

**Last Update: June 27, 2024**  
**Mitsui Fudosan Co., Ltd.**

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Securities Code: 8801

<https://www.mitsuifudosan.co.jp/english/index.html>

**The Mitsui Fudosan Co., Ltd., corporate governance system is described below.**

## I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

### 1. Basic Views

The Mitsui Fudosan Group takes a standpoint of sound, transparent and efficient management in the aim of building optimum corporate governance to earn the trust of all stakeholders.

Mitsui Fudosan has established the Compensation Advisory Committee and Nomination Advisory Committee to enhance transparency regarding compensation for managing directors and nomination of managing directors and corporate auditors. It has also adopted a corporate officer system to enhance the soundness and efficiency of management by separating and strengthening management and executive functions. Mitsui Fudosan also invites and appoints outside directors to strengthen the oversight functions of the managing directors and enhance management transparency.

In addition, corporate auditors conduct audits to evaluate the status of business execution by managing directors while coordinating with the Internal Audit Department, which serves as the Company's internal auditing department, as well as with the certified public accountant.

Moreover, steps have been taken to put in place the Mitsui Fudosan Group Compliance Policies, as well as a structure that will ensure that Group managing directors and employees engage in business activities in an appropriate manner.

### Reasons for Non-Compliance with the Principles of the Corporate Governance Code

Mitsui Fudosan complies with all Principles of the Corporate Governance Code issued on June 11, 2021.

### Disclosure Based on the Principles of the Corporate Governance Code Updated

[Principle 1-4 Strategic Shareholdings]

•Strategic shareholding policy

In overall consideration for business strategy and relationships with business partners, to improve the Group's corporate value, Mitsui Fudosan holds shares considered effective for management strategies as shares for purposes other than net investments (strategic shareholdings) from a medium- to long-term perspective.

Furthermore, Mitsui Fudosan continuously reviews shareholding status. Upon confirming the significance of shareholdings based on the quantitative rationality of holdings and relationships with business partners, we have decided to reduce our shareholdings.

In fiscal year 2023, we sold six types of stocks worth a total of ¥10.9 billion.

In &INNOVATION2030 (the Group's Long-Term Vision), the Company plans to reduce its Strategic shareholdings by 50% over the three years to FY2026 from the end of FY2023 and will continue to actively reduce strategic shareholdings from FY2026 onward.

•Verification by the Board of Directors

When verifying the rationality of shareholdings, we verify whether or not the benefit, risk, etc., associated with the shareholdings are commensurate with the capital cost. Furthermore, in addition to confirming the significance of shareholdings from the perspectives of transaction performance, stable funding, and creation of business opportunities, we also verify whether or not the holdings contribute to improving the medium- to long-term corporate value of the Group.

At a meeting held on May 10, 2024, the Board of Directors verified appropriateness with regard to the significance of strategic shareholdings based on the quantitative rationality of holding and relationships with business partners for each stock brand.

As a result, for stocks for which the rationality of holding or significance of holding has decreased, we will examine selling by considering factors such as impact on the stock market.

•Standard for exercising voting rights

In exercising voting rights, Mitsui Fudosan makes comprehensive decisions based on viewpoints including whether it will lead to improved shareholder returns or enhanced corporate value of the company invested in over the medium- to long-term. In addition, regarding important matters such as those indicated below, Mitsui Fudosan conducts individual examinations based on internal standards and appropriately determines the approval/disapproval of each matter. (Appropriation of surplus, appointment/dismissal of managing directors and corporate auditors, director compensation and retirement benefits, changes to the Articles of Incorporation, etc.)

•The standard for the classification of investment stocks

In February 2023, Mitsui Fudosan has established the standard for the classification of investment stocks according to "the concept of the classification of investment stocks" stated below.

《Investment stocks held for pure investment purposes》

Stocks, as part of business investments, held for the purposes of benefiting from medium-to long-term increase in share value etc.

《Investment stocks held for purposes other than pure investment purposes [strategic shareholdings]》

Stocks held for purposes other than above (Stocks considered effective in management strategy from a medium-to long-term perspective to improve our Group's corporate value by comprehensively taking into account business strategy, the relationships with clients and other factors.)

•The concept of the classification of investment stocks

In our business model, in addition to investing directly in real estate and benefiting from the increased value of real estate, we may also invest in businesses in the form of equity capital and benefit from the increase in value of the shares. Based on our actual business model, we define "investment stocks held for pure investment purposes" as "Stocks, as part of business investments, held for the purposes of benefiting from medium-to long-term increase in share value etc."

•About our investment in Oriental Land Co., Ltd.

Mitsui Fudosan was involved in the establishment of Oriental Land Co., Ltd., in 1960. We invested in the form of equity capital for the purpose of developing urban resorts and implementing an entertainment business. This investment was made as part of our core business, real estate investments, and we hold these shares for the purpose of benefiting from the medium-to long-term increase in share value etc.

•Investment stocks held for pure investment purposes

Under &INNOVATION2030 (the Group's Long-Term Vision), reflecting our track record to date, we will continue to take a flexible and sustainable approach to selling those stocks over time, allocating proceeds to invest for future growth while also taking the share price into account.

[Principle 1-7 Related Party Transactions]

- Mitsui Fudosan annually confirms whether or not there are (direct or indirect) transactions between Mitsui Fudosan and Company managing directors, corporate auditors or presidents of listed subsidiaries and their close relatives.
- In the event of (direct or indirect) transactions between Mitsui Fudosan and managing directors deemed to be competitive or having a conflict of interest, such transactions are approved and monitored by the Board of Directors.
- Having determined the importance of a transaction by referring to disclosure requirements stipulated in the application guidelines for corporate accounting standards, applicable related party transactions are listed in the Securities Report.

[Supplementary Principle 2-4-1 Ensuring of Diversity in Core Human Resources]

•Believing that the driving force for continuous creation of new value as "an industry developer" that goes beyond the boundaries of a real estate developer resides in human resources, Mitsui Fudosan positions promoting diversity and inclusion as one of the fundamental business strategies and works throughout the Group in unison towards developing an organization where people with diverse values, talents, and lifestyles can achieve their potential.

•〔Female human resources〕 Many of our products and services are purchased by female customers, and Mitsui Fudosan is more than ever aware of the necessity to adopt female perspectives and creativity and encourages active participation and empowerment of female employees. Although the ratio of female management in our organization is 9.2%(Note 1.), we aim to increase it to 10% by 2025 and 20% by 2030.

〔Mid-career employment〕 Employees with diverse values exercise their uniqueness based on their experiences and abilities, and Mitsui Fudosan actively hires such people as the driving force for innovation in the real estate industry. Although the ratio of mid-career professionals involved in management is 16.6%(Note 1.), we aim to increase it further.

Note 1. Percentage of management positions in general positions

(Foreign human resources) Mitsui Fudosan actively hiring new graduates and mid-career employees with foreign nationalities and global experiences will expand such employment further for the drastic growth of the overseas business. Although the ratio of foreign resources involved in management is 0.3%, we aim to increase it further.

Mitsui Fudosan evaluates and adopts motivated and capable employees with diverse skills, experiences, and values regardless of their race, nationality, religion, gender, age, disability, gender identity, and sexual orientation.

•As for human resource development and work environment development, in order to achieve the two goals of encouraging each individual to improve professional knowledge and capabilities to strengthen the ability to create additional value and fusing diverse values and capabilities into a driving force as a team, Mitsui Fudosan considers *engaging with individual employees and setting the stage for them* is the basis of human resource management. By combining four human resource development opportunities of OJT, annual interviews between the staff of the Personnel Department, job rotation, and training program to extend human resource capabilities as the basic policy, we develop human resources who are capable of adapting to continuously changing environments by improving their diverse and wide range of knowledge and capabilities specifically through job rotation and training programs.

•In order to establish work environments where diverse human resources are fairly evaluated and individual employees recognize each other and demonstrate their individual capabilities to the fullest, Mitsui Fudosan strives to improve the organization's productivity and to help improve employee work-life balance by promoting work-style reforms and improving personnel systems.

•The details and progresses are introduced in III-3 "Measures to Ensure Due Respect for Stakeholders" in this report and our Integrated Report on the corporate website. (<https://www.mitsuifudosan.co.jp/english/corporate/ir/library/integratedreport/>)

[Principle 2-6 Role as Asset Owner of Corporate Pensions]

Mitsui Fudosan strives to conduct management enabling maintenance of the health of pension financing into the future to ensure the payment of pension benefits as stipulated in pension regulations. Placing the highest priority on risk, the Company strictly controls risk within an acceptable range while managing pension assets with the aim of ensuring the long-term total returns deemed necessary.

Mitsui Fudosan monitors the pension asset management companies. In addition, the Pension Asset Management Committee was established comprising appropriately qualified Personnel Department and Accounting and Finance Department staff to consider important matters such as basic policies with regard to pension asset management and the formulation/revision of the policy asset mix. This committee meets once every quarter while utilizing outside consulting companies.

[Principle 3-1 Full Disclosure]

(1) Corporate philosophy, business strategies and business plans

Business strategies and plans are disclosed on the Mitsui Fudosan corporate website:

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

The corporate philosophy is posted on the Mitsui Fudosan corporate website:

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

(2) Basic views and policies on corporate governance in light of each principle of the Corporate Governance Code

Basic views and policies related to corporate governance are disclosed in this report under Section 1-1: Basic Views, in the Securities Report, and posted on the Mitsui Fudosan corporate website:

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

(3) Policies and procedures for Board of Director determination of managing director and senior management compensation

•Managing director's compensation consists of basic compensation, bonuses paid as a short-term incentive and restricted stock compensation paid as a medium- to long-term incentive. Compensation for managing directors (outside directors) is solely basic compensation.

•Mitsui Fudosan has established the Compensation Advisory Committee, comprised of the following 7 members: 5 independent outside directors who make up the majority and 2 internal directors, with one of these independent outside directors serving as chairman. Instead of leaving determination to the sole discretion of the President, the Board of Directors consults this committee on senior management and management directors' compensation prior to making these decisions.

(4) Policies and procedures for Board of Director appointment and dismissal of senior management and nomination of managing directors and corporate auditors

•Appointment, dismissal and nomination policy

The Company, based on the Group's management philosophy, business strategies, and others, comprehensively considers diversity, such as personality, abilities, insights, gender, and other factors, and then appoints senior management and selects candidates who are suitable as managing directors and corporate auditors.

The Company appoints its outside directors with the expectation that they will contribute their abundant experience and broad knowledge to the Company's management, and that they will play an appropriate role in strengthening the supervisory function of the Board of Directors and ensuring transparency.

The Company also appoints its outside auditors with the expectation that they will bring an objective stance to auditing the managing directors in the performance of their duties, based on their expert knowledge and extensive experience.

Currently, Four out of a total of eighteen managing directors and corporate auditors are women (22.2%). The Company will continue to make efforts to ensure further diversity on the Board of Directors as a whole by having at least one female managing director.

The Company is able to dismiss senior management in the event of impropriety or serious violations of laws or the Articles of Incorporation occurring within or outside the execution of duties by senior management.

•Appointment, dismissal and nomination procedures

Mitsui Fudosan has established the Nomination Advisory Committee, comprised of the following 7 members: 5 independent outside directors who make up the majority and 2 internal directors, with one of these independent outside directors serving as chairman. The Board of Directors consults this committee on the appointment or dismissal of senior management and the nomination of candidates for managing directors prior to making these decisions. Additionally, the nomination of corporate auditors is decided by the Board of Directors with the approval of the Board of Corporate Auditors after consulting with this committee.

(5) In light of (4) above, when the Board of Directors appoints or dismisses senior management and nominates managing directors and corporate auditor candidates, in the event an explanation of individual appointments, dismissals and nominations are provided at the Ordinary General Shareholder's Meeting, the reason for individual appointments will be included in the convocation notice.

For details, please see our website:

URL: <https://www.mitsuifudosan.co.jp/english/corporate/ir/shareholder/meeting/index.html>

[Supplementary Principle 3-1-3 Initiatives to Address Sustainability Issues]

•Guided by the meaning of "&", "to generate new value through cooperation, coexistence and co-creation, we forge ahead, innovating," Mitsui Fudosan is working toward the "creation of social value" and the "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. Under the Group's Long-Term Vision "&INNOVATION 2030," we have established "GROUPMATERIALITY" (priority issues). ESG initiatives are described in ESG reports on the corporate website.

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

•In terms of human capital, our long-term vision positions human resources as the infrastructure that supports our strategy to contribute to the creation of added value for society as "an industry developer", and we are working across the Group to raise the level of our human resources capability and to acquire new people and knowledge that will accelerate innovation. We are also working to further deepen our One Team organizational, which supports the activities of our diverse human resources and brings together the strengths of the Group. Various initiatives in human capital are described on our website under 'Human resources initiatives'. (<https://www.hrm.mitsuifudosan.co.jp/>)

•As for intellectual property, considering the business area of Mitsui Fudosan as a real estate developer, we are seeking to obtain trademark and patent rights in an appropriate manner.

•Based on the principles of harmony and coexistence, linking diverse values, and realization of a sustainable society as symbolized by the "&" mark, the Mitsui Fudosan Group has adopted &EARTH as its Group vision and is contributing to social and economic development and the preservation of the global environment. In recent years, global concern about climate change and the importance of measures to mitigate it have become even more important as shown in the Paris Agreement, an international treaty on climate change, and the government's new goal for decarbonization released in April 2021. In response to this trend, the Mitsui Fudosan Group has set a target of achieving net-zero greenhouse gas emissions from the entire Group by FY 2050 and a 40% reduction from the FY 2019 level by FY 2030, as well as formulating the Group Action Plan for the Realization of a Decarbonized Society. The main initiatives to achieve the target for FY 2030 include achieving the ZEB/ZEH level environmental performance in all our new properties in Japan and actively improving the environmental performance of our existing properties, actively utilizing renewable energy sources such as green power in all our facilities in Japan\*, expanding the mega solar business (by approximately five times), and strengthening partnerships for decarbonization throughout the supply chain. Mitsui Fudosan and NIKKEN SEKKEI LTD worked together to develop the *Manual for Calculating Greenhouse Gas (GHG) Emissions during Construction*. We worked on the Real Estate Companies Association of Japan, and the association's own manual was developed. For the projects where we start construction during and after October 2023, we have obligated construction companies to calculate GHG emissions in accordance with the manual. In addition, in order to raise the awareness of the entire Group toward decarbonization, we introduced internal carbon pricing system in FY 2022, which values the CO2 emissions of newly developed properties and quantitatively visualize their environmental impact. Furthermore, with the goal of achieving net-zero greenhouse gas emissions by FY

2050, we will promote open innovation for the creation of new technologies, including energy creation projects such as offshore wind and geothermal power, research and development with the University of Tokyo, other academia, and construction companies, investment in venture companies, and the provision of demonstration test sites. By combining these initiatives, we aim to realize urban development that promotes the decarbonization of not only our facilities but also the entire area. For details, please see our website:

URL: [https://www.mitsuifudosan.co.jp/english/esg\\_csr/carbon\\_neutral/](https://www.mitsuifudosan.co.jp/english/esg_csr/carbon_neutral/)

• In accordance with the Guiding Principles of Business and Human Rights as approved by the United Nations in 2011, Mitsui Fudosan is working on respect for human rights throughout the value chain, which has been defined as a corporate responsibility. When determining the Group Human Rights Policy in 2020, we identified and assessed the risks related to human rights to narrow down the key issues with regard to such rights. In fiscal year 2021, we started due diligence efforts for human rights with regard to the supply chains, including general contractors, and revised the Sustainable Procurement Standards (established in fiscal year 2018). From FY2022, the number of companies and sites subject to human rights due diligence has been expanded and ongoing engagement is being conducted to address and improve the reduction of human rights risks.

• We then formulated the Mitsui Fudosan Group Biodiversity Policy, which states that the entire Group will conduct business activities with consideration for biodiversity and will also pay attention to the impact of its supply chain on biodiversity. In March 2023 the Group created a basic plan on considering biodiversity in Group-owned forestland. In recognition of its contribution to biodiversity in accordance with the Plan, The Yudoromap Forests (163.73 ha) in Rumoi, Hokkaido, a part of the Group's forestland, has been certified by the Ministry of the Environment as a "Nature Harmony Site" as of March 18, 2024.

For details, visit our corporate website ([https://www.mitsuifudosan.co.jp/english/esg\\_csr/environment/06.html](https://www.mitsuifudosan.co.jp/english/esg_csr/environment/06.html) ).

[Supplementary Principle 4-1-1 Disclosure of Scope of Delegation to Management]

From the viewpoint of separation between execution and supervision, with the exception of matters pertaining to stocks and other items important to company management that must be determined by resolution by the Board of Directors in accordance with laws, regulations and the Articles of Incorporation, executive managing directors and executive officers are entrusted with the authority to make decisions pertaining to the execution of business.

Moreover, determination of importance within this authority shall be conducted after establishing Company rules on decision-making based on the nature and amount of transaction, etc.

[Principle 4-8] Effective Use of Independent Outside Directors

The Mitsui Fudosan Board of Directors consists of 13 members, including five independent outside directors.

Although independent outside directors as a percentage of the total number of the Board of Director members is currently 38.5%, Mitsui Fudosan will continue to pay close attention to this proportion so that the Board of Directors can satisfactorily fulfill its roles and responsibilities.

[Principle 4-10-1] Utilization of voluntary committees

The Mitsui Fudosan has established a Nomination Advisory Committee, chaired by an independent external director, comprising a majority of five independent outside directors and two internal directors, for a total of seven members.

The Board of Directors decides on the selection and dismissal of senior management and the nomination of candidates for the Board of Directors after consulting the Committee.

The Board of Directors decides on the nomination of candidates for the the Board of Corporate Auditors after consulting the Committee and with the consent of the Board of Corporate Auditors.

The Mitsui Fudosan has established a Compensation Advisory Committee , chaired by an independent external director, comprising a majority of five independent outside directors and two internal directors, for a total of seven members.

The compensation of senior management and directors is not left to the discretion of the President and Chief Executive Officer, but is decided by the Board of Directors after consulting the Committee.

[Principle 4-9] Standards for Determining Independence

Standards for Determining Independence are published in the 108th Securities Report.

For details, please see our Integrated Report on the corporate website.

URL: <https://www.mitsuifudosan.co.jp/english/corporate/ir/library/integratedreport/>

[Supplementary Principle 4-11-1 Balance, Diversity and Scale of Board of Directors]

• To ensure balance and diversity in the Board of Directors overall and facilitate multifaceted and useful discussions among Board members, Mitsui Fudosan appoints personnel with consideration for the capabilities and experience of each managing director while also maintaining a scale appropriate for the Board of Directors to function effectively and efficiently.

- A skills matrix listing the knowledge, experience, and abilities of each director and policies and procedures for selecting directors are included in the notice of the Ordinary General Shareholders' Meeting.

For details, please see our website:

URL: <https://www.mitsuifudosan.co.jp/english/corporate/ir/shareholder/meeting/index.html>

[Supplementary Principle 4-11-2 Disclosure of Officer Concurrent Positions]

Noteworthy concurrent positions, etc., are published in the convocation notice for the Ordinary General Shareholder's Meeting. For details, please see our Integrated Report on the corporate website.

URL: <https://www.mitsuifudosan.co.jp/english/corporate/ir/shareholder/meeting/index.html>

[Supplementary Principle 4-11-3 Board of Director Efficacy Analysis, Evaluation and Disclosure]

Each year, the Company analyzes and evaluates the efficacy of the Board of Directors, continually aiming to further enhance its functions. As for the method of analysis and evaluation, we used a third-party body for the development of a questionnaire and the analysis of the result. An overview and results of our evaluation of the Board of Directors' efficacy are provided below.

(1) Evaluation method

The Company conducted the questionnaire to all directors and corporate auditors regarding the Board of Directors' efficacy and interviews based on the issues recognized through the questionnaire. The results were then analyzed and evaluated at a meeting of the Board of Directors held on May 21, 2024.

(2) Evaluation items

- Board of Directors structure (number of members, ratio of executive to non-executive members, diversity, etc.)
- Status of operation of the Board of Directors (number of meetings held, attendance rates, time spent for deliberation, number of items deliberated, provision of information, questions and answers, etc.)
- Other (issues raised in the previous evaluation of Board of Directors' efficacy; Compensation Advisory Committee; Nomination Advisory Committee; meetings of outside directors and outside auditors; etc.)

(3) Evaluation results

Each evaluation item in the questionnaire received a high evaluation in general. According to the evaluation on the questionnaire and interviews, it was confirmed that the Board of Directors' efficacy was properly maintained because the improvement initiatives are being implemented on the basis of the previous efficacy evaluation as listed below to achieve sustained increases in the Group's corporate value.

[Major Initiatives Based on the Previous Efficacy Evaluation]

i) Report on the status of communication with investors

- The status of communication with investors will continue to be reported at Board of Directors in a timely and appropriate manner, as there was an opinion in this efficacy evaluation that this initiative was appreciated.

ii) Deepening the discussions at Board of Directors

- The discussion at the execution side was further shared during the explanation of each agenda item and the criteria for the agenda for the Board of Directors were changed so that the discussion time can be used more effectively for the discussion of more important topics.

iii) Discussion on brand and PR strategies

- Opportunities were set up at Board of Directors to report on PR strategies, brand strategies, etc., and discussions at Board of Directors were fed back to the execution side for action, etc.

(4) Issues and future initiatives

For further improvement of the efficacy of the Board of Directors, the following initiatives will be implemented to solve the issues identified through the questionnaire and interviews:

i) Monitoring of the Group's Long-Term Vision

- The Board of Directors continuously monitors the progress of future plans and other aspects of both financial and business strategies from the perspective of achieving the goals of the Group's Long-Term Vision.

ii) Discussion on priority areas of business strategies and infrastructure to support the strategies.

- In making progress on the Group's Long-Term Vision, discussions on necessary topics are held through Board of Directors and external officer meetings, etc., and the results are fed back to the execution side.

[Supplementary Principle 4-14-2 Disclosure of Managing Director and Corporate Auditor Training Policies]

To ensure that managing directors and corporate auditors sufficiently fulfill their roles, Mitsui Fudosan conducts an orientation at time of employment and regularly conducts training for managing directors to provide the information required to execute their duties. We also provide opportunities for outside directors to exchange opinions with senior management, allocate support staff for the Board of Directors and Board of Corporate Auditors, provide explanations and materials to outside directors before meetings of the Board of Directors, arrange site tours to the properties developed by the Company for outside directors, and cover the expenses necessary for managing directors and corporate auditors to fulfill their roles.



[Principle 5-1 Policy for Constructive Dialogue with Shareholders]

•Basic approach

In an attempt to realize sustainable growth and enhance corporate value over the medium- to long-term, Mitsui Fudosan proactively engages in constructive dialogue with shareholders in an effort to further enhance corporate value. We also make an effort to build long-term relationships of trust through the accurate disclosure of information and constructive dialogue with shareholders and investors.

•Constructive dialogue system improvement and engagement policy

The Investor Relations Department is the point of contact with regard to the promotion of constructive dialogues with shareholders, which are supervised by the managing director in charge. Furthermore, in addition to complete information disclosure trusted by shareholders, each relevant department exchanges information appropriately. If necessary, the details of dialogs with shareholders are shared with senior management, directors including outside directors, and auditors, and provided as feedback to management meeting and the Board of Directors as appropriate.

[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]

The Company will strive to achieve stable and continuous improvement of ROE that exceeds the cost of capital by managing with an equal focus on the three key objectives: enhance growth, efficiency and shareholder returns below.

(1) Profit growth achieved stable and continuous leasing income growth and realized development added value through the stable and continuous turnover of assets, and Enhancing cash-generating capabilities through business planning, property development, and management capabilities that are the source of the Company's competitive advantage.

(2) Balance Sheet control, by enhancing 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, and by controlling financial leverage appropriately.

(3) Expanding shareholder returns through a combination of the improved dividend payout ratio and the flexible and continuous repurchase of own shares.

For details, please refer to "& INNOVATION 2030 (the Group's Long-Term Vision)" on our website.

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

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

## 2. Capital Structure

Foreign Shareholding Ratio

30% or higher

[Status of Major Shareholders]

Updated

Name/Company Name	Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	163,437,100	17.50
Custody Bank of Japan, Ltd. (Trust account)	73,476,900	7.87
JP Morgan Chase Bank 385632	23,794,045	2.55
State Street Bank West Client – Treaty 505234	19,489,332	2.09
SSBTC Client Omnibus Account	19,225,627	2.06
JP Morgan Chase Bank 380072	16,112,500	1.73
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	14,300,754	1.53
Kajima Corporation	13,362,746	1.43
JP Morgan Chase Bank 385781	13,035,659	1.40
GOVERNMENT OF NORWAY	12,014,126	1.29

Controlling Shareholder (Except for Parent Company)

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Parent Company

None

Supplementary Explanation **Updated**

- The status of major shareholders is as of March 31, 2024.
- Calculations of share ownership ratios exclude treasury stock.
- A change report provided for public inspection dated May 11, 2022, indicates holdings of the Company's shares as of April 29, 2022, by Nomura Securities Co., Ltd., and its joint holders. However, as the Company is unable to confirm the substantial number of shares held as of March 31, 2024, these holdings are excluded from the above-mentioned status of major shareholders.
- A change report provided for public inspection dated October 3, 2022, indicates holdings of the Company's shares as of September 26, 2022, by Mitsubishi UFJ Financial Group, Inc., and its joint holders. However, as the Company is unable to confirm the substantial number of shares held as of March 31, 2024, these holdings are excluded from the above-mentioned status of major shareholders.
- A change report provided for public inspection dated June 6, 2023, indicates holdings of the Company's shares as of September 30, 2023, by BlackRock Japan Co., Ltd., and its joint holders. However, as the Company is unable to confirm the substantial number of shares held as of March 31, 2024, these holdings are excluded from the above-mentioned status of major shareholders.

### 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Prime
Fiscal Year-End	March
Type of Business	Real Estate
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Sales (consolidated) as of the End of the Previous Fiscal Year	¥1 trillion or more
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

### 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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### 5. Other Special Circumstances that May Have Material Impact on Corporate Governance

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## II Business Management Organization and Other Corporate Governance Systems Regarding

### Decision-Making, Execution of Business and Management Oversight

#### 1. Organizational Composition and Operation

Organization Form

A company with corporate auditors



## [Managing Directors]

Maximum Number of Managing Directors Stipulated in Articles of Incorporation		15
Term of Office Stipulated in Articles of Incorporation	Updated	1 years
Chairperson of the Board		Chairman (excluding situations when held concurrently by President)
Number of Managing Directors	Updated	13
Outside Director Appointment Status		Appointed
Number of Outside Directors	Updated	5
Number of Outside Directors Who Are Independent Officers	Updated	5

### Outside Directors' Relationship with the Company (1) Updated

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	G	h	i	j	k	
Tsunehiro Nakayama	From another company									△			
Shinichiro Ito	From another company									△			
Eriko Kawai	From another company												
Mami Indo	From another company									△			
Takashi Hibino	From another company									○			

#### \* Categories for "Relationship with the Company"

\* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past.

\* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past.

a Executive of a listed company or its subsidiaries

b Non-executive managing director or executive of a parent company of a listed company

c Executive of a fellow subsidiary company of a listed company

d A party whose major client or supplier is a listed company or an executive thereof

e Major client or supplier of a listed company or an executive thereof

f Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from a listed company besides compensation as a managing director

g Major shareholder of a listed company (or an executive of said major shareholder if the shareholder is a legal entity)

h Executive of a client or supplier company of a listed company (that does not correspond to d, e or f. Applies to the managing director themselves only)

i Executive of a listed company, between which the Company outside directors are mutually appointed (the managing director themselves only)

j Executive of a listed company or organization that receives a donation from the Company (the managing director themselves only)

k Other

Name	Independent Officer	Supplementary Explanation of the Relationship	Reasons for the Appointment
Tsunehiro Nakayama	○	<p>Tsunehiro Nakayama was the Director at Merrill Lynch Japan Securities Co., Ltd. until June 2017. Although this company is a Mitsui Fudosan business partner, the business transactions conducted therein are deemed to have no impact on his independence. Furthermore, these transactions account for less than 1% of the total transactions conducted by the Group in the most recent fiscal year.</p>	<p>Tsunehiro Nakayama has amassed a wealth of experience and broad insight having served for many years in top management positions. During meetings of the Board of Directors, he has provided many recommendations and findings regarding finance, risk management and other matters from an objective and specialist viewpoint. He has contributed greatly to invigorating discussions of the Board of Directors and improving its effectiveness. In addition, as a member of the Nomination Advisory Committee and Compensation Advisory Committee, he has participated in discussions from an objective standpoint, contributing to ensuring transparency in the selection process for managing directors and corporate auditors and in the decision process for compensation of managing directors. As the Company's outside director, he has played an appropriate role aimed at reinforcing the supervision functions of the Board of Directors and ensuring transparency. He is expected to make further contributions going forward, and because there is no possibility of conflicts of interest with general shareholders, he has been appointed as an outside director and independent officer.</p>
Shinichiro Ito	○	<p>Shinichiro Ito was the Chairman of the Board of Directors at ANA HOLDINGS INC. until March 2022. Although this company is a Mitsui Fudosan business partner, the business transactions conducted therein are deemed to have no impact on his independence. Furthermore, these transactions account for less than 1% of the total transactions conducted by the Group in the most recent fiscal year.</p>	<p>Shinichiro Ito has amassed a wealth of experience and broad insight having served for many years in top management positions. During meetings of the Board of Directors, he has provided recommendations and findings regarding branding, global business development, and other matters from an objective and specialist viewpoint. He has contributed greatly to invigorating the discussions by the Board of Directors and improving its effectiveness. In addition, as a member of the Nomination Advisory Committee and Compensation Advisory Committee, he has participated in discussions from an objective standpoint, contributing to ensuring transparency in the selection process for managing directors and</p>

			<p>corporate auditors and in the decision process for compensation of managing directors. As the Company's outside director, he has played an appropriate role aimed at reinforcing the supervision functions of the Board of Directors and ensuring transparency. He is expected to make further contributions going forward, and because there is no possibility of conflicts of interest with general shareholders, he has been appointed as an outside director and independent officer.</p>
Eriko Kawai	○	_____	<p>Eriko Kawai has served for many years overseas where she amassed a wealth of experience and broad insight as a management consultant while working for international organizations and universities. During meetings of the Board of Directors, she has provided recommendations and findings regarding the promotion of women's activities, ESGs, sustainability, and other matters from an objective and professional viewpoint. She has contributed greatly to invigorating discussions by the Board of Directors and improving its effectiveness.</p> <p>In addition, as a member of the Nomination Advisory Committee and Compensation Advisory Committee, she has participated in discussions from an objective standpoint, contributing to ensuring transparency in the selection process for managing directors and corporate auditors and in the decision process for compensation of managing directors. As the Company's outside director, she has played an appropriate role aimed at reinforcing the supervision functions of the Board of Directors and ensuring transparency. She is expected to make further contributions going forward, and because there is no possibility of conflicts of interest with general shareholders, she has been appointed as an outside director and independent officer.</p>
Mami Indo	○		<p>Mami Indo was the senior managing director at Daiwa Institute of Research Ltd. until December 2016. Although this company is a Mitsui Fudosan business partner, the business</p> <p>Mami Indo has amassed a wealth of experience and broad insight, having served as an analyst/consultant in a securities company and a think tank and as a commissioner of the Securities and Exchange Surveillance</p>

		<p>transactions conducted therein are deemed to have no impact on her independence. Furthermore, these transactions account for less than 1% of the total transactions conducted by the Group in the most recent fiscal year.</p>	<p>Commission.</p> <p>During meetings of the Board of Directors, she has provided recommendations and findings regarding the promotion of finance sector and risk management, and other matters from an objective and professional viewpoint. She has contributed greatly to invigorating discussions by the Board of Directors and improving its effectiveness. In addition, as a member of the Nomination Advisory Committee and Compensation Advisory Committee, she has participated in discussions from an objective standpoint, contributing to ensuring transparency in the selection process for managing directors and corporate auditors and in the decision process for compensation of managing directors. As the Company's outside director, she has played an appropriate role aimed at reinforcing the supervision functions of the Board of Directors and ensuring transparency. She is expected to make further contributions going forward, and because there is no possibility of conflicts of interest with general shareholders, she has been appointed as an outside director and independent officer.</p>
Takashi Hibino	○	<p>Takashi Hibino is a director of Daiwa Securities Group Inc, and was, until March 2024, the Chairman of the Board of Directors of Daiwa Securities Co Ltd. Although this company is a Mitsui Fudosan business partner, the business transactions conducted therein are deemed to have no impact on his independence. Furthermore, these transactions account for less than 1% of the total transactions conducted by the Group in the most recent fiscal year</p>	<p>Takashi Hibino has been elected as an outside director based on his broad insight and diverse experience in the finance and capital markets and management in general, having served as president and chairman of a securities company. The expectation is that he will provide various opinions to the Company's management aimed at reinforcing the supervisory function of the Board of Directors and ensuring transparency and because there is no risk of a conflict of interest with general shareholders.</p> <p>He will also serve on the Nomination Advisory Committee and Compensation Advisory Committee to increase transparency in the selection process for managing directors and corporate auditors and in the decision process for compensation of managing directors.</p>

Voluntary Establishment of Committee(s)  
Corresponding to Nomination Committee  
or Compensation Committee

Established

Voluntary Committee's Name, Composition and Chairman Attributes

Updated

	Committee Name	Committee Members	Full-Time Members	Internal Directors	Outside Directors	Outside Experts	Others	Chairperson
Voluntary Committee Corresponding to Nomination Committee	Nomination Advisory Committee	7	0	2	5	0	0	Outside Director
Voluntary Committee Corresponding to Compensation Committee	Compensation Advisory Committee	7	0	2	5	0	0	Outside Director

Supplementary Explanation

Updated

[Nomination Advisory Committee]

•Appointment, dismissal and nomination policy

The Company, based on the Group's management philosophy, business strategies, and others, comprehensively considers diversity, such as personality, abilities, insights, gender, and other factors, and then appoints senior management and selects candidates who are suitable as managing directors and corporate auditors.

The Company appoints its outside directors with the expectation that they will contribute their abundant experience and broad knowledge to the Company's management, and that they will play an appropriate role in strengthening the supervisory function of the Board of Directors and ensuring transparency.

The Company also appoints its outside auditors with the expectation that they will bring an objective stance to auditing the managing directors in the performance of their duties, based on their expert knowledge and extensive experience.

Currently, Four out of a total of eighteen managing directors and corporate auditors are women (22.2%). The Company will continue to make efforts to ensure further diversity on the Board of Directors as a whole by having at least one female managing director.

The Company is able to dismiss senior management in the event of impropriety or serious violations of laws or the Articles of Incorporation occurring within or outside the execution of duties by senior management.

•Appointment, dismissal and nomination procedures

Mitsui Fudosan has established the Nomination Advisory Committee, comprised of the following 7 members: 5 independent outside directors who make up the majority and 2 internal directors, with one of these independent outside directors serving as chairman. The Board of Directors consults this committee on the appointment or dismissal of senior management and the nomination of candidates for managing directors prior to making these decisions. Additionally, the nomination of corporate auditors is decided by the Board of Directors with the approval of the Board of Corporate Auditors after consulting with this committee.

[Compensation Advisory Committee]

•Policies for determining managing director compensation

Managing director's compensation consists of basic compensation, bonuses paid as a short-term incentive and restricted stock compensation paid as a medium- to long-term incentive. Compensation for managing directors (outside directors) is solely basic compensation.

•Procedures for determining managing director compensation

Mitsui Fudosan has established the Compensation Advisory Committee, comprised of the following 7 members: 5 independent outside directors who make up the majority and 2 internal directors, with one of these independent outside directors serving as chairman. Instead of leaving determination to the sole discretion of the President, the Board of Directors consults this committee on senior management and management directors' compensation prior to making these decisions.

## [Corporate Auditors]

Establishment of Board of Corporate Auditors	Established
Maximum Number of Corporate Auditors Stipulated in Articles of Incorporation	5
Number of Corporate Auditors	5

Cooperation among Corporate Auditors, the Company's Certified Public Accountant and the Internal Audit Department

Corporate auditors receive reports regarding regular audits from the Company's certified public accountant and engage in the mutual exchange information.

Status of Outside Auditor Appointments	Appointed
Number of Outside Auditors	3
Outside Auditors appointed as Independent Officers	3

Relationship with Company (1)

Updated

Name	Attribute	Relationship with Company*													
		a	b	c	d	e	f	g	h	i	j	k	l	m	
Minoru Nakazato	Lawyer														
Mayo Mita	From another company										△				
Michiko Chiba	Certified Public Accountant										△				

\* Categories for "Relationship with the Company"

\* "○" when the auditor presently falls or has recently fallen under the category;

"△" when the auditor fell under the category in the past.

\* "●" when a close relative of the auditor presently falls or has recently fallen under the category;

"▲" when a close relative of the auditor fell under the category in the past.

a Executive of a listed company or its subsidiaries

b Non-executive managing director or accounting advisor of a listed company or its subsidiary

c Non-executive managing director or executive of a parent company of a listed company

d Corporate auditor of a listed company's parent company

e Executive of a fellow subsidiary company of a listed company

f A party whose major client or supplier is a listed company or an executive thereof

g Major client or supplier of a listed company or an executive thereof

h Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from a listed company besides compensation as a managing director

i Major shareholder of a listed company (or an executive of said major shareholder if the shareholder is a legal entity)

j Executive of a client or supplier company of a listed company (that does not correspond to f, g or h. Applies to the managing director themselves only)

k Executive of a listed company, between which the Company outside directors are mutually appointed (the managing director themselves only)



- l Executive of a listed company or organization that receives a donation from the Company (the managing director themselves only)
- m Other

Relationship with Company (2) Updated

Name	Independent Officer	Supplementary Explanation of the Relationship	Reason for Appointment
Minoru Nakazato	○	-----	Minoru Nakazato is currently fulfilling appropriate roles as an outside auditor, sufficiently realizing his function of monitoring the execution of duties by the managing directors . Going forward, Minoru Nakazato is expected to make further contributions, and because there is no possibility of conflicts of interest with general shareholders, he has been appointed an outside auditor and independent officer.
Mayo Mita	○	Mayo Mita was a senior advisor at Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., until December 2019. Although this company is a business partner of Mitsui Fudosan, the business transactions conducted therein are deemed to have no impact on her independence. Furthermore, these transactions account for less than 1% of the total transactions conducted by the Group in the most recent fiscal year.	Mayo Mita is currently fulfilling appropriate roles as an outside auditor, sufficiently realizing her function of monitoring the execution of duties by the managing directors . Going forward, Mayo Mita is expected to make further contributions, and because there is no possibility of conflicts of interest with general shareholders, she has been appointed an outside auditor and independent officer.
Michiko Chiba	○	Michiko Chiba was a senior partner of ShinNihon LLC (currently Ernst & Young ShinNihon LLC) from July 2010 to August 2016. Although this company is a business partner of Mitsui Fudosan, the business transactions conducted therein are deemed to have no impact on her independence. Furthermore, these transactions account for less than 1% of the total transactions conducted by the Group in the most recent fiscal year.	Michiko Chiba has professional insight on finance and corporate accounting as a certified public accountant, also she has extensive auditing experience at an auditing corporation. She has been elected as an outside corporate auditor because she is expected appropriately audit the performance of the managing directors' duties based on her insight and experience and there is no risk of a conflict of interest with general shareholders.

[Independent Officers] Updated

Number of Independent Officers	8
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Matters Relating to Independent Officers

All independent officers qualify as independent officers and are designated as independent officers.

[Incentives]

Incentive Policy for Managing Directors	Performance-based compensation
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Supplementary Explanation

[Restricted stock compensation system] Updated

At the 108th Ordinary General Shareholders' Meeting held on June 26, 2020, the introduction of a restricted stock compensation system to managing directors of the Company, other than outside directors, in place of stock options was approved. Stock acquisition rights which have already been granted as stock options but have not yet been exercised will continue to exist. However, no new stock options will be granted.

Furthermore, we have also introduced a restricted stock compensation system to managing officers and Group officers who do not concurrently serve as managing directors.

【Policies relating to the determination of payment ratios for performance-based compensation and other forms of compensation】

Compensation for directors consists of a bonus and restricted stock compensation, which are performance-based compensation, and basic compensation, which is compensation other than performance-based compensation. The payment ratio for performance-based compensation is around 50% to 60% (around 60% to 70% for the President and Chief Executive Officer), and is around 40% to 50% (30% to 40% for the President and Chief Executive Officer) for other forms of compensation.

【Indexes relating to performance-based compensation, reasons for selecting indexes for performance-based compensation, and method used to determine the amount of performance-based compensation】

Indicators for restricted stock compensation and bonuses, which are linked to business performance, comprehensively take into account performance for the fiscal year under review (operating income and profit attributable to owners of parent), status of ESG initiatives, and return of profits to shareholders based on the Company's shareholder return policy (dividends and share repurchases), progress of the Group's long-term management policy "VISION 2025," etc. in order to increase the linkages between managing directors' compensation, performance and shareholder value. The reason for selecting these indicators is to increase the interrelationship between managing directors' compensation and performance and shareholder value, and to strengthen the incentive for managing directors to increase corporate value and achieve management targets.

## [Managing Director Compensation]

### Disclosure of Individual Managing Directors' Compensation

### Selected Managing Directors

Supplementary Explanation

Updated

Compensation for Board of Directors and Board of Corporate Auditors members in fiscal 2023 was as follows.

(1) Total Amount of Compensation for Each Executive Officer Category and Total Amount of Compensation by Type of Compensation and Number of Officers Eligible

Executive Officer Category	Total Amount of Compensation (Millions of Yen)	Amount by Type of Compensation (Millions of Yen)			Number of Officers Eligible (Persons)
		Basic Compensation	Bonus	Restricted stock compensation	
Managing directors (excluding outside directors)	1,593	645	596	351	12
Corporate auditors (excluding outside auditors)	106	106	—	—	3
Outside officers	148	148	—	—	10

Notes:

1. The number of persons and the amount of compensation above include five managing director who retired at the conclusion of the 111th Ordinary General Shareholders' Meeting held on June 29, 2023.

(2) Total Amount of Compensation of Persons with Total Compensation of 100 Million Yen or More

Name	Executive Officer	Company	Amount by Type of Compensation (Millions of Yen)	Total
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	Category	Category	Basic Compensation	Bonus	Restricted stock compensation	Compensation (Millions of Yen)
Masanobu Komoda	Chairman of the Board and Chief Executive Officer (Representative)	Company submitting report	138	141	104	384
Takashi Ueda	President and Chief Executive Officer (Representative)	Company submitting report	138	172	95	405
Takashi Yamamoto	Managing Director (Representative)	Company submitting report	68	67	30	178
	Managing Director	Mitsui Fudosan Residential Co., Ltd.	11	–	–	
Takayuki Miki	Managing Director	Company submitting report	63	51	25	139
Yoshihiro Hirokawa	Managing Director	Company submitting report	47	51	19	118

Notes:

1. Executive Officer Category is for fiscal year 2023.

Policy on Determining Compensation Amounts and Calculation Methods

Established

Policy on Determining Compensation Amounts and Calculation Methods

Updated

Managing directors' compensation consists of basic compensation in an amount within the scope set and approved by resolution of the 106th Ordinary General Shareholders' Meeting, bonuses paid as short-term incentives that comprehensively take into consideration such things as business results achieved in each fiscal year which must be approved by resolution at the Ordinary General Shareholders' Meeting, and restricted stock compensation paid as medium- to long-term incentives in an amount within the scope set and approved by resolution of the 112th Ordinary General Shareholders' Meeting for the purpose of sustainably increasing the corporate value of the Group and further sharing shareholder value with shareholders.

Compensation paid to managing directors (outside directors) is solely basic compensation. Compensation paid to corporate auditors will be within the scope of the total amount approved by a resolution at the 106th Ordinary General Shareholders' Meeting.

Mitsui Fudosan has established the Compensation Advisory Committee, comprised of the following 7 members: 5 independent outside directors who make up the majority and 2 internal directors, with one of these independent outside directors serving as chairman. The amount of compensation for directors is determined by the Board of Directors following consultation with the Compensation Advisory Committee. Corporate Auditor' compensation is determined based on discussions among corporate auditors.

The Board of Directors determines the details of compensation, etc. for individual managing directors for the fiscal 2020 under review pursuant to the above policy after consultations with the Compensation Advisory Committee. As a result, the details of compensation are deemed to follow the policy.

### [Support System for Outside Directors (Outside Auditors)]

The professional duties of outside directors are assisted by the Corporate Planning Department; outside auditors are assisted by the Corporate Auditor's Department.

## [Status of persons retired from Chairman of the Board and Chief Executive Officer (Representative), etc.]

Names, etc., of advisors who have formerly served as Representative Director and President, etc.

Name	Title/Position	Role/Activity	Working Conditions	Date of Retirement from President, etc.	Term
Hikomichi Iwasa	Advisor	External activities	Full-time and paid	March 31, 2023	2 years

Total number of advisors, counselors, etc., who are past presidents or equivalent

1

### Other information

- The Board of Directors has approved the appointment of the Advisor.
- The Advisor is not a member of the Board of Directors, does not attend management meetings or equivalent meetings where decisions are made, and is not involved in the execution of the Company's business.

## 2. Matters Pertaining to Business Execution, Auditing and Oversight, Nomination and Compensation Decision Functions (Overview of Current Corporate Governance System)

Updated

### (1) Board of Directors

The Board of Directors, headed by Chairman Masanobu Komoda and comprising thirteen members, including eight internal directors (Masanobu Komoda, Takashi Ueda, Takashi Yamamoto, Shingo Suzuki, Makoto Tokuda, Hisashi Osawa, Yutaka Saito and Nobuhiko Mochimaru) and five outside directors (Tsunehiro Nakayama, Shinichiro Ito, Eriko Kawai, Mami Indo and Takashi Hibino), decides on issues material to Mitsui Fudosan and monitors the execution of business by managing directors. The corporate auditors also attend meetings of the Board of Directors and provide opinions as necessary.

### (2) Compensation Advisory Committee

The Compensation Advisory Committee, headed by independent outside director Shinichiro Ito as Chairman and comprising seven members, including five independent outside directors (Tsunehiro Nakayama, Shinichiro Ito, Eriko Kawai, Mami Indo and Takashi Hibino), President and Chief Executive Officer Takashi Ueda, and one internal director (Makoto Tokuda), meets on matters pertaining to the compensation of managing directors.

### (3) Nomination Advisory Committee

The Nomination Advisory Committee, headed by independent outside director Shinichiro Ito as Chairman and comprising seven members, including five independent outside directors (Tsunehiro Nakayama, Shinichiro Ito, Eriko Kawai, Mami Indo and Takashi Hibino), President and Chief Executive Officer Takashi Ueda, and one internal director (Makoto Tokuda), meets on matters pertaining to the nomination of managing directors and corporate auditors, as well as the appointment and dismissal of managers.

### (4) Board of Corporate Auditors

The Board of Corporate Auditors, comprising five corporate auditors, including two internal auditors (Wataru Hamamoto and Yoshihiro Hirokawa) and three outside auditors (Minoru Nakazato, Mayo Mita and Michiko Chiba), formulates auditing policies and determines assignments. It also receives reports and discusses material items on audits conducted according to these policies and assignments. Note that the Corporate Auditor's Department has been established specifically to assist the corporate auditors with their work, and each corporate auditor has been assigned two dedicated employees.

### (5) Corporate Officer System

The introduction of a corporate officer system promotes the separation and reinforcement of the management and executive functions, the system enhances management soundness and efficiency. In addition, seeking to further reinforce Mitsui Fudosan Group management, we have also introduced a Group corporate officer system, under which executives at Group companies have been given a status and mission similar to those of the corporate officers.

### (6) Executive Management Committee

The Executive Management Committee, consisting of executive corporate officers, has been formed to deliberate and report on important matters related to business execution and conduct reporting. Full-time corporate auditors also attend meetings to stay informed of important decision-making processes and the status of business execution, and provide opinions as necessary.

(7) Internal Audit System

The Internal Audit Department (24 members), an independent organization under direct control of the president, conducts internal audits of all departments in accordance with auditing plans approved by the Board of Directors and confirms the maintenance and operational status of internal control systems. This department provides guidance on improvements regarding matters indicated through audits in departments that are audited and strives to improve the efficacy of internal controls. The department also conducts the assessment of internal control over financial reporting stipulated in the Financial Instruments and Exchange Act. In addition, corporate auditors, the Company’s certified public accountant and the Internal Audit Department collaborate with each other through the receipt of reports regarding regular auditing and the exchanging of opinions.

(8) Financial Auditing

Mitsui Fudosan has concluded an auditing contract with KPMG AZSA LLC as its certified public accountant, which conducts audits. There is no shared interest between the auditor and the Company, nor between employees conducting operations for the auditor and the Company.

The auditor’s continuous auditing period, the names of certified public accountants who have executed business during the fiscal year, the number of years of continuous auditing and the composition for assistance with auditing duties are as follows.

Continuous auditing period

55 years

This is the number of years since the Asahi Accounting Company, the predecessor of KPMG AZSA LLC, became an audit corporation.

Name of certified public accountants who have executed audits

Designated limited liability employee business executives: Yutaka Terasawa (2 years); Hironori Hashizume (6 years) ; Masashi Gake (2 years)

Note: Number of years of continuous auditing are shown in parentheses.

Breakdown of assistants involved in financial auditing duties

Certified Public Accountants: 13; Passed CPA exam: 12; Others: 24

### 3. Reasons for Adoption of Current Corporate Governance System

Mitsui Fudosan has established the Compensation Advisory Committee and Nomination Advisory Committee to enhance transparency regarding compensation for managing directors and nomination of managing directors and corporate auditors. It has also adopted a corporate officer system to enhance the soundness and efficiency of management by separating and strengthening management and executive functions. Mitsui Fudosan also invites and appoints outside directors to strengthen the oversight functions of the managing directors and enhance management transparency.

In addition, corporate auditors conduct audits to evaluate the status of business execution by managing directors while coordinating with the Internal Audit Department, which serves as the Company’s internal auditing department, as well as with the certified public accountant. For these reasons, this system has been adopted, as it is determined to sufficiently facilitate corporate governance.

## III. Implementation of Measures for Shareholders and Other Stakeholders

### 1. Measures to Vitalize the General Shareholder’s Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early notification of General Shareholder’s Meeting	Convocation notices are sent out three weeks before the General Shareholder’s Meeting.
Allowing electronic exercise of voting rights	Voting rights are exercised electronically via the internet.

Participation in the platform for electronic exercise of voting rights and initiatives to improve environment for institutional investor execution of voting rights	As of the General Shareholder's Meeting held in June 2008, Mitsui Fudosan has participated in the electronic voting rights exercise platform for institutional investors operated by ICJ Inc.
Provision of (summarized) convocation notice in English	Mitsui Fudosan creates English-language versions of convocation notices.

## 2. IR Activities

	Supplementary Explanations	Explanation by Representative
Preparation and publication of disclosure policy	<p>In conducting IR activities, Mitsui Fudosan promotes understanding among shareholders, investors, securities analysts and other market participants, aiming to acquire appropriate valuations through initiatives aimed at building long-term relationships of trust with market participants. To achieve these objectives, Mitsui Fudosan appropriately discloses details regarding management strategy, financial conditions and other Company-related information.</p> <p>Regarding disclosure, information from Mitsui Fudosan divisions, departments and subsidiaries is collected by the General Administration Department under the management of the General Manager, General Administration Department, the person in charge of handling information. The General Administration Department and relevant departments conduct discussions on the necessity of timely disclosure based on the Financial Instruments and Exchange Act and related laws and the Timely Disclosure Rules established by the Tokyo Stock Exchange, then make a decision with regard to disclosure. Furthermore, when disclosing information, Mitsui Fudosan complies with the Fair Disclosure Rules set forth in the Financial Instruments and Exchange Act and strives to realize the prompt and fair disclosure of information.</p>	
Regular briefings for individual investors	Timely briefings are held for individual investors in securities companies, etc.	No
Regular briefings for analysts and institutional investors	<p>Business results briefings (Japanese) are held twice each fiscal year for analysts and institutional investors. At these briefings, the President or supervising corporate officers and other management present earnings reports and business overview information. Videos and audio data (both Japanese and English versions) from these briefings are posted on the Mitsui Fudosan website.</p> <p>Once each quarter, results briefings are carried out with Japanese and English audio and posted on the Mitsui Fudosan website. Supervising corporate officers and other management conduct individual interviews with analysts and institutional investors multiple times each year.</p>	Yes
Posting of IR materials on the corporate website	<p>Financial results, securities reports, annual reports and other information for investors is posted on the Mitsui Fudosan corporate website.</p> <p><a href="https://www.mitsui-fudosan.co.jp/english/corporate/ir/index.html">https://www.mitsui-fudosan.co.jp/english/corporate/ir/index.html</a></p>	



Establishment of IR-related department (manager)	Mitsui Fudosan has established an Investor Relations Department.
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### 3. Measures to Ensure Due Respect for Stakeholders

Updated

	Supplementary Explanations
Stipulation of internal rules for respecting the position of stakeholders	<p>Mitsui Fudosan has formulated a variety of regulations including the Mitsui Fudosan Group Philosophy, the Mitsui Fudosan Group Compliance Policy, aimed at respecting the position of stakeholders, a customer-oriented attitude, coexistence with local communities and the appropriate disclosure of information.</p>
Implementation of environmental activities and CSR activities	<ul style="list-style-type: none"> <li>• The Group's Long-Term Vision, "&amp; INNOVATION 2030," includes "ESG initiatives" as one of the infrastructures supporting the strategy, and the Group will promote "Sustainability Management" to actively contribute to a sustainable society.</li> <li>• In order to achieve a decarbonized society, we have set numerical targets (KPI) of achieving net-zero greenhouse gas (GHG) emissions for the entire Group by FY 2050. In order to achieve a decarbonized society, we have set numerical targets (KPI) of achieving net-zero greenhouse gas (GHG) emissions for the entire Group by FY 2050.</li> </ul> <p>We are promoting initiatives to achieve a decarbonized society, such as smart energy projects to provide stable supply of electricity and heat in the Nihonbashi, Toyosu, and Yaesu areas, the move to the use of green electricity in office buildings, and the planning of a 17-story wooden-structure high-rise office building in Nihonbashi, and have developed the Group's action plan to realize a decarbonized society. For more details, please see the press release (<a href="https://www.mitsuifudosan.co.jp/english/corporate/news/2021/1124/download/20211124.pdf">https://www.mitsuifudosan.co.jp/english/corporate/news/2021/1124/download/20211124.pdf</a>).</p> <ul style="list-style-type: none"> <li>• Furthermore, we have joined the international initiative RE100 with the goal of using renewable energy to procure 100% of the electricity consumed by our business activities by 2050. We are also disclosing information based on the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), which encourages corporations, etc., to disclose information on risks and opportunities related to climate change.</li> </ul> <p>In addition, our Group-wide greenhouse gas emission reduction targets have been recognized by the international initiative Science Based Target (SBT) as being consistent with scientific findings.</p> <ul style="list-style-type: none"> <li>• For details on the Mitsui Fudosan Group's numerical targets (KPIs) and initiatives related to ESG, please refer to the ESG Report. URL: <a href="https://www.mitsuifudosan.co.jp/english/esg_csr/">https://www.mitsuifudosan.co.jp/english/esg_csr/</a></li> </ul> <p>Please note that the result in fiscal year 2021 of the greenhouse gas (GHG) emission reduction ratio, which is one of our numerical targets (KPIs), showed an approximately 4% reduction compared to the base year (fiscal year 2019). For the progress of other ESG numerical targets (KPIs) in fiscal year 2021, please refer to our release (<a href="https://www.mitsuifudosan.co.jp/english/corporate/news/2022/0629/download/20220629.pdf">https://www.mitsuifudosan.co.jp/english/corporate/news/2022/0629/download/20220629.pdf</a>).</p>
Formulation of policies on information provided to stakeholders	<p>Mitsui Fudosan proactively engages in public relations activities and the review of external feedback, discloses Company information fairly and promotes the ongoing proactive provision of information not limited to statutory disclosure with constant communication with wider society as Mitsui Fudosan's basic policy. We also maintain a system for the accurate and speedy disclosure of information.</p>

• The Group's long-term vision positions "human resources" as the infrastructure behind the Company's strategy to contribute to the creation of added value in society as "an industrial developer". In order to contribute to the creation of added value for society as an industrial developer, the entire Group is committed to raising the level of its human resources capability, which is the source of value creation, and to acquiring new human resources and knowledge that will accelerate innovation. We also aim to further deepen our One Team-type organisation, which supports the activities of our diverse human resources and brings together the Group's strengths. The Group will continue to develop its own organisation.

• In terms of "raising the level of human resources capabilities", we will work to further strengthen talent management and engagement that addresses the careers of individuals by understanding their career aspirations and situations, for example by conducting annual individual interviews between the staff of the Personnel Department and all employees. We will provide more opportunities to gain new knowledge and awareness through various educational investments, such as the provision of cross-border programmes in different industries and the development of a postgraduate study support system.

• In terms of acquiring new human resources and knowledge to accelerate innovation, we will promote recruitment from various fields and different industries to respond to an increasingly complex and sophisticated business environment, and expand inclusion measures such as mentoring and on-boarding training to enable people with diverse backgrounds to play an active role. We will continue to expand inclusion measures such as mentoring and on-boarding training to enable people with diverse backgrounds to flourish. And we will strengthen training and education in new areas to utilise technology and global resources, such as DX training for all employees and overseas language training for young and mid-career employees.

## Other

• The Group is also working together to promote D&I, such as health management and promotion of women's activities, in order to create a safe working environment. The Company has introduced environmental improvements related to childcare and nursing care, such as the establishment of a childcare leave period that exceeds the legally stipulated period, flexible working hours and a remote working system, the establishment of on-site childcare centres, and a system to subsidise childcare and nursing care costs. The company has also introduced a 'return entry system' under which employees who have worked for the company and retired can apply for re-employment examinations.

In addition, with the aim of supporting employees involved in childcare, creating a comfortable working environment and fostering a culture, the company has introduced childcare support leave and set a target of 100% of male employees.

• In order to further mobilise the Group's strength, the Group is working to deepen its organisation into a OneTeam organisation by spreading values such as "a thoroughgoing customer-centered approach" and "the importance placed on team results" throughout the Group, strengthening inter-Group personnel exchanges and expanding Group-wide employee benefits. The Group is working to deepen its organisation into a OneTeam organisation.

• In accordance with the Guiding Principles of Business and Human Rights as approved by the United Nations in 2011, Mitsui Fudosan is working on respect for human rights throughout the value chain, which has been defined as a corporate responsibility. When determining the Group Human Rights Policy in 2020, we identified and assessed the risks related to human rights to narrow down the key issues with regard to such rights. We conducted human rights due diligence on major general contractors in fiscal year 2021; on the main contractors for facility management, cleaning, and other services in fiscal year 2022; and on small and medium-sized general contractors and construction companies in fiscal year 2023 to grasp the progress of their efforts and to implement measures and carry out improvements for the reduction of risks.

## IV Matters related to Internal Control and Other Systems

### **1. Basic Views on Internal Control Systems and System Development Progress**

The Mitsui Fudosan Group develops and operates a system related to internal control in an effort to improve management soundness, transparency and efficiency and gain the trust of stakeholders. The internal control system is managed as follows by promoting sound operation and ensuring the adequacy of business conforms to laws and regulations and the Company's Articles of Incorporation.

- (1) System to ensure that execution of business by managing directors conforms to laws and regulations and the Company's Articles of Incorporation

The Company is working to ensure thorough management of compliance risks and other administrative risks through formulation and implementation of a Risk Management Plan (compliance risk, disaster risk, system risk and quality risk), based on its Risk Management Rules, Compliance Rules, and other internal rules. The Company has also established a Risk Management Special Committee and put in place a risk management structure for administrative risks to violations of laws and regulations and its Articles of Incorporation.

- (2) System related to storage and management of information concerning the execution of business by managing directors  
All information is appropriately stored and managed according to internal rules, including the Document Rules, the Information Management Rules and the Information System Management Rules.

- (3) Regulations and other frameworks related to prevention of losses

Based on Risk Management Regulations and other internal rules, the Executive Management Committee supervises and controls risk management items concerning the Company or the Mitsui Fudosan Group. It heads two committees charged with uncovering and comprehending risk issues and devising solutions for them: the Strategy Planning Special Committee, which handles business risk management, and the Risk Management Special Committee, which is responsible for management of administrative risk.

- (4) Framework for ensuring that the business of managing directors is executed efficiently

To promote the separation and strengthening of the management and executive functions for which managing directors are responsible, the Company has adopted a corporate officer system, part of a framework intended to ensure that the business of managing directors is executed efficiently.

Concerning the execution of business based on decisions of the Board of Directors, internal rules, including organizational rules and rules governing administrative authority, set forth who is in charge and their responsibilities and promote efficient business by also setting forth procedures for execution.

- (5) A system to ensure that the execution of business by employees conforms to laws and regulations and the Company's Articles of Incorporation

The Company is working to ensure thorough management of compliance risks and other administrative risks through formulation and implementation of a Risk Management Plan (compliance risk, disaster risk, system risk and quality risk), based on its Risk Management Rules, Compliance Rules, and other internal rules. The Company has also established a Risk Management Special Committee and put in place a risk management structure for administrative risks to violations of laws and regulations and its Articles of Incorporation. In addition, based on its Internal Control System Rules, the Company has established a point of contact for consultation regarding compliance problems both inside and outside the Company. Further, based on Internal Audit Rules, the Internal Audit Department audits the operation of the compliance framework as well as compliance with laws and regulations, and reports to the Board of Directors and corporate auditors.

- (6) Framework for ensuring appropriate business practices by the corporate group comprising the Company and its subsidiaries

Through appropriate management of its Subsidiaries and Affiliates Administration Rules and Overseas Affiliates Administration Rules, the Company seeks to ensure the efficient execution of business by managing directors of its subsidiaries, while management is based on approval and monitoring by Mitsui Fudosan. Each Group company also has in place a compliance framework and Internal Control System based on the Mitsui Fudosan Group Compliance Policies. The Internal Audit Department conducts audits of the subsidiaries' compliance frameworks and their compliance with laws and regulations, and reports to the Board of Directors and the Board of Corporate Auditors.

- (7) Regarding a framework for providing an employee to assist corporate auditors with their duties, and for ensuring said employee's independence from the managing directors and the validity of said employee's instructions

The Corporate Auditor’s Department has been established specifically to assist the corporate auditors with their work, and each corporate auditor has been assigned a dedicated employee. Said employee shall be under the chain of command of the corporate auditor, who shall also evaluate the employee’s performance. Transfer of said employee shall take place only upon prior discussion with the corporate auditor.

- (8) Frameworks for enabling managing directors and employees to report to the corporate auditors, for other reporting to the corporate auditors, and for ensuring that audits by the corporate auditors are conducted effectively  
 Corporate auditors attend meetings of the Board of Directors. Full-time corporate auditors also attend meetings of the Executive Management Committee, which oversees internal controls and risk management, receives reports when necessary, and shares these at meetings of the Board of Corporate Auditors. In addition, the corporate auditors receive regular audit reports from the Internal Audit Department and the Company’s certified public accountant, and exchange information to build cooperation.

Matters that have become subject to internal consulting are reported to the corporate auditors as appropriate via the Risk Management Special Committee, and the Internal Control System Rules contain provisions stating that the act of consulting itself will not be reason for detrimental treatment of the person requesting consultation.

- (9) Framework for enabling managing directors, auditors and employees of subsidiaries, or individuals receiving reports from those listed, to report to corporate auditors, and for ensuring that individuals providing such reports will not, by reason of having made said report, be subject to detrimental treatment as a result  
 Full-time corporate auditors attend meetings of the Executive Management Committee, which oversees internal controls and risk management, receives reports as necessary, and shares them with the Board of Corporate Auditors.

They also work to exchange information as appropriate with the managing directors and auditors of the Company’s subsidiaries, either directly or through relevant departments, and receive progress reports on implementation of internal audits at subsidiaries. Matters subject to internal consulting under the internal consulting system of each Group company are also reported to the Company’s corporate auditors as appropriate via the Risk Management Special Committee. Rules regarding each Group company’s internal consulting system contain provisions stating that the act of consulting itself will not be reason for detrimental treatment of the person requesting consultation.

- (10) Policies regarding procedures for prepayment or reimbursement of expenses arising in the execution of the corporate auditors’ duties or related to processing of other expenses and liabilities arising from execution of those duties  
 Expenses required for the execution of the corporate auditors’ duties shall be borne by the Company at cost.

## 2. Basic Views on Eliminating Anti-Social Forces and Development Status

### (1) Basic Views

The Mitsui Fudosan Group maintains a steadfast position of strictly avoiding any and all relationships with anti-social forces that threaten the order and safety of civil society.

### (2) Development Status

- Having formulated internal regulations including The Mitsui Fudosan Group Compliance Policy, Compliance Rules and Compliance Procedures, the Company strives to clarify basic views and procedures related to the elimination of anti-social forces while raising internal awareness.
- We work closely with the police, the National Center for Removal of Criminal Organizations, lawyers and other external professional organizations and strive to collect information related to anti-social forces.

## V Other

### 1. Adoption of Takeover Defense Measures

Adoption of Takeover Defense Measures	Not Adopted
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Supplementary Explanation  
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### 2. Other Matters Pertaining to the Corporate Governance System

#### (1) Status of Internal Systems Related to Timely Disclosure of Company Information

Information from Mitsui Fudosan divisions, departments and subsidiaries is collected by the General Administration Department under the management of the General Manager, General Administration Department, the person in charge of handling information. The General Administration Department, Accounting and Finance Department and Corporate

Communications Department conduct discussions on the necessity of timely disclosure based on timely disclosure rules and related laws and regulations, then make a decision with regard to disclosure.

The decision to disclose then requires Executive Management Committee deliberation and Board of Director resolution on the necessity of the information to be disclosed and information related to financial performance. Information disclosure deemed necessary is promptly remanded to the General Administration Department for disclosure procedures.

Furthermore, when disclosing information, the Company complies with the Fair Disclosure Rules set forth in the Financial Instruments and Exchange Act and strives to realize the prompt and fair disclosure of information.





