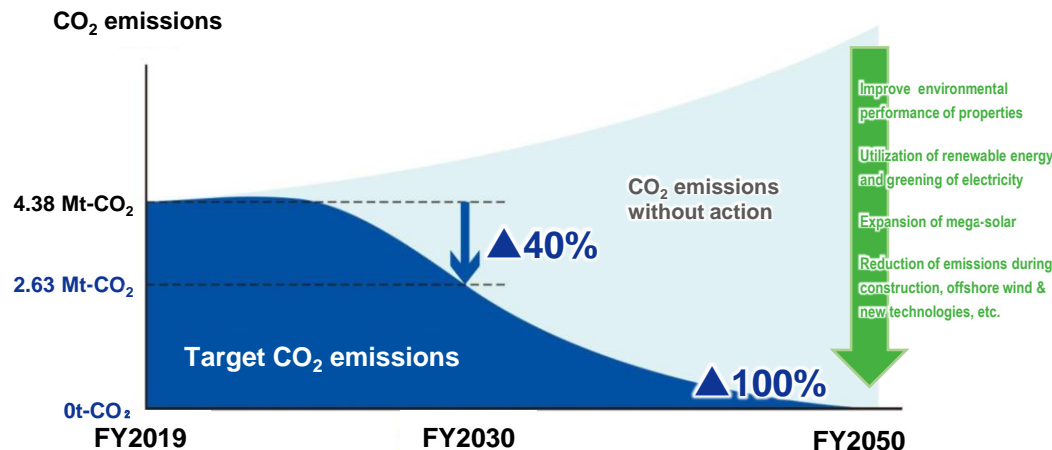


# Infrastructure That Supports the Strategy

## Corporate governance initiatives

<p><b>Board of Directors</b></p>	<ul style="list-style-type: none"> <li>● Ongoing consideration of matters that help improve governance, including optimum composition of the Board of Directors, such as the ratio of outside directors and diversity.                     <ul style="list-style-type: none"> <li>- Directors' term of office amended from two years to one year*</li> <li>- Increase in the number of outside directors (4→5)*</li> <li>- Identify issues and continuously improve functions based on annual evaluations of the Board's effectiveness</li> </ul> </li> </ul> <p>*To be proposed at the 112th Ordinary General Shareholders' Meeting scheduled to be held on June 27, 2024</p>
<p><b>Nomination Advisory Committee</b> <b>Compensation Advisory Committee</b></p>	<ul style="list-style-type: none"> <li>● The Nomination Advisory Committee and Compensation Advisory Committee each established with a majority of independent outside directors and chaired by an independent outside director.</li> </ul>
<p><b>Risk Management Special Committee</b> <b>Strategy Planning Special Committee</b></p>	<ul style="list-style-type: none"> <li>● Identify and understand risk issues and formulate countermeasures on an ongoing basis through the Risk Management Special Committee (managing operational risks) and the Strategy Planning Special Committee (managing business risks).</li> </ul>
<p><b>Governance of Overseas Operations</b></p>	<ul style="list-style-type: none"> <li>● Strengthen governance in overseas operations through the implementation of the Global Governance Guidelines.</li> </ul>

## Group Action Plan to Realize a Decarbonized Society \* Formulated in November 2021

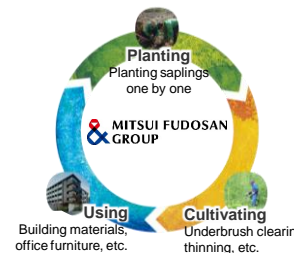


## Coexistence with the natural environment

### Coexistence with the natural environment in the creation of neighborhoods



### Creation of never-ending forests (utilizing 5,000ha of Group-owned forests in Hokkaido)

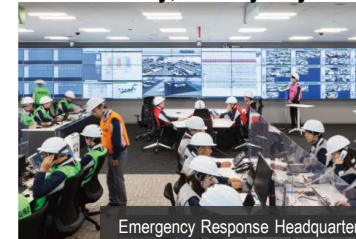


## Safety and Security Initiatives

### Strengthen disaster prevention functions for buildings and neighborhoods



### Disaster countermeasures system 24 hours a day, 365 days a year



### Community-wide disaster prevention efforts



### Promote the creation of neighborhoods where each and every person can live safely and securely

Mitsui Fudosan Infection Control Measure Standards



# GROUP MATERIALITY (Priority Issues) and Non-Financial KPIs

Materiality	Evaluation indicator	Period achieved	Numerical target	Materiality	Evaluation indicator	Period achieved	Numerical target
Contribute to industrial competitiveness	Strengthen industrial competitiveness Initiatives that contribute to the creation of added value for society by supporting people's daily lives and diverse corporate activities New area expansion Initiatives that contribute to the creation of new industries by further developing the industry creation platform	Annual disclosure of initiatives <sup>*2</sup>		Health and vitality <sup>*1</sup>	Improvement in experiential value Initiatives to create neighborhoods that people want to visit by delivering exciting experiences Realize a society of wellbeing Initiatives to realize a society brimming with vitality where workers and visitors are in excellent health	Annual disclosure of initiatives <sup>*2</sup>	
					Number of paid leave days taken	Annual	14 days annually
					Health checkup and screening rate	Annual	100%
Coexist with the environment	Progress of the Decarbonization Action Plan Expansion of green spaces, utilization of forests Initiatives to increase greenery in the urban core through development and to regenerate Japan's forests	Annual disclosure of initiatives <sup>*2</sup>		Safety and security	Safety and security Continuous efforts from both the hard (real estate) and soft (services) perspectives and initiatives to realize a safe and secure society	Annual disclosure of initiatives <sup>*2</sup>	
	CO <sub>2</sub> and other emission reduction rate (1000 t-CO <sub>2</sub> )	2030	40% decrease compared to FY2019		Conduct disaster drills including tenant companies	Annual	2 times
		2050	Virtually zero				
	Proportion of electric power used in business activities derived from renewable energy (RE100)	FY2050	100%	Diversity and inclusion <sup>*1</sup>	Realize an inclusive society Initiatives to realize a society in which all people can maximize their abilities and play an active role	Annual disclosure of initiatives <sup>*2</sup>	
	New building external environment certification acquisition rate <small>* Limited to rental properties, including office buildings, retail facilities, logistics facilities, as well as hotel and resort facilities.</small>	Annual	100%		Improvement of employee engagement	Annual	80% or higher
	Energy consumption per base unit (kℓ/m <sup>2</sup> /year)	Annual	1% reduction annually		Training time per employee	Annual	Last year's level
	Clean/industrial water use per base unit (m <sup>3</sup> /m <sup>2</sup> per year)	Annual	Less than the previous fiscal year		Training expenses per employee	Annual	Last year's level
	General waste emissions per base unit (t/m <sup>2</sup> per year)	Annual	Less than the previous fiscal year		Women in management positions ratio	2025年	10%
	Industrial waste emissions per base unit (t/m <sup>2</sup> per year)	Annual	Less than the previous fiscal year		Ratio of female hires	2030年	20%
	Waste recycling ratio (at Mitsui Fudosan Co., Ltd. headquarters)	FY2030	90%		Employment rate of people with disabilities	Annual	40%
					Percentage of male employees taking childcare leave	Annual	2.5% or higher <sup>*3</sup>
			Return rate from childcare leave		Annual	100%	
			Compliance training implementation participation rate	Annual	100%		
			Implement and improve human rights DD	Annual <sup>*2</sup>			

\*1: Quantitative KPIs on a stand-alone basis \*2: Anticipated disclosure in the Sustainability and other reports. \*3: Work toward exceeding the legal employment rate (2.5% as of April 2024, increased to 2.7% from July 2026).

## & INNOVATION 2030

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

(Time notation of posted data on the document.)

As of February 29, 2024 \* Except as indicated in individual data.

(Disclaimer)

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