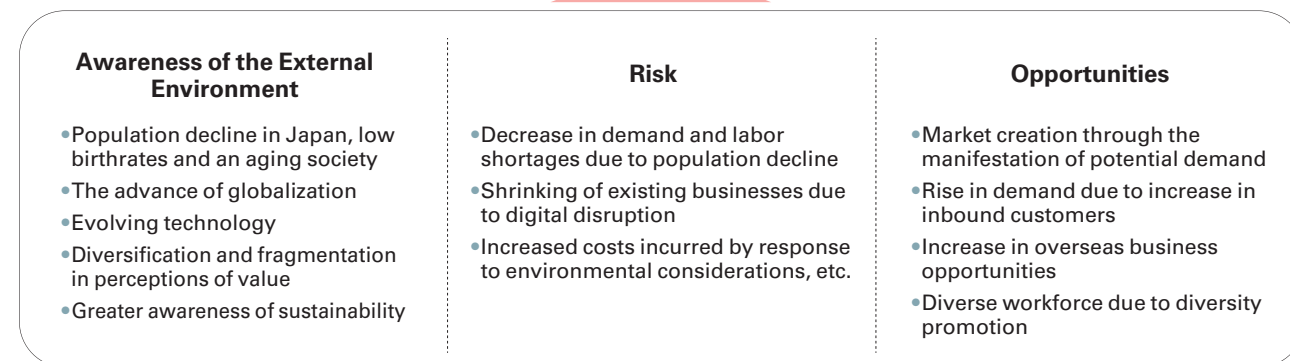


Long-Term Vision VISION 2025

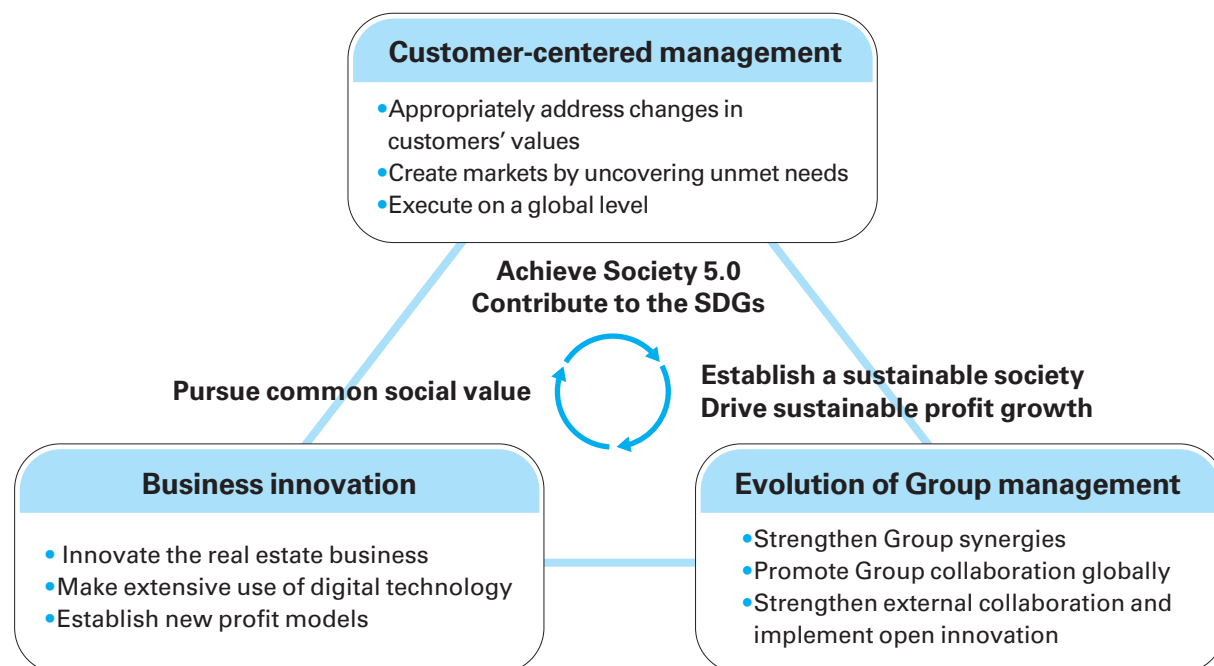
In May 2018, Mitsui Fudosan published VISION 2025, the Group's long-term vision, based on its existing Group Statement, Vision, and Mission. VISION 2025 calls on the Group to aim to innovate the real estate business and achieve further globalization, maintain robust growth and profitability, and contribute to establishing a sustainable society.

VISION 2025

- **Successfully establish a sustainable society through the creation of neighborhoods**
- **Harness technology to innovate the real estate business**
- **Evolve into a global company**



Basic Strategies



Main Initiatives

Drive evolution in the creation of neighborhoods » p.47

- Provide business and daily lifestyles to people, who are the centerpiece of the creation of neighborhoods.
- Realize the creation of neighborhoods that improve with age and develop smart cities that serve as platforms for ultra-smart societies.

Innovate business models by harnessing real estate tech » p.71

- Enhance the competitiveness of existing businesses and create new businesses through Real Estate x ICT.
- Accumulate and utilize data from real physical spaces, such as offices, retail facilities, and residences.

Dramatically grow the overseas business » p.67

- Expand business by leveraging the Mitsui Fudosan Group's strengths as a comprehensive and integrated developer.
- Promote further localization and expand neighborhood creation development projects overseas.

Infrastructure to support initiatives

Human resource strategies » p.37

- Promote further diversity
- Encourage higher workforce participation by women
- Recruit and train globally minded human resources and IT professionals

Organization, systems and governance » p.77

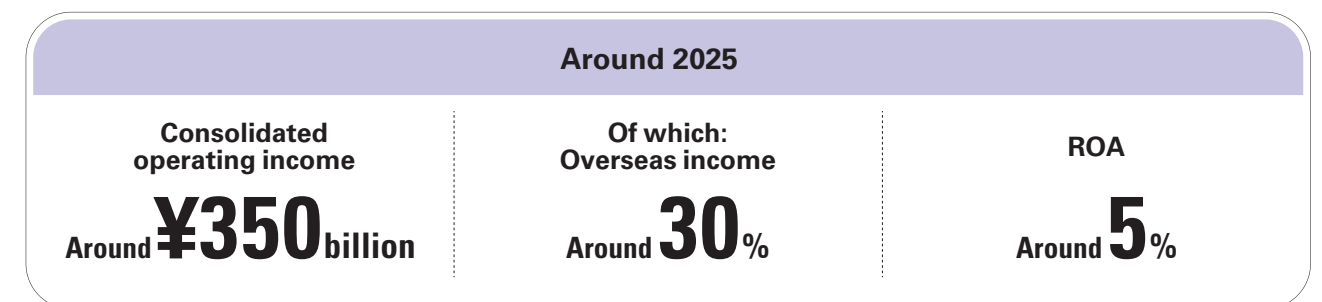
- Enhance awareness of Group-wide optimization
- Establish organization and systems that encourage innovation
- Strengthen governance and strictly enforce compliance

Asset and financial strategy » p.27 » p.30

- Appropriately control the balance sheet
- Build an optimal portfolio
- Diversify fundraising methods as appropriate for various asset types

Outlook

Realize sustainable growth of profits for around 2025



Sustainability Management

In order to realize continuous value creation, the Mitsui Fudosan Group has positioned ESG (Environment, Society, and Governance) as a key management issue, and heralds six material issues for the area. By further evolving neighborhood creation through the pursuit of these goals, the Group aims to achieve a sustainable society and drive sustainable profit growth.

Material issues (priority goals) and initiatives	Relevant SDGs
Reduce environmental impact and generate energy <ul style="list-style-type: none"> Contribute to achieving a decarbonized society by reducing energy usage and greenhouse gas emissions Transition to renewable energy for electricity used in business operations Build rich natural environments that get better with time 	
Create new industries through open innovation <ul style="list-style-type: none"> Form worldwide industrial clusters to pool various resources and drive innovation Constantly create new value from the customer's perspective through broad-based relations and collaborations 	
Establish ultra-smart societies by creating neighborhoods <ul style="list-style-type: none"> Leverage technologies to solve individuals' and neighborhoods' problems by building communities and places for people to gather and support one another As a country facing issues earlier than others, build neighborhoods that will serve as international problem-solving models 	
Achieve health, safety and security in people's daily lives <ul style="list-style-type: none"> Develop and operate resilient, safe, and secure facilities that protect people from threats such as disasters and infectious diseases 	
Achieve a society where a diverse workforce can thrive <ul style="list-style-type: none"> Establish a foundation for everyone to live the life they choose, regardless of individual circumstances Provide products and services that expand people's potential and foster expectations and hope for the future Promote good mental and physical health and provide products and services to make active, happy lives possible 	
Continuously improve compliance and governance <ul style="list-style-type: none"> Build a well-structured compliance system to win further trust from society Establish a strong and flexible governance system that achieves both growth and stability 	

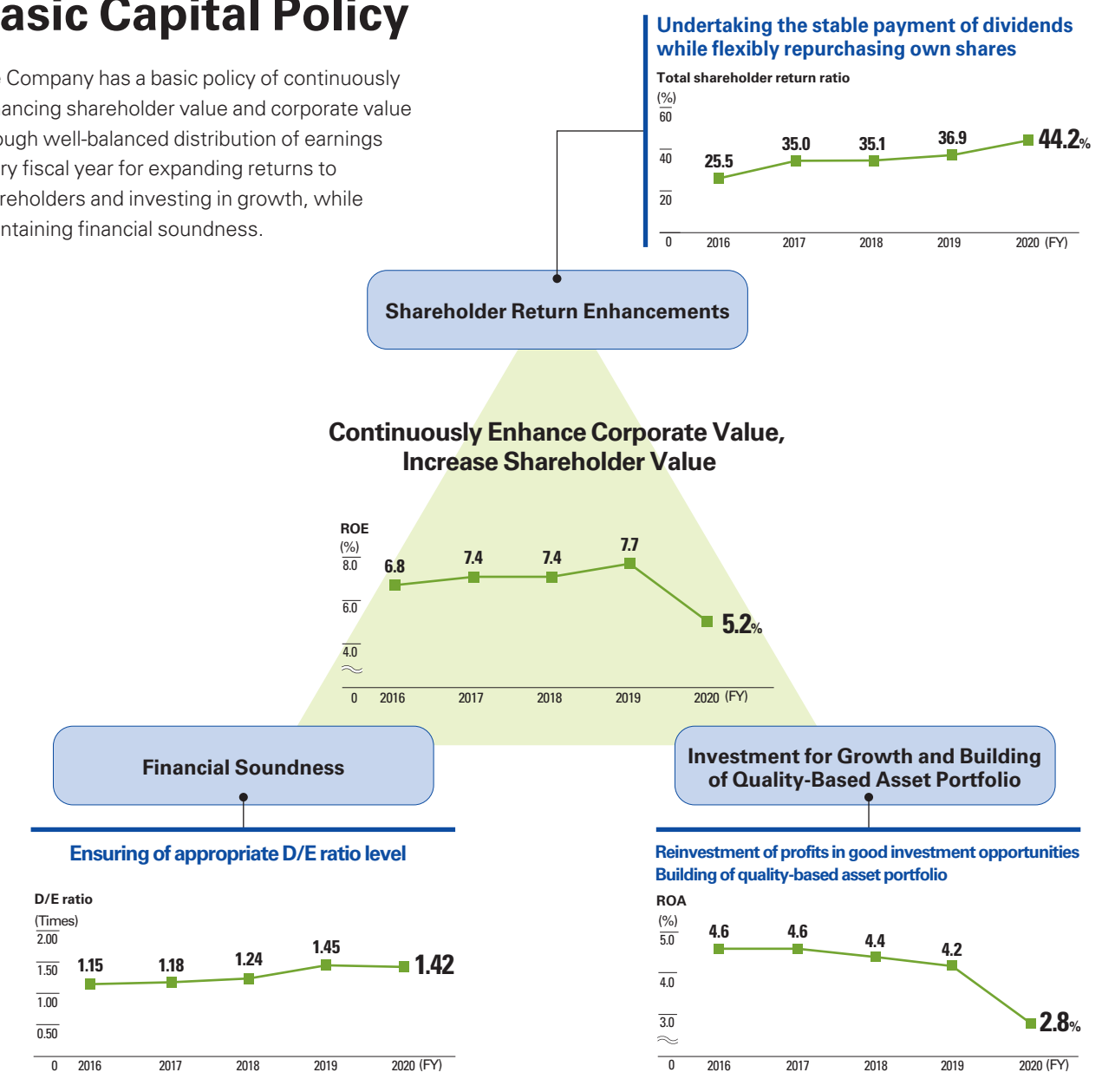
Sustainable Society

Sustainable Profit Growth

Medium- to long-term goals (main non-financial KPI) » p.31 » p.37		
Greenhouse gas emissions Achieve by FY2050 Net Zero	Share of renewables in power used for business activities By FY2050 100%	Female manager ratio (Mitsui Fudosan Co., Ltd.) By 2030 20%

Basic Capital Policy


The Company has a basic policy of continuously enhancing shareholder value and corporate value through well-balanced distribution of earnings every fiscal year for expanding returns to shareholders and investing in growth, while maintaining financial soundness.



Shareholder Return Policy

- Mitsui Fudosan **reinvests earnings to increase shareholder value** over the medium to long term and **returns profits to shareholders** based on comprehensive consideration of such factors as the business environment and its performance and finances.
- In order to strengthen shareholder returns, Mitsui Fudosan undertakes the **stable payment of dividends** while **flexibly repurchasing its own shares in a bid to enhance capital efficiency**.
- Mitsui Fudosan has identified a total shareholder return ratio of around **35% of profit** attributable to owners of parent.

Message from the CEO

80 years after our founding, we are now seeking to achieve a sustainable society by returning to the principles symbolized by our “” logo and solving social issues through neighborhood creation.

Masanobu Komoda

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



Introduction

On July 15, 2021, we celebrated the 80th anniversary of the Company's founding.


The companies of our Group have achieved growth by creating neighborhoods that meet the needs of the times to enrich people's lives, constantly creating new value. Our path to the present has been made possible by the understanding and trust that people have extended to our corporate stance and initiatives, for which we are deeply grateful.

Entering into the Reiwa era (2019 onward) in Japan, the society in which we live still faces many challenges. The sustainability of humankind and of society has become more doubtful than ever in recent years, as seen in the intensification and normalization of natural disasters and the threat of pandemic.

As I noted in this space last year, a company's reason for existence and its corporate philosophy are vital keys to


surviving such an era of uncertainty. Now, in such an era, I believe that we must engage in Group management with firm convictions.


Fewer than 10 years remain until 2030, the target year for achieving the SDGs. Peering into the next decade, there can be no doubt that we are entering an era of increasing demands that companies go beyond merely generating economic profits to also create social value. I believe that contribution to a sustainable society through value creation is what will lead to sustainable growth for companies.

As we celebrate our 80th anniversary, we intend to return to Mitsui Fudosan's “” logo principles and to make every effort as a Group to address climate change, enhance the sustainability of humankind through neighborhood creation, and make people's lives safe, secure, and fulfilling.

The “” Logo Principles, and the DNA and History of Mitsui Fudosan

(1) The “” Logo Principles

The principles behind the “” mark do not seek to make “or” selections between diverse values, but rather to make these values compatible and coexisting in the spirit of “and.” Restated, our management philosophy is one of accepting diversity and, even when the common wisdom points to the presence of conflicting values, overcoming that conflict to open up new worlds together.

Even before keywords such as “SDGs,” “ESG,” and “sustainability” appeared in the world, our Company had set forth the principles of this “” logo and had sought to coexist in harmony with society, link diverse values, and achieve a sustainable society.

Under our Group statement of “The Mitsui Fudosan

Group aims to bring affluence and comfort to urban living,” we have addressed social issues consistently since our founding and have actively undertaken efforts to enhance coexistence with the global environment and the sustainability of society.

Our Group's business contributes to the construction and development of social infrastructure that supports the lifestyles of customers and the economic activities of companies through neighborhood creation—that is, it consists of sustainability activities that create social value. For this reason, I am convinced that the role to be played by our Group will become all the more important in the coming era.

(2) The History and DNA of Mitsui Fudosan

So, how did the principles of this “” logo come about?

Let me take a look back on the history of our Group.

Mitsui Fudosan is the successor to the Mitsui Company that has been central to Mitsui's 348-year history and tradition, all the way back to 1673. Our history can be seen as one that, in step with the development of Japan's economy and society, has created new value by innovating our business in ways that meet the demands of the times and the voices of our customers.

Examples of this genealogy include landfill projects that supplied factory sites to the coastal area to strengthen the country as an industrial and trading nation; construction of Japan's first skyscraper (the Kasumigaseki Building) to tackle advanced use of space and cope with over-concentration of urban functions; residential development, residential business, and residential distribution business that address the influx of population into urban areas and pursue affluence in living; and the development of retail facilities and the hotel and resort business, which we entered in response to the growing demand for leisure.

Following the burst of the bubble economy in the 1990s, we took the industry lead in real estate securitization and fused the real estate market with financial and capital markets to create a new real estate investment market and play a role in breaking out of asset deflation.

We are now working to achieve ESG and the SDGs by spurring digital transformation in the real estate industry

and realizing smart cities that solve a variety of social issues through neighborhood creation.


In this way, our Company has viewed the discontinuous changes in society and economy in every era—that is, paradigm shifts—as opportunities, and has constantly opened up new value by bringing together diverse knowledge and senses of value. The birth of the “” logo principles was inevitable against this history. Under these principles, we have fostered a customer orientation that sincerely addresses customers' needs and a spirit of enterprise that boldly tackles value creation and the innovation of our own business. These have been inculcated into every one of our employees as a part of our Group's DNA.

The recent changes in the natural and social environments, the wave of digital transformation (DX), and the accompanying diversification of people's values are progressing at an unprecedented rate on a global scale. The past rules of thumb do not hold in such a turbulent era.

In every age, however, the key to growing a business can be found in dialog with customers. Seen from a different perspective, the varied challenges that face us in this age of uncertainty are also great business opportunities. I believe that step-by-step progress in solidly grasping customers' needs, which are an immutable principle in any age, and in solving these needs through a spirit of enterprise will eventually lead to immense growth.

Promotion of Sustainability Management

Companies until now have mainly pursued improvements in growth, efficiency, and other financial metrics to increase their value. But the conventional era of assessing companies solely on financial aspects is becoming a thing of the past. From here on out, the will and the execution ability of management to enhance corporate value in both financial and non-financial aspects will be called into question.

Drawing on our “” logo principles, our Group formulated our VISION 2025 long-term vision in 2018, and set six material issues as key matters to tackle on a foundation of sustainability management. (See p. 21.)

In particular, addressing ongoing climate change on a global scale is a social responsibility of our Group, which undertakes the construction and development of social infrastructure. Positioning decarbonization initiatives as priority issues and executing on a solid action plan are crucial activities.

We endorsed the TCFD, joined the RE100 initiative, acquired certification under the SBT initiative, and set medium- to long-term goals for reduction of greenhouse gas emissions. We have further formulated a Group-wide action plan for the achievement of a decarbonized society, aimed at achieving net zero emissions by fiscal 2050. (See p. 31.)

Our Group improves environmental performance and promotes “green power” in common areas at our owned and operated properties. We also plan further measures to secure stable renewable energy and to work with construction companies and manufacturers toward the active use of low-carbon materials. In April 2021, our Group launched a service to supply green power to tenant spaces, in response to requests from office buildings and tenant companies. This initiative, which addresses

customers’ own decarbonization initiatives while differentiating our business, truly constitutes business development that links the social value of achieving a decarbonized society with the economic value of securing competitive advantage for companies.

As the world’s values diversify and the business environment undergoes drastic change, accurately grasping the needs of customers and the demands of society strongly necessitates that we ourselves embrace diversity. Restated, we must be a company in which people of varied backgrounds and values can share those values in neighborhood creation, show respect for one another, and realize their maximum potential to generate chemical reaction.

Recognizing that the greatest driving force behind companies’ value creation is the asset of human resources, our Group formulated a declaration on diversity and inclusion along with policies on related initiatives. We have set the promotion of advancement by women as an important theme, and established quantitative and qualitative goals for the Group. (See p. 37.)

The original aim of “diversity” is not the diversification of specific categories such as gender, age, or nationality, but rather the diversification of values. In our business, the perspectives of women have a great influence in the areas of housing, retail facilities, hotels, and more, and I believe the promotion of diversity would be difficult without the active participation of women. Through the measures I have noted, we will expand diversity in terms of women and global human resources more than ever, and will utilize the varied opinions and knowledge generated from this to create new business opportunities.

Strategy for the Post-Coronavirus Period

The neighborhood creation that our Group aims to achieve is the realization of a future in which people gather in lively neighborhoods, diverse kinds of new value are created, and innovation arises through interactions among people.

In the post-coronavirus period, the direction of our Group will not change. Below, I would like to offer my own thoughts on necessary perspectives for neighborhood creation in the coming age.

(1) Sustainable Neighborhood Creation

An indispensable factor in achieving a sustainable society will be the creation of neighborhoods that place leading roles on the diverse people who come and go in the neighborhoods, and that grow in appeal over time to become better with age, through the creation of

locally-rooted communities and high-quality town management. This is the source of our Group’s corporate value and our reason for existence.

In pursuing urban development that values people, the evolutionary direction that our Group seeks is mixed

use and a “Real Estate as a Service” approach that does not merely provide customers with real estate but combines tangible and intangible elements in the form of services.

Our Group has been involved in many mixed-use redevelopment projects in central Tokyo, including in the Nihonbashi, Hibiya, Otemachi, and Yaesu districts. The appeal of mixed-use neighborhoods, which integrate work, housing, play, entertainment, and relaxation at a high level in both tangible and intangible aspects, is a value that is universally accepted worldwide. Neighborhoods that have leveraged our value-creation power, such as

Hudson Yards in New York and the Television Centre that was the site of BBC’s headquarters and studios in the UK, are now undergoing major transformations into neighborhoods where diverse people come and go, have fun, and relax.

The completion of buildings marks the beginning, not the end goal, of the creation of these neighborhoods. Together with the Group, these neighborhoods will continue evolving as sustainable neighborhoods through services offered to the people and communities that gather there.

(2) Distinguishing the Digital from the Real

With the COVID-19 pandemic providing opportunity, major changes are taking place in how customers live and work. We must keep in mind that some of these changes will be undone in the post-pandemic period while others will not, and must grasp which changes are irreversible.

In particular, while DX has made rapid progress amid the pandemic, it has also offered us opportunities to reaffirm real-world value that digital technology cannot replace. When the threat of the virus has subsided, those things that are better in the real world will naturally revert to that.

In short, I believe that two points will be critical in post-pandemic neighborhood creation: (1) thinking about

the optimal combination between the digital and the real, and (2) maximally enhancing the value of real spaces that digital technology cannot replace.

In the future, the environment surrounding the real estate industry is certain to see even greater diversification of lifestyles and working styles, and even greater demands on the fusion and selection of the digital and the real. Our Group will continue actively harnessing data usage and DX to raise the competitiveness of our products and services as we seek to achieve an ultra-smart society.

(3) Capturing Business Broken Down by Customer Behavior

It seems to me that in today’s real estate industry, the boundary lines of conventional products such as office buildings and housing are disappearing. As an example, we can increasingly work in hotels and at home as well as in the office.

In the era to come, responding optimally to customers’ needs will require a perspective broken down by customer behavior, as opposed to conventionally grouping business by product. In other words, we will have to reconsider business from customers’ perspective of working, living, enjoying, and relaxing, rather than as business categories such as office buildings, housing, retail facilities, logistics facilities, and hotels, to provide environments and services that achieve higher customer satisfaction.

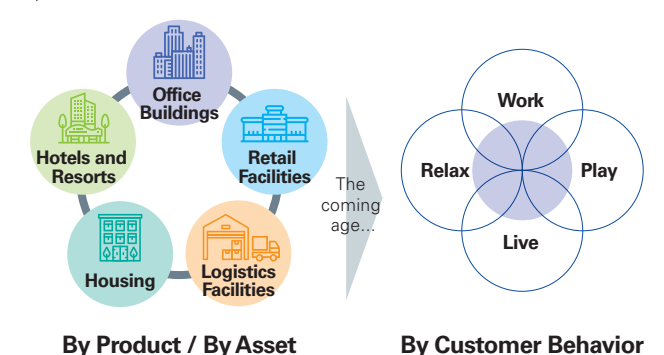
Today, increasing customer satisfaction requires companies to be capable of wide-ranging offerings that present every possibility and option.

In that respect, in the “products + functions + tangible goods + intangible services” concept that we have built over the years, our Group possesses collective capabilities not found in other companies. The strength of these collective capabilities equates to breadth in the choices we can offer to customers, and allows us to provide

the highest added value.

By divining new needs from customers’ behavior and by combining our collective capabilities with the diversity and inclusion that I noted, our Group will step beyond the boundaries of conventional vertical product divisions to create new products and services through internal and external collaboration that encompasses both divisions and the Group, and will spur the evolution of the real estate industry itself.

Business Development from Customers’ Perspective ► Real Estate as a Service



(4) Pillars of Post-Pandemic Growth (Stadium/Arena Business)

Under the COVID-19 pandemic, avoidance of contact, staying at home, prohibitions against going out drinking, and so on became the norm. People's lives came under considerable restrictions and became stressful. However, I find it very hard to see this situation as the "new normal." Humans are at heart animals that seek contact. Connections among people deepen through people sharing the same spaces, interacting with nature, enjoying sports and entertainment, and so on. These are timeless, universal values that are not going to change. Also, while the trend of the world is to seek convenience through the digital and the online, I am convinced that the more that digitalization progresses, the more that people will seek out higher added value in emotional experiences and real-world, sense-based experiences not obtainable digitally.

Under such thinking, the Group has been investigating the stadium and arena business as a component of new neighborhood creation. Setting our sights on the existential value of Tokyo Dome, which boasts a site potential on the scale of 13 hectares in the city center and about 40 million visitors a year, in 2020 we carried out a takeover of TOKYO DOME CORPORATION as a new step toward future growth. We recently welcomed the company as a new

member in the Mitsui Fudosan Group.

By making TOKYO DOME CORPORATION a consolidated subsidiary, we will achieve synergies among three companies, combining that company's sports and entertainment know-how, the neighborhood creation know-how of our company, and the powerful content of The Yomiuri Shimbun Holdings and the Yomiuri Giants baseball team. By linking this synergy to the strengthening of market competitiveness, we will turn the Tokyo Dome business into a new pillar of growth for our Group in the medium to long term.

For some time, TOKYO DOME CORPORATION has been studying future plans for Tokyo Dome City with the aim of neighborhood creation in the form of a new sports and entertainment city. The area falls under Tokyo's "metropolitan planning park" regulated zones, which involve a high degree of development difficulty. However, through synergies between the company and our Company, which has know-how in development integrated with parks as seen in Hinokicho Park in TOKYO MIDTOWN, Hibiya Park in TOKYO MIDTOWN HIBIYA, and Miyashita Park in Shibuya, we hope to realize redevelopment that maximizes site potential.

Asset/Financial Strategy

Our Group is executing a "holding, trading, management" tripartite business model that aims for profit growth and improvement of efficiency while maintaining a strong financial standing.

In other words, by not only holding and leasing but also regularly selling developed properties to increase asset turnover ratio, and by combining this after the sale with building management and other highly efficient non-asset management business, we have achieved profit growth while staying mindful of financial control and improvement of asset efficiency.

Over the past few years, our Group has completed large-scale redevelopment properties that offer high added value, particularly in Tokyo's Hibiya, Nihonbashi, and Otemachi districts and in New York. These have significantly expanded our balance sheet. In future phases, we intend to aggressively replace assets to improve the quality and resilience of our asset portfolio, and will solidly execute on an investor symbiosis model that will utilize the capital of other parties to expand long-term stable management profits.

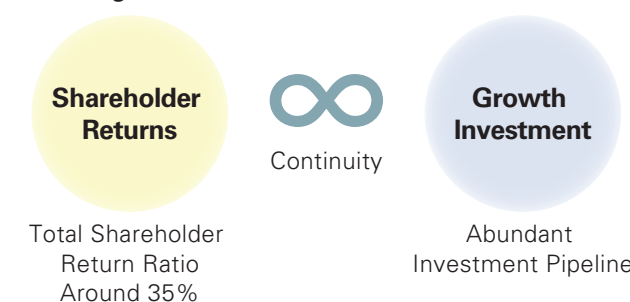
As a part of this, we sold large-scale assets including Shinjuku Mitsui Building in fiscal 2020 and Iidabashi Grand Bloom in fiscal 2021. We will continue carrying out regular

replacement of assets with an awareness of asset quality, and engaging in appropriate balance sheet control.

Through this continuous asset replacement, we hope to uncover unrealized gains from high added-value development and display a stance of stably connecting the accumulated funds to a cycle of strengthening shareholder returns and further investment in growth.

Our management seeks to continuously improve shareholder value through the accumulation of individual efforts to improve ROE through ROA under balance sheet control.

Balancing Shareholder Returns and Growth Investment



To Shareholders and Investors (Capital and Shareholder Return Policies)

Our Group considers two goals—increasing corporate value through growth investment, and direct returns through a combination of stable dividend and flexible repurchases of our own shares—as key issues in management, which we have put into practice. Restated, rather than a choice between investments or returns, we seek to achieve both investments and returns, an approach grounded in thinking that truly embodies our "M" logo principles.

While the Group's business at present is feeling some effects of the COVID-19 pandemic, we will continue achieving long-term profit growth by steadily completing construction of the full pipeline of development projects and will maintain our approach of sustainably strengthening returns to shareholders.

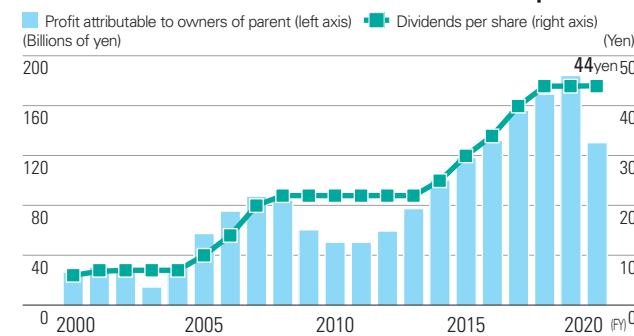
As a manager, I strongly recognize that a stance of stable and continuous returns is of utmost importance to the shareholders who support the Company from a long-term perspective. Accordingly, under the special circumstances of the fiscal year ended March 2021 in which profit declined due to the COVID-19 pandemic, we placed emphasis on the

sense of scale of returns to date without being bound by past shareholder return ratios, and made the decision to maintain the previous fiscal year's dividend of ¥44 per share and to repurchase ¥15 billion worth of our own shares (bringing the resulting total shareholder return ratio to 44.2%). For the same reason, we maintained a dividend forecast per share of ¥44 for the fiscal year ending March 2022.

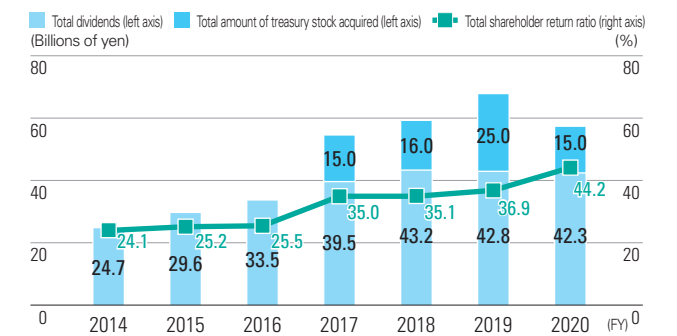
We hope that people will understand our management team's approach in terms of our corporate stance of having consistently maintained and improved dividends without implementing reductions, and our record of continued returns to shareholders with flexible repurchasing of our Company's shares every fiscal term.

Our stock price is still undergoing recovery, and shareholders remain concerned. To meet their expectations and earn further trust, we will work to achieve a full recovery from the pandemic and normalized profit growth as quickly as possible, and to further expand our total shareholder return ratio.

Profit Attributable to Owners of Parent / Dividends per Share



Total Dividends, Total Amount of Treasury Stock Acquired, and Total Shareholder Return Ratio



In Closing (Together with Our Stakeholders)

Companies must achieve further evolution by placing their own reason for existence and survival on the line and, rather than pursuing short-term profits, must ground their management in bringing about long-term benefits for all stakeholders.

Toward that end, companies need to incorporate sustainability into their corporate strategy from a global perspective and connect this to competitive advantage. I believe that continued growth from this perspective constitutes management that serves "stakeholder capitalism."

For 80 years from its founding to the present, the Mitsui Fudosan Group has enjoyed the support of its various stakeholders. With all of us continuing to support one another, I hope to create a new era together with our

stakeholders.

By sharing long-term values with stakeholders and by building stronger and better relationships, the Mitsui Fudosan Group will make every effort to earn stakeholders' support as a company that needed by society more than ever as the COVID-19 pandemic subsides.

I ask you for your continued support.

Masanobu Tomoda

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

Message from the CFO

We are maintaining a sound, stable financial foundation and enhancing sustainable growth and efficiency to further increase our corporate value.

Wataru Hamamoto

Managing Director,
Senior Executive Managing Officer



Overview of Fiscal 2020 Business Results

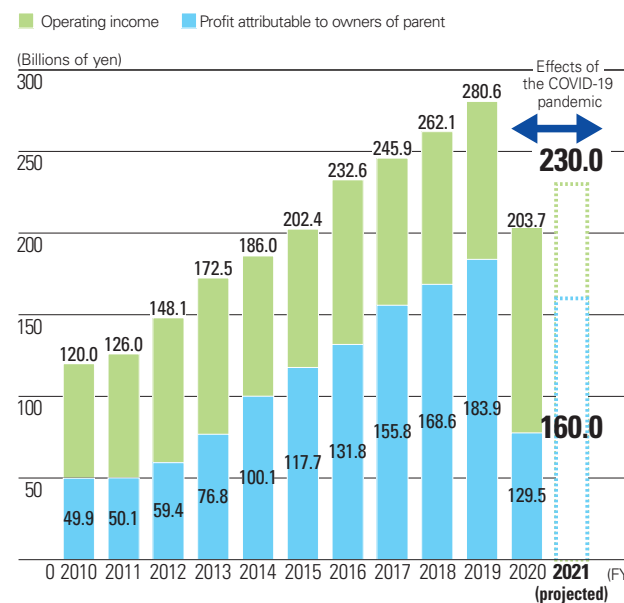
In fiscal 2020, we achieved record-high property sales to investors, strong sales and steady delivery of Property Sales to Individuals (Domestic), and increased profit from office building leasing. At the same time, we experienced a significant decline in profits primarily in the first quarter due to the closure of retail facilities, hotels, and resort facilities following emergency declarations under the COVID-19 pandemic, a decline in the operation of Mitsui Car Park Leasing (rental parking lots), and continued impacts of the pandemic from the second quarter onward. We recorded revenue from operations of ¥2,007.5 billion, operating income of ¥203.7 billion, and ordinary income of ¥168.8 billion. Profit attributable to owners of parent was ¥129.5 billion, reflecting the recording of extraordinary gains and extraordinary losses stemming from the sale of assets as part of balance sheet control and the recording of extraordinary losses related to the pandemic. Revenue from operations was our highest ever.

Emergency declarations were issued twice in Japan during fiscal 2020. Acting on the basis of requests from the government and other parties, our Group placed the health and safety of customers and employees first and carried out closings and shortening of business hours at retail facilities, hotels and resort facilities, and other properties. We also enacted measures including rent reductions for retail tenants facing business continuity concerns at facilities owned by the Company. Amid such an environment, to an extent that presented no issues in maintaining employee employment and no hindrance to fund procurement thanks to our sound

financial position, we placed an emphasis on stable and continuous shareholder returns, maintaining an annual dividend of ¥44 per share for the fiscal year while performing repurchase of shares limited to ¥15.0 billion. As a result, total shareholder return ratio was 44.2% of profit attributable to owners of parent.

Total assets on the balance sheet were ¥7,741.9 billion, an increase of ¥346.6 billion from the end of the previous fiscal year. Consolidated interest-bearing debt was ¥3,623.4 billion and net assets were ¥2,655.9 billion. As a result, we have maintained a healthy financial standing with a debt/equity ratio of 1.42 times and an equity ratio of 33.0%.

Operating Income/Profit Attributable to Owners of Parent



Status for the First Half of Fiscal 2021 and Business Results for the Full Year

The COVID-19 pandemic situation continues to bear close monitoring. According to the full-year outlook we announced on May 14, 2021, despite a move toward recovery in the economic environment due to the progress of vaccination, the speed of recovery is uncertain and effects of the COVID-19 pandemic will remain throughout the fiscal year. Taking into account this assumption and the emergency declaration issued on April 25 just before our announcement, we forecast revenue from operations of ¥2,150.0 billion, operating income of ¥230.0 billion, ordinary income of ¥205.0 billion, and profit attributable to owners of parent of ¥160.0 billion.

In the first half, declarations of emergency and priority measures for contagion prevention were subjected to expansions of covered area and extensions of length. Under these circumstances, our business was affected primarily in retail facilities and hotels, resulting in slightly weaker performance than initially forecast.

In the second half, over 70% of Japan's population had received a second dose of vaccine as of November 1, and new COVID-19 infections are declining. We expect a degree of recovery in our business.

Based on these factors, despite some degree of lingering pandemic effects, we believe that full-year performance will settle within the range of our initial outlook.

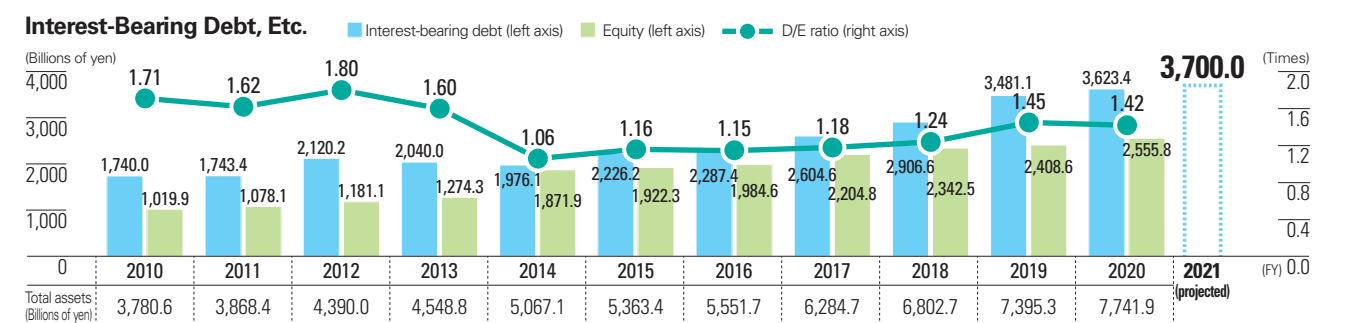
As impacts on specific businesses will change with the status of the pandemic, we will continue to closely monitor conditions.

Toward Further Expansion of Our Corporate Value

As the Group's main businesses of real estate development and neighborhood creation-oriented businesses are characterized by the heavy long-term use of balance sheets, it is extremely important that we maintain and enhance financial soundness in preparation for long-term fluctuations in financial markets and unforeseen circumstances. Recognizing this, we aim to enhance sustainable growth and efficiency through proper management of our balance of interest-bearing debt and debt/equity ratio, while implementing a balanced combination of investment and recovery.

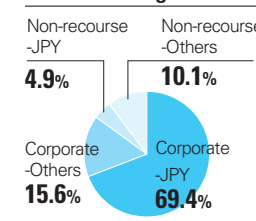
As a specific measure, our Group is engaging in ongoing balance sheet control with total assets of approximately ¥8 trillion and interest-bearing debt of approximately ¥4 trillion as a guideline for the time being. At present, in addition to making the Tokyo Dome Group a consolidated subsidiary and making new investments at 50 Hudson Yards through Mitsui Fudosan America, we have recovered funds through the sale of Shinjuku Mitsui Building and Iidabashi Grand Bloom, and are proceeding in parallel with continuous asset replacement to expand our business scale through growth investment and to improve ROA. By diversifying our fund procurement, raising the ratio of fixed interest rates and long-term borrowings, staggering repayment periods, securing committed lines of credit totaling ¥400 billion, and managing interest-bearing debt with a debt/equity ratio of about 1.4 times, we are maintaining financial soundness.

Under long-term financial strategy with an eye on the cyclically fluctuating real estate markets and interest rate trends, we will continue working to further increase our corporate value by achieving both sustainable growth and improvement of efficiency, through carefully selected investments that are mindful of business-specific recovery cash flow and through the maintenance and strengthening of our financial foundation.



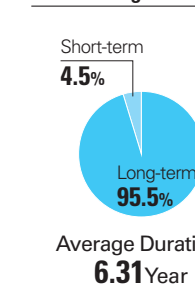
Fund Procurement and Credit Rating Situation

Interest-Bearing Debt



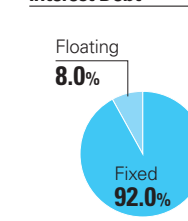
Interest Rate Situation
 Consolidated: 1.08%
 Japanese currency: 0.64%
 Foreign currency: 2.34%
 *As of March 31, 2021

Ratio of Long-Term Debt



Average Duration
6.31 Year
 *Excl. Non-recourse As of March 31, 2021

Ratio of Fixed/Floating-Interest Debt



*Excl. Non-recourse As of March 31, 2021

Credit Rating

Rating agencies	Long-term	Short-term	Outlook
Moody's	A3	-	Stable
Standard & Poor's	A	A-1	Negative
R&I	AA-	a-1+	Stable
JCR	AA	J-1+	Stable

*As of November 5, 2021

Special Feature 1

Toward Realization of Decarbonized Society



Message from a Managing Director

The achievement of a decarbonized society is one of the most crucial global-scale issues that we face. We recognize that a great role is expected of companies in dealing with these social issues, and that such efforts will lead to an increase in corporate value.

Under such circumstances and in accordance with our guiding principle of “achieve a sustainable society,” the Mitsui Fudosan Group has joined the RE100 initiative that seeks to make all electricity used in business derived from renewable energy, has disclosed information under our endorsement of the Task Force on Climate-Related Financial Disclosures (TCFD), and has actively worked to address climate change, in order to carry out our social mission as a developer engaged in neighborhood creation. In December 2020, we set the Group’s greenhouse gas emission reduction targets for fiscal 2030 and 2050, and received certification under the SBT international initiative.

In light of Japan’s raising of its greenhouse gas reduction target for 2030, in November 2021 we boosted the Group’s reduction target for fiscal 2030 from a 30% reduction to a 40% reduction compared to fiscal 2019. At the same time, we formulated the Group Action Plan to Realize Decarbonized Society aimed at the steady achievement of our long-term goal of net zero emissions by fiscal 2050.

Working toward fiscal 2030 under this action plan, we will expand concrete energy-saving measures and renewable energy projects while strengthening partnerships to cut greenhouse gas emissions throughout the supply chain. Looking further ahead to fiscal 2050, we will study and



Wataru Hamamoto
Managing Director,
Senior Executive
Managing Officer
(In charge of sustainability
promotion-related activities)

undertake energy creation projects utilizing new technologies such as offshore wind power generation and geothermal power generation, and will advance initiatives including open innovation. Combining our strength with that of our partners, we will contribute to efforts aimed at the decarbonization of society as a whole.




See details of Mitsui Fudosan Group’s decarbonization action plan here.

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

See our “ESG Report” for details of TCFD and other sustainability topics.

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

Participation in Initiatives Concerning Adaptation to Climate Change

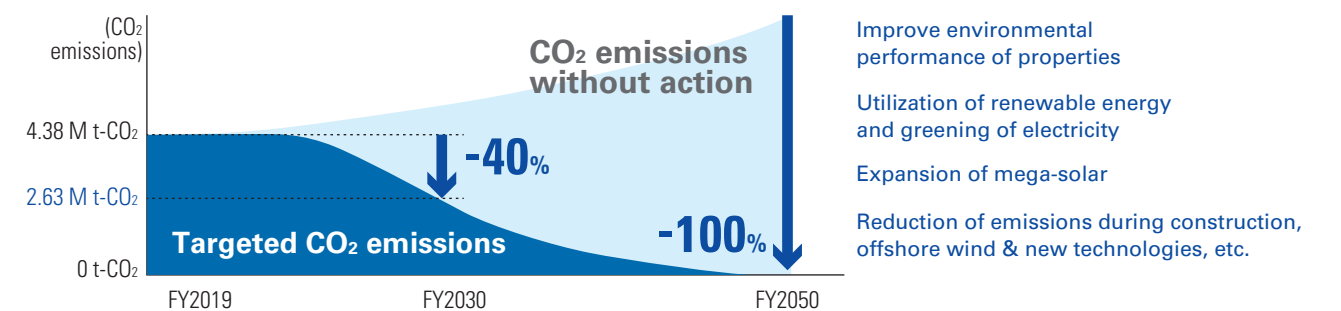
<p>Reduction of GHG emissions</p> <p>Science Based Targets (SBT) Initiative Certification</p>  <p>DRIVING AMBITIOUS CORPORATE CLIMATE ACTION</p>	<p>Renewable energy ratio of electricity in business activities (RE100)</p> <p>100% by FY2050</p>  <p>THE CLIMATE GROUP CDP</p>	<p>Task Force on Climate-Related Financial Disclosures (TCFD)</p> <p>Disclosure of financial impact in December 2020</p> 
--	---	---

Greenhouse Gas Emission Reduction Targets

Mitsui Fudosan Group’s Targets

- 40% reduction in Group’s GHG emissions by FY2030 (vs. FY2019)
- Net Zero by FY2050

* SCOPE 1 + SCOPE 2: 46.2% reduction by FY2030 (vs. FY2019)



Key Action Plans

Steadily implement initiatives for fiscal 2030 with supply chain
Further promote actions to realize a decarbonized society in fiscal 2050

Action Plan 1	Improve environmental performance of new and existing properties	Action Plan 4	Secure stable renewable energy sources
Action Plan 2	Greening of electricity in common areas of properties and areas used by the Company	Action Plan 5	Initiatives to reduce CO ₂ emissions during construction
Action Plan 3	Provide Green Menu to tenants and buyers	Other Key Initiatives	<ul style="list-style-type: none"> • Utilization of forests • Acquisition of external certifications • Open innovation • The creation of neighborhoods initiatives • Improvement of internal systems

Action Plans Toward Fiscal 2030

Action Plan 1 Improve environmental performance of new and existing properties

New properties

Realize ZEB/ZEH level environmental performance for all properties

Key strategies for logistics business

- Installation of solar power generator
- Considering the adoption of LED lighting in warehouses with dimming



Mitsui Fudosan Logistics Park Ebina I (to be certified as ZEB)
The industry's first "Green energy warehouse" with virtually zero CO₂ emissions. Solar power generators are installed on the roof for on-site power generation and supply. We also provide green power supply services to support decarbonization of tenants.

Mitsui Fudosan Residential 三井不動産レジデンシャル

- ZEH-M in all mid- and high-rise units
- ZEH in all detached units (FY2030)



Eifuku 4-chome Project (ZEH, Nearly ZEH: Fine Court)



LaLa NAGOYA minato AQUUS Garden Square (ZEH-M Oriented Park Homes)

Existing properties

Improve energy efficiency through strategic renovation of properties and actively promote the creation of on-site renewable energy



MITSUI OUTLET PARK KISARAZU



MITSUI OUTLET PARK SHIGA RYUU

Action Plan 2 Greening of electricity in common areas of properties and areas used by the Company

By fiscal 2030, achieve greening of power consumption in common areas of properties owned and areas used by the Group nationwide



*1 Solar power plants owned by Mitsui Fudosan, post-FIT power plants contracted by TEPCO Energy Partner, Inc., residential solar power generators, solar power generators owned by partner power producers, etc.
*2 For FIT power sources, acquired via Japan Electric Power Exchange (JEPX); for non-FIT power sources, acquired from electric power providers
*3 Mitsui Fudosan TG Smart Energy Co., Ltd. in the specified electricity business areas; TEPCO Energy Partner, Inc., etc. in other areas

Greening of electricity used in common areas of properties owned by Mitsui Fudosan (including Tokyo Dome)



Action Plan 3 Provide Green Menu to tenants and buyers

Support tenant companies and buyers in their efforts to decarbonize by proposing Green Menu

Home buyers

Aim to achieve a 40% reduction in CO₂ emissions (average for medium- and high-rise buildings and detached houses) by fiscal 2030 by adopting methods such as the "bulk high-voltage power receiving x renewable energy" system and greening through the introduction of ENE-FARM in medium and high-rise sales.

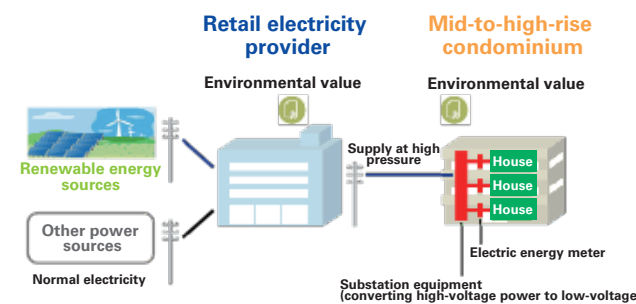
Tenant companies

Propose green power supply services to support corporate tenants' efforts toward RE100 and decarbonization.

In April 2021, we launched "green power supply services" for office building tenants.

Currently, about 100* companies are using or considering this service.

* As of October 31, 2021

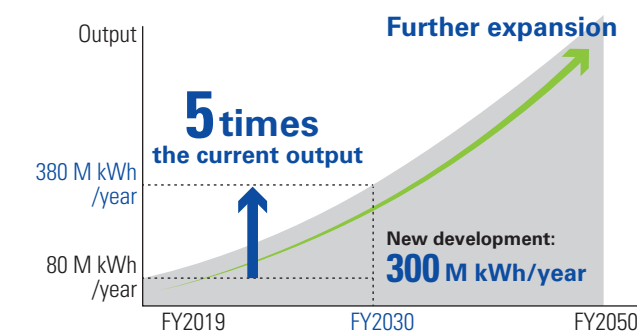


Action Plan 4 Secure stable renewable energy sources

Stable procurement of non-fossil certificates in addition to further promotion of mega-solar development

New mega-solar development

In addition to the existing mega-solar project (80 million kWh/year), aim to develop mega-solar power plants with a total power generation capacity of 300 million kWh/year (Total output: approx. 175,000 kW) by fiscal 2030. (Total: 380 million kWh/year)



Stable procurement of non-fossil certificates

- In the Tokyo metropolitan area, in addition to the procurement of 600 million kWh/year from TEPCO Energy Partner, Inc., with which we have concluded a comprehensive agreement, secure a total of 800 million kWh/year or more of non-fossil certificates through comprehensive agreements with other companies.
- Strive to secure additional non-fossil certificates throughout Japan outside the Tokyo metropolitan area as necessary.

Existing mega-solar business

Expand mega-solar projects with a total area of 93.9 ha at five locations nationwide.

- Total output: approx. 72,000 kW
- Generate approx. 80 million kWh per year

Action Plan 5 Initiatives to reduce CO₂ emissions during construction

In addition to the development of tools to accurately grasp CO₂ emissions during construction, require submission of a reduction plan by construction companies, etc. Promote reduction of CO₂ emissions in the entire supply chain

Accurate understanding of CO₂ emissions during construction

- In order to accurately grasp the amount of emissions at the time of construction and appropriately reflect the reduction effects, etc., introduce a mechanism for calculating the amount of emissions during construction based on the "method of accumulating actual results of materials used (tentative name)."
- Develop "tools for calculating emissions during construction" by the end of fiscal 2022 in collaboration with academic experts and design engineers.
- By the end of fiscal 2023, require all builders to calculate "CO₂ emissions during construction" using the above tools.

Reduction of emissions during construction

- Revision of design guidelines
 - Design to enhance environmental performance
 - Proper planning on the use of components and equipment without waste
 - Use of low-carbon materials and means
 - Submission of "CO₂ reduction plan during construction" including the above
- Revision of estimate guidelines
 - Calculation of emissions during construction using the tools on the left
 - Reduction of emissions at construction sites
 - Procurement strategy for materials
 - Submission of "CO₂ reduction plan during construction" including the above

Other Key Initiatives

Utilization of forests

- Actively utilize owned forests for high-rise wooden buildings and houses.
- Realize self-sufficiency in building materials and a sustainable virtuous cycle between forest resources and the local economy.



Forest conservation activities of Mitsui Fudosan Group

- Forest area: approx. 5,000 ha
We own and manage approx. 5,000 hectares of forests that span 31 municipalities, mainly in the northern Hokkaido region.
- Amount of CO₂ absorbed and fixed by the forests owned by Mitsui Fudosan Group: approx. 17,251 t-CO₂/year*

* The annual amount of CO₂ absorbed and fixed by the Group's forests is calculated using Hokkaido's formula based on forest growth data from the fiscal 2020 Forest Survey Report.

Acquisition of external certifications

- In addition to improving the environmental performance of all our facilities, we will actively acquire various external certifications in Japan and overseas to promote ESG, including decarbonization.

Examples of certified facilities

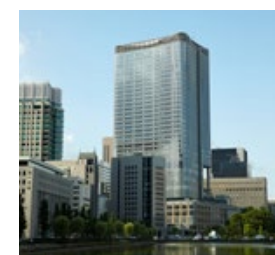
<p>ZEB / ZEH (BELS)</p>	<p>MFLP Funabashi III (ZEB-Ready)</p> <p>Park Homes LaLa NAGOYA minato AQUUS Garden Square (ZEH-M Oriented)</p>
<p>DBJ Green Building / CASBEE</p>	<p>TOKYO MIDTOWN HIBIYA Simultaneous acquisition of DBJ Green Building Certification and CASBEE Wellness Office Certification</p>
<p>LEED</p>	<p>Kashiwa-no-ha Smart City The first city in Japan to receive the highest rank of platinum certification under LEED-ND (Leadership in Energy and Environmental Design for the creation of neighborhoods), an international environmental certification system</p>



MFLP Funabashi III



Park Homes LaLa NAGOYA minato AQUUS Garden Square



TOKYO MIDTOWN HIBIYA



Kashiwa-no-ha Smart City

Looking Ahead to Fiscal 2050

Looking ahead to fiscal 2050, we shall continue to evolve each Action Plan and address the following

Open innovation for the creation of new technologies

- Identify and proactively utilize trends in a wide range of innovations in decarbonization technology.
- Aim to contribute to the decarbonization of society as a whole through joint research with academia and construction companies, and by actively investing in venture companies and providing them with opportunities for demonstration tests.

Examples of specific initiatives

- Utilization for the creation of renewable energy
 - Aim to further procure renewable energy through the use of new technologies such as offshore wind power and geothermal power generations.
- Utilization for reduction of CO₂ emissions during construction and building operation
 - Continue industry-leading initiatives involving construction companies and component manufacturers, aiming to reduce CO₂ emissions throughout the supply chain.
 - By actively adopting new technologies and materials that contribute to energy-saving in buildings, aim to reduce CO₂ emissions during building operation by the Group.



Bottom-mounted offshore wind turbines (image)

Promotion of the creation of neighborhoods initiatives

With the aim of realizing a decarbonized society, utilizing new technologies and open innovation, such as the Smart Energy Project in Nihonbashi, Toyosu, and Yaesu, and Kashiwanoha AEMS, aim to realize the creation of neighborhoods that promotes decarbonization not only of facilities owned but also of the entire area.

Internal Systems to Promote Action Plans

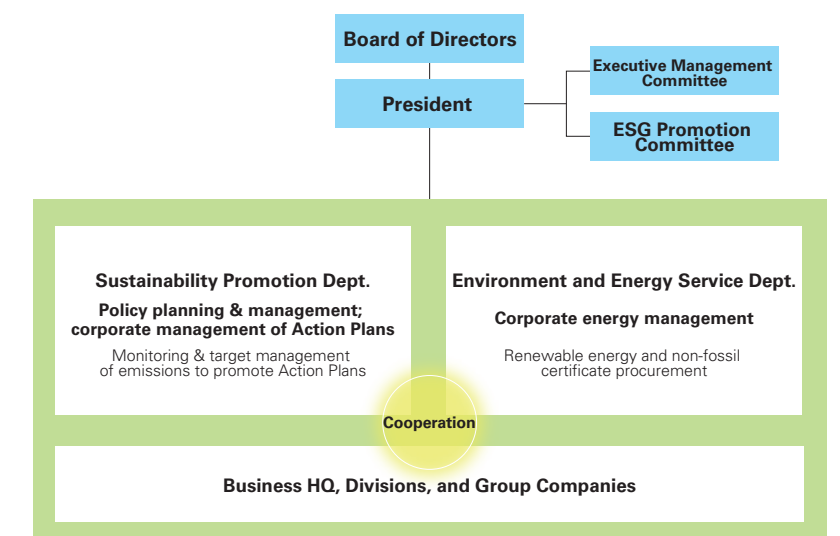
Introduction of Internal Carbon Pricing (ICP) System

From fiscal 2022, we will introduce the Internal Carbon Pricing System, a mechanism to encourage decarbonization efforts by pricing CO₂ emissions in newly developed properties. Environmental impact is quantified and visualized to manage progress. Raising awareness within the Company to reduce CO₂ emissions and accelerate efforts to decarbonize.

Sustainability Promotion Framework

Structure for promoting Action Plans

Establish Sustainability Promotion Dept. as an overall function of Action Plans. Each business headquarters, division, and Group company will collaborate with the Environment and Energy Service Dept., engaged in Company-wide energy management, and all other divisions to promote decarbonization initiatives.





Message from a Managing Director

Human resources strategy is of vital importance in securing competitive advantage and in promoting the initiatives set forth under our VISION 2025 long-term vision. The asset of human resources is the force that drives us to continue creating new value as a real estate developer.

Under a free and open corporate culture, Mitsui Fudosan has shared the progressive spirit and willingness to flexibly and tenaciously take on challenges that we have inherited and nurtured as our DNA since our founding, while offering varied and innovative solutions and services for business and living.

We improve employees' professional knowledge and capabilities through diverse on-site experience, enhancing their ability to create added value. Through this, diverse values come together in a spirit of mutual respect, transforming into driving force as a team. Within this process, addressing every individual employee and preparing an environment for action forms the foundation of our human resource management.

Customer-centered management is an immutable basic strategy in our VISION 2025. In this era of what is called VUCA (volatility, uncertainty, complexity, and ambiguity), the business environment surrounding our Company is changing at an ever faster pace. Under a declining birthrate, an aging population, the maturation of society, the advancement of women into the workforce, the further advance of globalization, changes in lifestyles and behavior brought about by the COVID-19 pandemic, and the growing importance of sustainability, the diversity and individuality of the customers to whom we provide services are widening. Accompanying these



Yasuo Onozawa
Managing Director,
Executive Vice President
(in charge of personnel)

changes in the environment are emerging social issues that cannot be solved simply within the framework of the conventional real estate industry.

To continue to develop and grow our business by nimbly reading changes in customers' lifestyles and values and by proposing solutions, it is vital that we ourselves accept diversity. We face demands to achieve active roles for diverse human resources by embracing diversity while nurturing ingenuity that is rich in ideas, differing values, and a pioneering spirit.

Based on this thinking, we positioned the promotion of diversity and inclusion as a key management strategy and formulated our Diversity & Inclusion Declaration and Initiative Policy, which we are implementing throughout the Group. The Group has also set the promotion of active participation by women as an important theme in our diversity and inclusion initiatives, and is undertaking varied related measures under quantitative and qualitative activity plans.

Diversity & Inclusion Declaration

The logo adopted by the Group as a management philosophy represents the principles of coexisting in harmony with society, linking diverse values, and achieving a sustainable society.

As a real estate developer, the driver of our efforts to continuously provide new value is a major asset of

ours—our people. Therefore, we have positioned the promotion of diversity and inclusion as one of our most vital management strategies, and the Group is coming together as one to create an organization in which personnel with diverse values, capabilities, and lifestyles can demonstrate each to the best of their abilities.

Diversity & Inclusion Initiative Policy

Our passionate, capable employees have a diverse range of skills, experiences, and values; as such, we are working to ensure an environment where they can demonstrate their individual abilities to the upmost, and recognize one another as individuals, evaluated fairly regardless of their race, nationality, religion, sex, age, presence or not of disability, gender identity, sexual orientation, or other characteristics. To this end, we are

promoting workstyle reforms and enhancing our human resources system so as to raise organizational productivity and our employees' work-life balances. We have made promoting female participation a key theme, and set ourselves Group-wide quantitative goals and qualitative action plans, and we will formulate various measures to promote this as a united Group.

Diversity & Inclusion Promotion Framework

Under our Management's commitment, the managing director in charge of personnel bears ultimate responsibility for ensuring diversity- and inclusion-related initiatives are pushed forward with the Personnel Department's Workstyle Innovation Department at their heart, with knowledge input from inside and outside the Group.

Diversity and inclusion is a major theme in ESG

activities. Reports of our activities, policies for each fiscal year, and other matters are discussed and formulated by the Board of Directors. Furthermore, we are promoting this topic as a united Group, and share policies at meetings at which Group company presidents are present, as well as periodically convening the Diversity & Inclusion Promotion Council.

Promoting Active Roles for Women in the Group

The essential aim of "diversity" is not the diversification of specific categories such as nationality, age, or gender, but rather the diversification of perceptions of value. To further promote this essential diversity by focusing on

the key theme of promoting active roles for women, the Group has set quantitative targets and qualitative activity plans for promoting these roles, and is enacting a variety of measures throughout the Group.

Group Female Participation Quantitative Goals

Group companies set targets for indicators such as the ratio of women in management positions, and manage progress toward these targets. We plan to accelerate efforts across the Group by designating model companies (SUNLIFE CREATION Co., Ltd., Mitsui

Fudosan Retail Management Co., Ltd., and Mitsui Fudosan Hotel Management Co., Ltd.) for the promotion of active roles for women, and by sharing information on best practices.

Women in Management Positions Ratio Targets (for Mitsui Fudosan Co., Ltd.)

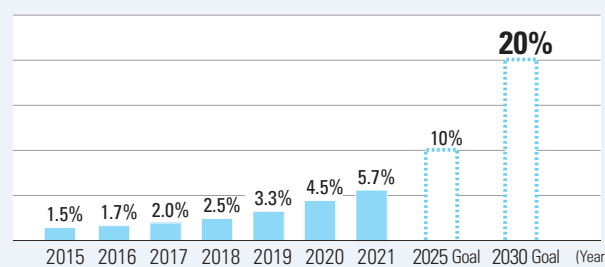
10% by 2025 **20%** by 2030

<See details on the next page>

Quantitative Goals (for Mitsui Fudosan Co., Ltd.)

	Goals			
	Women in management positions ratio	Ratio of hires of women	Return rate from childcare leave	Paid leave days taken
Mitsui Fudosan Co., Ltd.	10% by 2025 20% by 2030	40%	100%	14 days

Mitsui Fudosan: Women in Management Positions Ratio



Quantitative Goals (to Be a Model Company for Promoting Female Participation)

Company name	Goals			
	Women in management positions ratio	Ratio of hires of women	Return rate from childcare leave	Paid leave taken
SUNLIFE CREATION	- (April 2021: 70.6%)	- (FY2020 results: 82%)	100%	Uptake: 70%
Mitsui Fudosan Retail Management	20% by 2025 25% by 2030	- (FY2020 results: 58%)	100%	Uptake: 80%
Mitsui Fudosan Hotel Management	15% by 2025 20% by 2030	- (FY2020 results: 60%)	100%	Uptake: 70%

Promotion of Active Roles for Women in the Group: Qualitative Activity Plans

As a Group, we have formulated and are undertaking eight measures to achieve the following two priority objectives.

1. We will create an environment where people want to work long-term, where everyone can respect each other's values and lifestyles, including whether they care for children or others, regardless of gender
 - (1) Changing awareness throughout the organization and among managers (unconscious bias training, etc.)
 - (2) Supporting childcare and leave to care for others (system enhancement, training, paternity leave promotion, etc.)
 - (3) Developing a return entry system
 - (4) Forming flexible workstyles that cater to individual positions and fields
2. By promoting female participation, we will change awareness within the organization and raise those female employees' motivation and support their career development
 - (5) Changing awareness throughout the organization and among managers (diversity and inclusion training, etc.)
 - (6) Developing mentor/sponsor systems for female employees
 - (7) Forming a working group to promote female participation
 - (8) Holding in-house events to encourage interaction

been adopted by the Government Pension Investment Fund (GPIF) as an index for ESG investment.



Website introducing Mitsui Fudosan Group's efforts to promote active roles for women

See details of initiatives here: <https://www.mitsui-fudosan.co.jp/corporate/hrm/women/> (Only available in Japanese)



Launch of Working Team for Active Roles for Women



Nursery school in a workplace

Main Initiatives for Promoting Active Roles for Women

An Environment Where People Want to Work Long-Term

To develop an environment where diverse personnel, whether male or female, can play an active role, we are working to change awareness throughout the organization and among our managers. To do this, we are implementing unconscious bias training and other measures for all our employees.

Through efforts by members of the Personnel Department, such as discussions and individual interviews with all employees, we will grasp the circumstances that employees face and their hopes, and develop an environment and various systems, including those that support childcare and caring for others, accordingly. As an example, to create an environment that supports both work and childcare, we were quick to establish a flex-time system for reduced working hours during childcare, a work-at-home system, a childcare leave system that exceeds statutory requirements, and in-office

Return Rate from Childcare Leave Among Regular Employees

Past 21 years*

*FY2000 - FY2020

100%

nurseries. We have maintained a 100% return rate from childcare leave among regular Mitsui Fudosan employees for 21 consecutive years, and have a 70% rate of childcare support leave among male employees.

Through improvement of the environment and active hiring of women (with a female recruitment ratio target of at least 40%), female employees are playing active roles in many departments as corporate officers, company staff, and business line staff in Japan and overseas. As of April 2021, we have a 5.7% ratio of women in management positions and a 19.3% ratio of women in sub-section manager or equivalent positions. We are working to increase the ratio of women in management positions to 10% in 2025 and 20% in 2030.

For four consecutive years, Mitsui Fudosan has been selected for inclusion in the MSCI Japan Empowering Women Index (WIN), which has

2021 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Selected for inclusion in the MSCI Japan Empowering Women Index (WIN)

THE INCLUSION OF Mitsui Fudosan Co., Ltd. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Mitsui Fudosan Co., Ltd. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI, MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.



Raising Motivation and Supporting Career Development

By conducting diversity and inclusion training, and other measures for organization heads, we will promote female participation and change awareness throughout the organization as we offer female managers career development support via a mentor system and other initiatives. Moreover, the working group we set up to promote female participation provides proposals and exchanges, cross-meetings that allow young females in general positions to interact, and seminars by women in active roles, and is raising female employees' motivation and supporting their career development.



Diversity and inclusion training for organization heads



Information exchange put on by the Diversity Management Promotion Project Team for employees on childcare leave (Mitsui Fudosan Retail Management)



Lecture and seminar (speakers included our former managing director and advisor on our female participation, Masako Egawa, and her introducer)

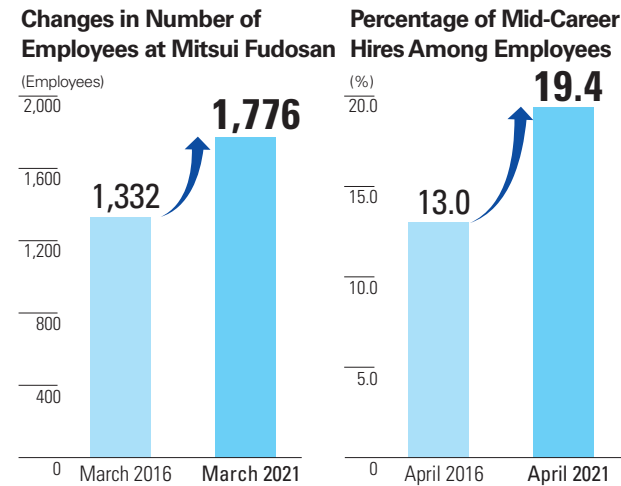
Measures Based on Human Resources Strategy

Recruiting Personnel from Diverse Backgrounds

To innovate the real estate business in the way we outline in our Group long-term vision, VISION 2025, there are a wide range of knowledge sets that we will need to bring together. As such, we are proactively recruiting mid-career human resources who have no experience in our industry or who were previously working in different fields.

We have put in place various training and mentoring systems that enable greater activity for diverse personnel with varied career histories and standpoint to demonstrate individuality based on their respective experiences and abilities.

Our aim is for these diverse personnel to work together and collaborate autonomously to produce new value and innovation.



Recruiting and Training Global and IT Personnel

Two of the main aspects of our initiative policy in VISION 2025 are to innovate business models by harnessing real estate tech and dramatically grow the overseas business. Our focus now is on recruiting and training global and IT personnel that can support those goals.

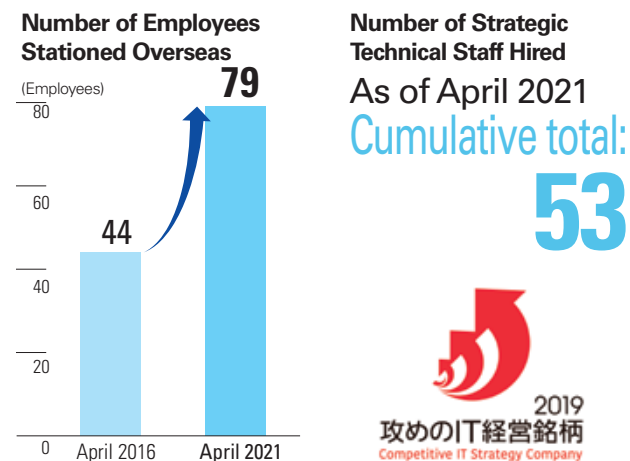
As globalization continues, we aim to have overseas profit constitute 30% of our consolidated operating income in or around the year 2025. To that end, we have been actively recruiting foreign nationals and Japanese new graduates or mid-career employees with global experience. Further, we are striving to create global-oriented staff through measures such as mandating language learning over several months for younger employees, conducting specific language training for mid-level employees, introducing a one-year overseas internship program, and stints working

overseas through job rotations.

We are also aware that digital transformation (DX) has had a major impact on conventional business, and to raise its real, applicable value, we are accelerating efforts to apply digital and real estate technologies. To do this, we are actively hunting down highly specialized mid-career individuals that will be an immediate asset to our ICT. We are also applying their capabilities to each of our business domains to spur innovation.

In our existing businesses, we are conducting various types of training under the belief that all employees are needed to promote even further DX.

In 2019, we were even selected as a Competitive IT Strategy Company by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.



Initiatives for Human Resources Development and Human Resources Management

Our basic approach to human resource management is to treat each employee as an individual and create a stage on which they can hone their professional knowledge and abilities, increase their ability to create added-value, and transform team performance through the integration of diverse values and skills.

Mitsui Fudosan aims to develop a diverse group of employees, who are able to make full use of their individual attributes, with both specialized and advanced business knowledge, and a broader perspective. In order to achieve this goal, we have adopted a basic policy on personnel development that broadens the capabilities of each individual by combining four opportunities (1: OJT, 2: annual interviews between the Personnel Department and each employee, 3: job rotation, and 4: training programs).

(1) OJT

We provide On the Job Training through work on-site as the basis for personnel development. Through specific jobs in the workplace and communication between employees, we develop the capabilities necessary for job performance in a planned, continuous fashion.

(2) Interviews with employees

To provide support aligned with individual employees' visions for career development and skill development, we offer many opportunities for face-to-face discussions with the Personnel Department and department heads.

Annual interviews with the Personnel Department aid in grasping employee issues, environment for development, and individual concerns, as well as in conducting fair evaluations through understanding of the working circumstances of individual employees and those around them.

(3) Job rotation

We develop professionals with a wide range of specialties. We conduct job rotation every few years. Our aim is to develop employees and an organization which can adapt to an ever-changing environment, and this is achieved by further deepening the experience and knowledge of each employee through work experience in multiple areas, while bolstering expertise through focus on work the employee is in charge of.

(4) Training programs

Between level-based training and training that can be selected to cater to individual employees' personal roles, skills, or capabilities, and other measures, we have more than 100 diverse programs underway. So that everyone can voluntarily work to improve their own abilities, we are preparing application-based training that incorporates interaction between employees from different industries.

In addition, to support career visions based on employees' diverse values, we are putting in place a number of systems, including a personal statement system related to changing official duties or wishes to change department, and a system to allow contract employees to become regular employees.

Going further, to deepen understanding of our businesses, one of our initiatives aimed at expanding experience in business domains separate from our existing businesses, we are looking to establish systems that include a business proposal system, a side-job system to help create innovation and make a social contribution, a leave system whereby employees can take time to study at graduate school, and a graduate school tuition fee subsidy system. In these ways, we will promote the fostering of issue-resolution capabilities and the ability to create added-value in this very changeable business environment.



Initiatives to Support Work-Life Balance

Promotion of Workstyle Reform

To respond to the dramatically changing needs of society and achieve the creation of new value, under the concept of workstyle reform the Company is building organizations where human resources with diverse talents, lifestyles, and perceptions of value can maximize their respective abilities.

We also promote the optimization of work-life balance by improving work efficiency in all departments, optimizing the allocation of work, and reducing employees' working hours. It is our belief that appropriate work-life balance carries great benefits including enhancement of employees' private lives, promotion of self-improvement, and achievement of childcare or nursing care alongside work. We further view this balance as forming workplace environments where diverse employees maximize their individual abilities, leading to the creation of higher value and sustainable growth for the Group.

Initiatives for Workstyle Reform

Reforming awareness	<ul style="list-style-type: none"> Foster awareness by continued communication of top management's message Utilize internal public relations magazines and email newsletters to conduct educational activities and share expertise Encourage the taking of continuous annual paid leave, and set targets for yearly use of leave (7 days per half year; 14 days per year) Conduct training on health and safety for organizational heads Evaluate efficiency as a factor involved in personnel evaluation
Work reform in organizational units	<ul style="list-style-type: none"> Support departments' initiatives through the Workstyle Innovation Department Establish a customized workstyle in each department, and promote work efficiency improvements Support productivity improvements through the use of IT
Infrastructure improvements	<ul style="list-style-type: none"> Utilize the WORK STYLING Shared Office Introduce work-at-home system Enable recording of PC usage hours and deploy a usage control system Implement paid leave that can be taken in half-day units

Promotion of Health Management

We view the health and safety of all employees as an important issue for management in strengthening the Company's competitiveness and achieving sustainable growth. While enacting a Health and Productivity Management Declaration and clarifying related policies, we take action to maintain and improve employees' health to create environments where employees can work energetically in ways suited to their individual lifestyles.

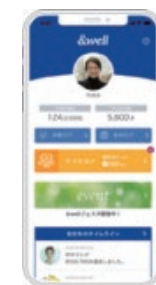
Health and Productivity Management Declaration

- Our progressive spirit and attitude of flexibly tackling tough challenges forms the basis for our approach of supporting individual employees' efforts to create new value from the sidelines via health and productivity management, and we will tie that in to the Company's sustainable growth.
- We will actively invest in our employees' physical and mental well-being, and promote the creation of workplaces where diverse personnel are excited to work.
- Through urban development, we will work to maintain and promote health in the region and in wider society. Equally, we will use health and productivity to resolve the issues that society is facing, to contribute to a healthier, richer future.

Specifically, we established a Health Management Center, under the charge of the managing director in charge of personnel affairs, to conduct consultations for employees by personnel staff, implement health checkup expense subsidies for employees and their spouses, hold health-related events, and so on. In consultation with the health insurance association, we actively promote initiatives that include planning and verifying the effects of measures to address health issues.



Health promotion event "&well Festa"



Health management support service "&well"

In recognition of our health management-related initiatives, we have been selected by the Certified Health & Productivity Management Outstanding Organizations Recognition Program ("White 500," Large Enterprise Category) of the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi as a corporation that practices excellent health management.



Special Feature 3 What an Outside Director Has to Say

Eriko Kawai
Director (Outside, Independent)

Q1. What are your impressions of Mitsui Fudosan's Board of Directors since becoming a director?

My first impressions were that there is good disclosure of management information to independent outside directors and that the opinions of us outside directors are seriously listened to. For example, clear material is provided and meticulous responses are given to our questions during advance explanations. There are also venues outside of Board of Directors meetings for explanations of important topics. It seems that Mitsui Fudosan has created an environment in which even newly appointed outside directors can gain a firm understanding of the business and make the most of their abilities.

Furthermore, outside directors and inside directors hold lively discussions at Board of Directors meetings. Of course, deliberations on individual projects are stressed,

but there is also a focus on debates about strategy, which makes it possible to discuss and evaluate numerous issues, including the direction of management, brand strategy, and sustainable business model. This is an important role for outside directors and contribute to the value creation of the Company. I think that the opinions of outside directors are taken seriously and the management pays attention to our advices and opinions.

During deliberations on individual projects, the merits and all possible risks are presented and firmly analyzed, making it possible to efficiently move forward with discussions. While the management team undertakes proactive management, compliance is taken seriously, and as an outside director, I sense a very solid foundation of the Company.

Q2. How would you like to apply your work experience to the management of Mitsui Fudosan?

In addition to having worked as a financial professional in United Kingdom, France, and Switzerland, I gained management experience as the chief investment officer for a fund that privatizes government-run companies in Poland. Furthermore, I served as an outside director at several companies in Poland that this fund invested in. Because Mitsui Fudosan is aggressively expanding its real estate business overseas, I hope to make various suggestions and proposals based on the knowledge of global business I have acquired and my experience. As a women and consumer and because of my experience

with business and foreign cultures in Europe, I can voice opinions from a different perspective than other directors and contribute to the diversity of the Board of Directors.

In addition, at Kyoto University, I taught a course for a global leadership. I also conducted leadership training for the management teams of companies expanding overseas. Here at Mitsui Fudosan, I would also like to contribute to nurturing female leaders and as well as the executives who will take an active role in overseas expansion.

Q3. What is your opinion of Mitsui Fudosan's global strategy?

In its long-term vision VISION 2025, the Company includes the outlook of growing overseas income so that it accounts for 30% of consolidated operating income. Looking at the future business environment, competition within Japan will grow fiercer for several reasons, including Japan's relatively weak economic growth compared to overseas and shrinking population; therefore, a strategy of actively capturing business opportunities overseas is critical to maintaining growth. In particular, mixed-use neighborhood creation, a strength of Mitsui Fudosan, is a unique development method

overseas, and it may be possible for the Company to further expand its business using past successes, including the Television Centre Redevelopment Project in London. Neighborhood creation projects where residents can enjoy good surrounding environment such as Kashiwa-no-ha Smart City can probably also be undertaken throughout the world. Although Mitsui Fudosan is a leading company in Japan, I think that it is important for the Company to select reliable partners because local knowledge and know-how are essential in the real estate industry.

Q4. What do you think of Mitsui Fudosan's efforts related to diversity?

Promoting women to management positions is one issue that falls under diversity, and while offering equal opportunities is important, it is also necessary to bolster the self-confidence of women themselves. When female employees aim higher positions, they need to be supported by their superiors as there are not many role models. Top management that promotes diversity is vital for gender equality. I am happy to learn that the Company makes serious efforts such as providing training to eliminate unconscious biases in gender issues. It takes time, however, for people to develop their talents. Mitsui Fudosan is starting to actively recruit mid-career hires. Mitsui Fudosan has a

very homogenous corporate culture which is its strength but now also starts to accept different values and diversity. It will make Mitsui Fudosan even stronger and global.

I think it is necessary to pay attention to productivity-focused work style reforms and avoid long working hours. For example, various measures are possible, such as holding important meetings during the day, not after 5:00 in the evening. Employee evaluations also look at productivity, not amount of time worked. It is important to generate major changes through the accumulation of individual measures like this.

Q5. What are your expectations for Mitsui Fudosan's efforts related to decarbonization?

Even among Japanese companies, Mitsui Fudosan is taking the lead in various ways, including setting the goal of zero net greenhouse gas emissions by fiscal 2050. This was a courageous decision because it is not something that Mitsui Fudosan can do on its own, and it will be necessary to involve both upstream construction companies and downstream customers. Aggressive efforts are being made, including joining RE100, the goal of which is not simply to improve energy efficiency at office buildings and other facilities and generate energy but to cover 100% of energy used for business with renewable energy by installing large-scale solar power facilities and other endeavors; agreeing with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and disclosing recommended information; calculating greenhouse gas emissions through scope 3; and obtaining Science Based Target (SBT) initiative certification.

Because of these initiatives, I get the impression that the Company has a strong desire to fulfil its social responsibilities by helping limit global warming for the future of humanity not because of regulations, and personally, it is extremely encouraging that major companies like Mitsui Fudosan are seriously working to create a sustainable decarbonized society. I would like the Company to further expand its wonderful efforts that leverage its know-how, such as creating sustainable "never-ending forests" in Hokkaido and working on high-rise timber office buildings.

For environmental issues, it is important to take a long-term view, which is similar for neighborhood creation. Mitsui Fudosan's mission in society is to firmly set targets, effectively make investments, and create a society in which all people can live with sense of security and peace of mind. I hope that internal and outside directors can work together to promote efforts related to decarbonization throughout the Group.



Profile

After graduating from a Japanese high school, Ms. Kawai obtained an undergraduate degree at Harvard University in the U.S. and then an MBA from INSEAD in France. She then worked as a management consultant and fund manager at several European companies, including the Paris office of McKinsey & Company. Subsequently she spent time at several international institutions, including the Bank for International Settlements (BIS) and Organisation for Economic Co-operation and Development (OECD), as a specialist in the field of finance. After returning to Japan in 2012, she accepted a position as a professor at Kyoto University and has worked as a professor emeritus at Kyoto University and program specific professor at the Social Innovation Center (SIC) within the Kyoto University's Graduate School of Advanced Integrated Studies in Human Survivability since April 2021. She took up the position as outside director in June 2021.