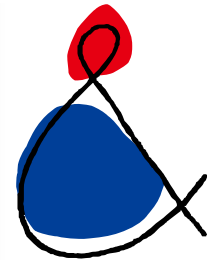


Innovation 2017



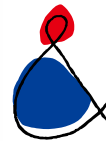
April, 2012



mitsui MITSUI FUDOSAN CO.,LTD.

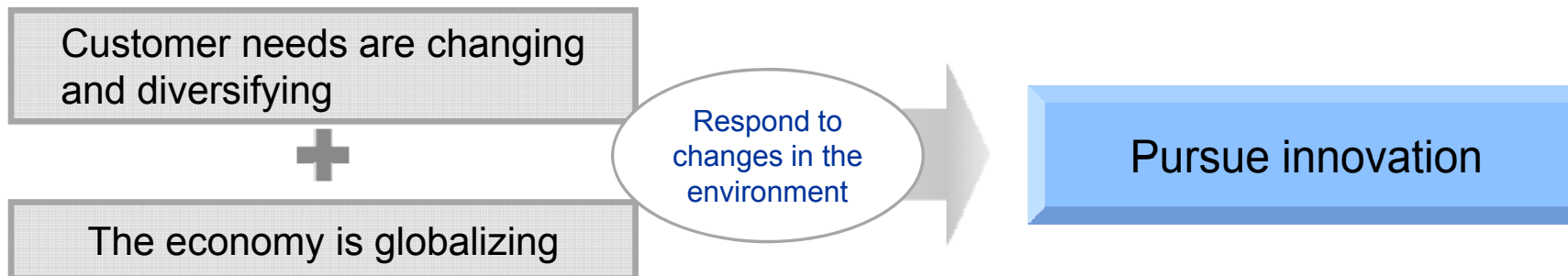
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1. Objectives of Innovation 2017

① Pursuit of innovation



② Achieving profitable growth





2. Our strengths

① A tradition of continuous innovation

From postwar reconstruction to high growth (1950s and 1960s)



Kasumigaseki Building
Japan's first skyscraper



Concentration of population in cities (1970s)

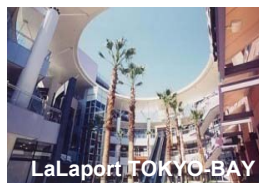


Housing business expansion

Changes in the industrial structure (1980s)



Redevelopment of industrial sites



Retail facility development initiated

From the end of the myth of ever-rising land prices to a period of urban redevelopment (1990s and 2000s)

J-REIT market & private funds

NBF
Nippon Building Fund

Nippon Accommodations Fund

Frontier Real Estate Investment Corporation

MITSUI FUDOSAN INVESTMENT ADVISORS, INC.
Private funds managed by the Mitsui Fudosan Group



Convergence of real estate & finance (new business model)

Creation of neighborhoods

② Trust and expertise

Credibility
customer base



Development capabilities

Management capabilities

Trading capabilities

Fulfill our mission as a leading company by making full use of our potential and our resources.



3. Operating environment

① Maturing of the domestic market

- Low birth rate & aging population
- Rising awareness of issues including health, the environment and energy, culture and history, security and safety, and community formation
- Concentration of population in cities
- Increase in quality assets

② Market globalization

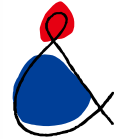
- Both supply and demand in all financial and service markets are globalizing
- Entering an era of competition and collaboration on a global level
- Shift to a structure in which national upturns and downturns easily spread globally
- Urbanization of Asian countries

Maturing and globalization are accelerating while urbanization is progressing

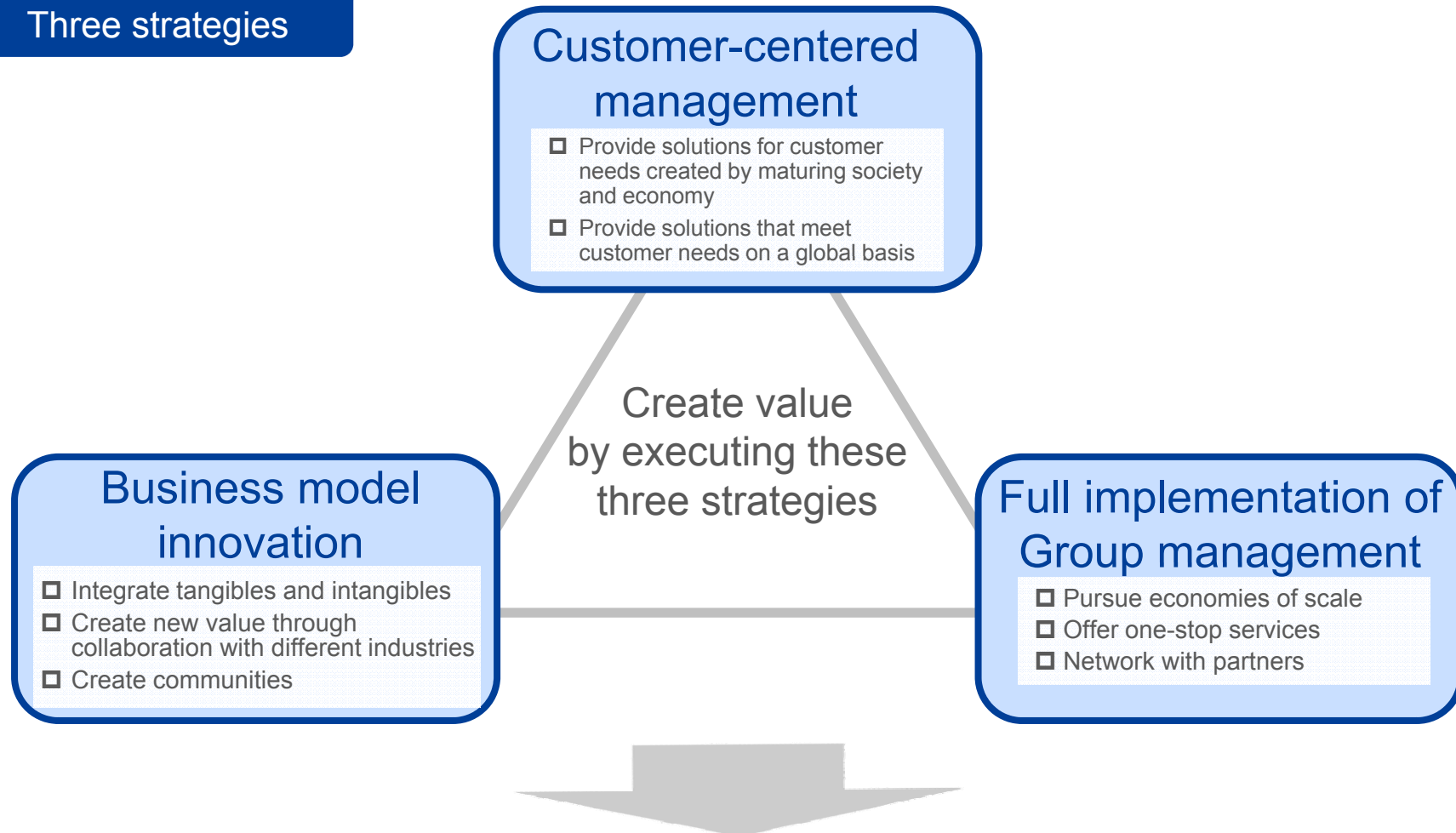
Our operating environment

- **The quality of demand is changing significantly as we enter an era in which new growth segments will emerge**
⇒ Further strengthen the competitiveness of our domestic business by creating new value
- **Markets and customers are becoming borderless**
⇒ Expand business opportunities by responding to customer needs globally (proceed while scrutinizing social and economic issues)

4. Core strategies of Innovation 2017

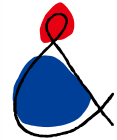


Three strategies

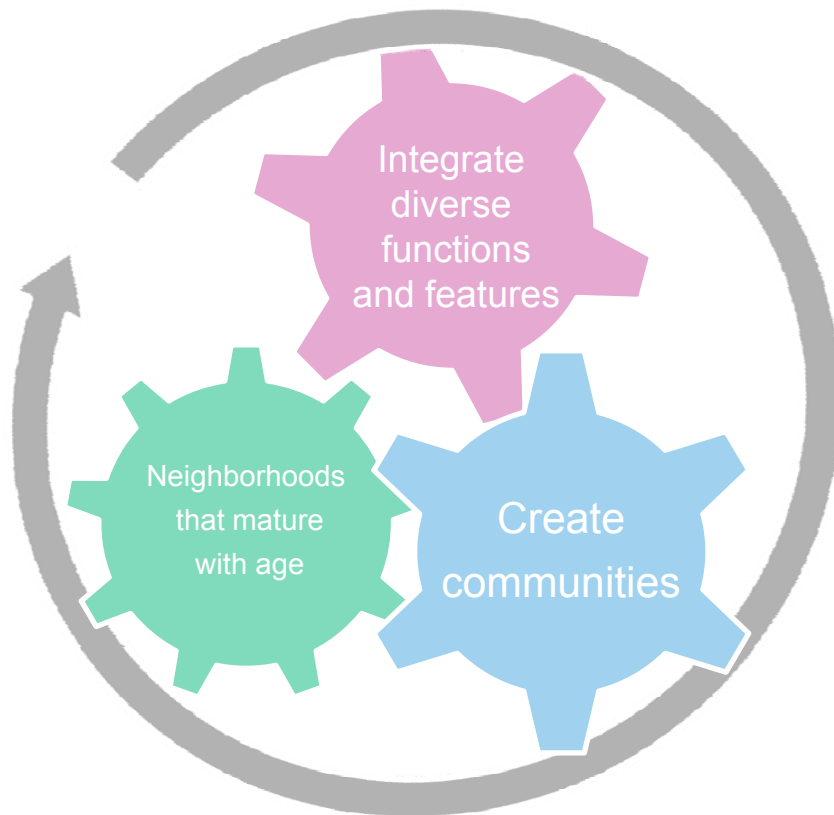


Strengthen the competitiveness of our domestic business
& Develop global operations

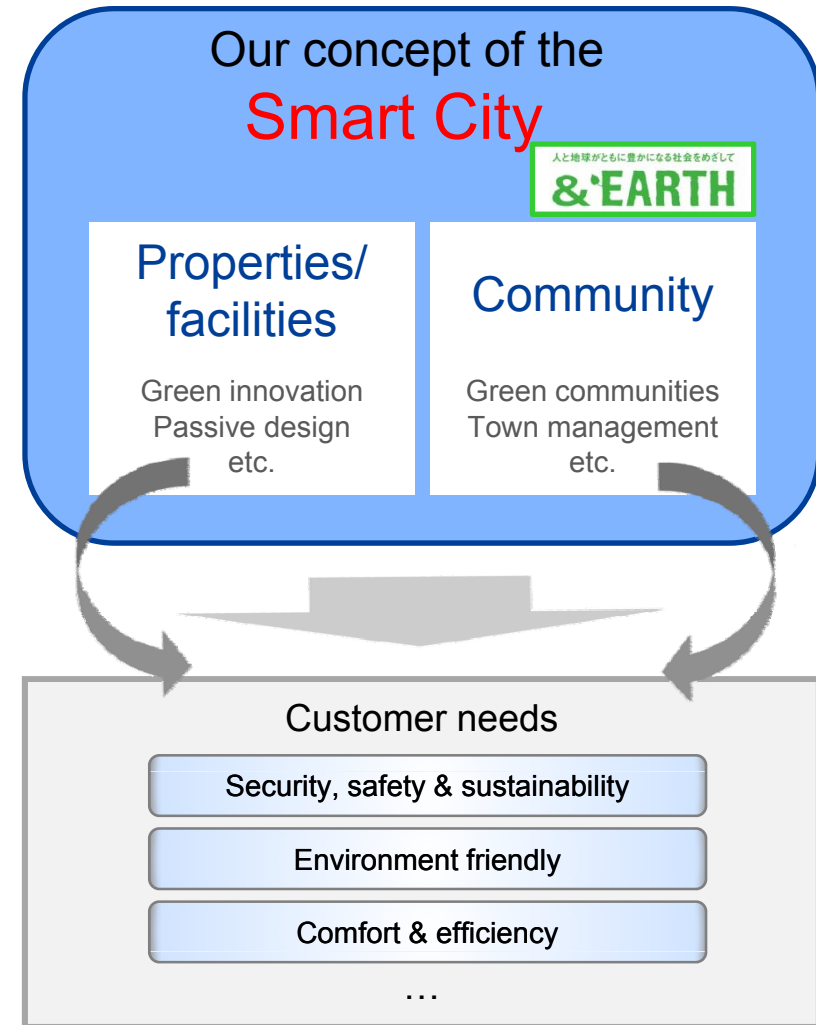
5. Innovation 2017 – (1) Strengthen the competitiveness of our domestic business



① Create neighborhoods (i) Basic approach



② Create neighborhoods (ii) The Smart City

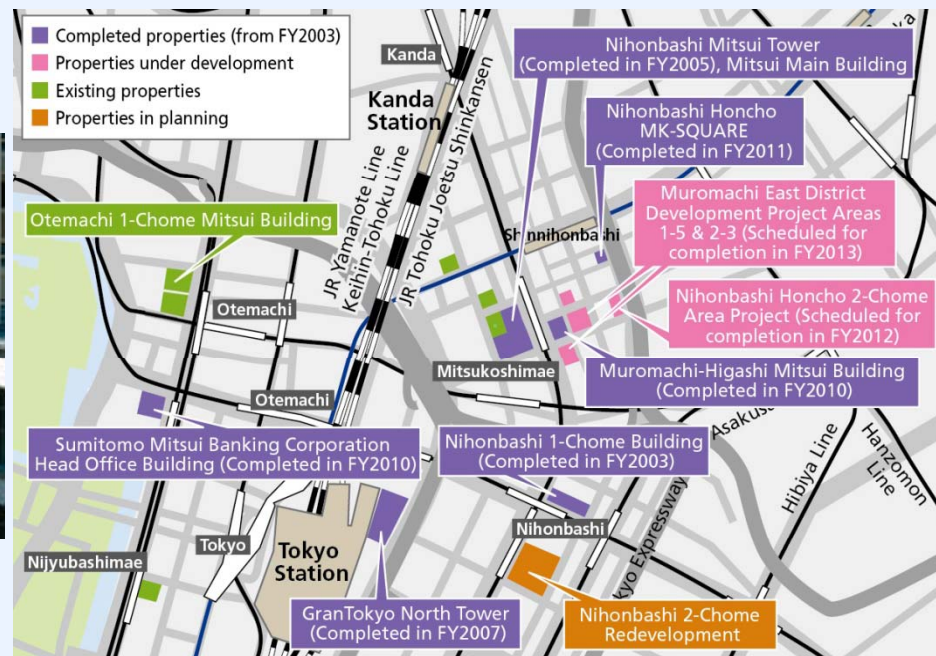


5. Innovation 2017 – (1) Strengthen the competitiveness of our domestic business



① Create neighborhoods (iii) Pipeline

<Creating neighborhoods in Nihonbashi>

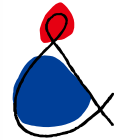


残 **Preserve** the culture of historic neighborhoods with traditional buildings

蘇 **Revitalize** neighborhoods with water and greenery

創 **Create** appealing new neighborhoods for the next generation

5. Innovation 2017 – (1) Strengthen the competitiveness of our domestic business



① Create neighborhoods (iii) Pipeline

<Creation of the Kashiwanoha Campus City neighborhood>



Kashiwanoha Smart City A neighborhood of the future

Environment friendly

Health & longevity

Creation of new industries

Public/private/academia collaboration

Advanced knowledge accumulation



Energy management for the entire area

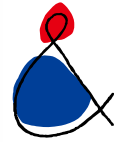


Institute of Gerontology
The University of Tokyo



TX Entrepreneur Partners

5. Innovation 2017 – (1) Strengthen the competitiveness of our domestic business



① Create neighborhoods (iii) Pipeline

(Expected year of completion subject to change.)



Muromachi East District Development Project Blocks 2-5, 1-5 (2013)



Chiyoda Fujimi 2-Chome Redevelopment (2014)



Kita Shinagawa 5-Chome Area 1 Redevelopment Project



Nihonbashi 2-Chome Project (2018)



DiverCity Tokyo (2012)



Mitsui Outlet Park Kisarazu (2012)

Other projects

- ◆ Toyosu 2-Chome & 3-chome Project Block 2
- ◆ Sanshin Building & Hibiya Mitsui Building Reconstruction Project
- ◆ Otemachi 1-Chome Mitsui Building Project
- ◆ Expoland Site Project
- ◆ Shinjuku-ku Nishi-Tomihisa Area Redevelopment (2015)



Musashikosugi South Area/East Block (2014)



Kashimada West Area Neighborhood Redevelopment Project (2014)



Toyosu 3-2 Areas B2 & B3 (2014 & 2015)



Tsukishima 1-Chome Redevelopment Project (2015)

5. Innovation 2017 – (1) Strengthen the competitiveness of our domestic business



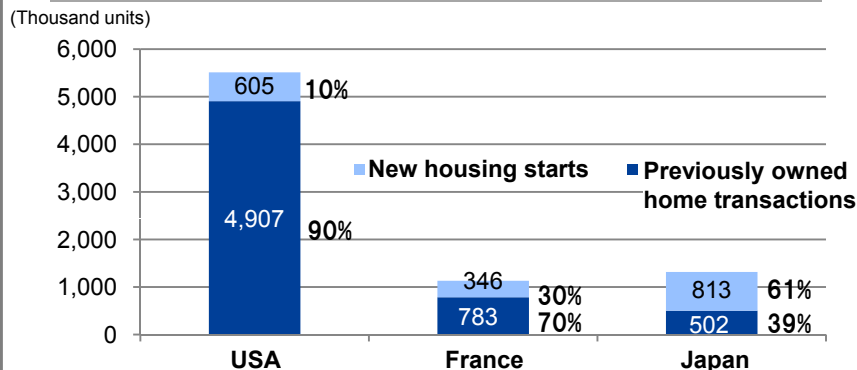
② Evolve the housing business (i) Expand business related to existing homes

Housing brokerage business (Mitsui Real Estate Sales)

Maintain no. 1 position

- Change company name to **Mitsui Fudosan Realty Co., Ltd.**
- Strengthen sales and raise operating efficiency through means such as organization restructuring
- Add employees, expand business areas, and invest aggressively in advertising and internet technologies
- Strengthen Group cooperation in areas such as customer referrals

Comparison of new housing starts and previously owned home transactions



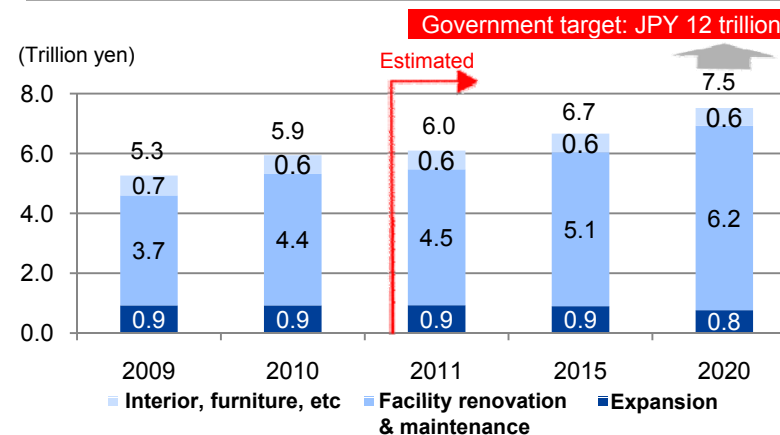
Sources:
 USA: Commerce Department and Department of Housing and Urban Development statistics
 France: Ministry of Ecology, Sustainable Development, Transport and Housing statistics
 Japan: Ministry of Land, Infrastructure, Transport and Tourism and The Association of Real Estate Agents of Japan statistics

Remodeling business (Mitsui Home Remodeling)

Become the leading brand for high-value-adding remodeling

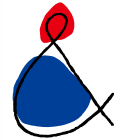
- Change company name to **Mitsui Fudosan Reform Co., Ltd.**
- Implement initiatives to use Group synergies
- Strengthen linkage between brokerage and remodeling
- From remodeling a single home to entire buildings
- Offer design remodeling and smart house changeover

Home remodeling market outlook



Source: Yano Research Institute Ltd., Home Remodeling Market Outlook 2011

5. Innovation 2017 – (1) Strengthen the competitiveness of our domestic business



② Evolve the housing business
(ii) Provide a one-stop customer interface

② Evolve the housing business
(iii) Enhance services

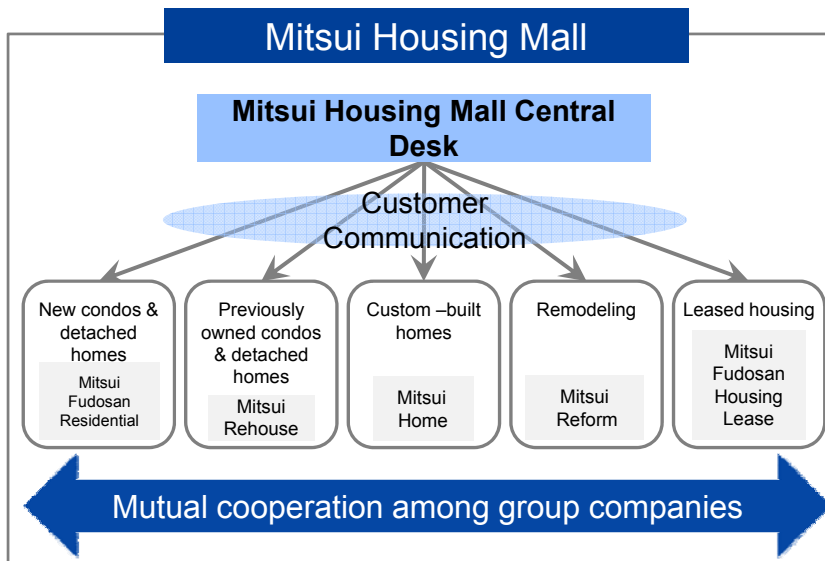
Mitsui Housing Mall

Open April 2012

Mitsui Housing Loop

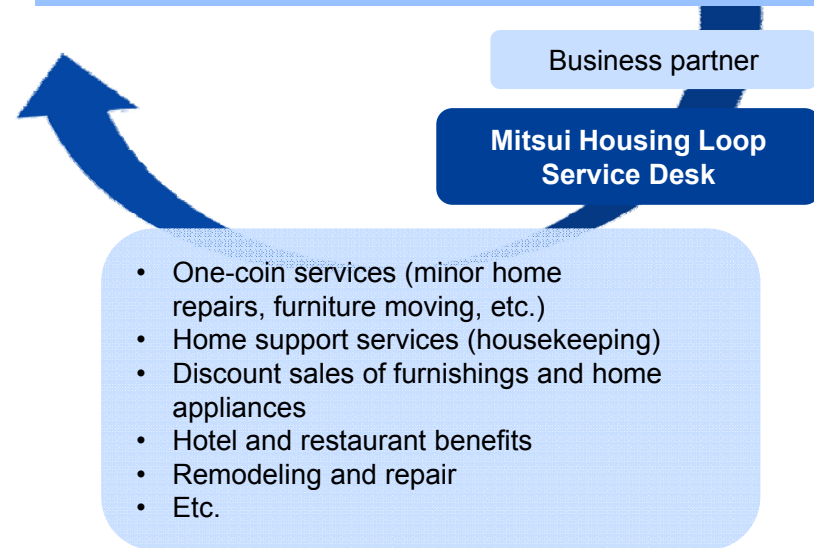
-Membership services -

One-stop source of solutions as a housing and lifestyle partner for customers



A website went online in April 2012 that gives users a search portal for property sales, leasing, and new and previously owned homes.

Provide various housing and lifestyle services for continued strong customer relationships.



Provide services to the residents of the approx. 400,000 housing units we have supplied.

5. Innovation 2017 – (1) Strengthen the competitiveness of our domestic business



② Evolve the housing business (iv) Develop new products and raise efficiency

<Develop new products>

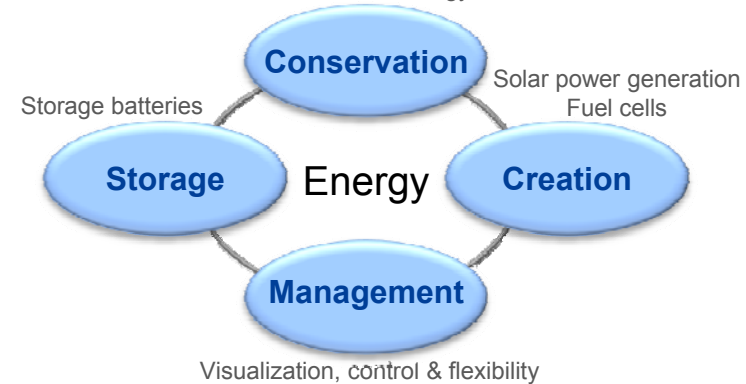
■ Develop new products based on customer perspectives

Mitsui Open Communication (MOC):
Customer perspective x Professional perspective =
New lifestyle proposals



■ Smart technologies

Passive design & equipment/facilities
that conserve energy



<Raise efficiency>

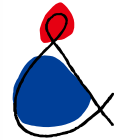
■ Consolidate purchasing & orders

Expand the scale of and products subject to consolidated purchasing; test construction blanket orders at the Group level; etc.

■ Raise sales efficiency

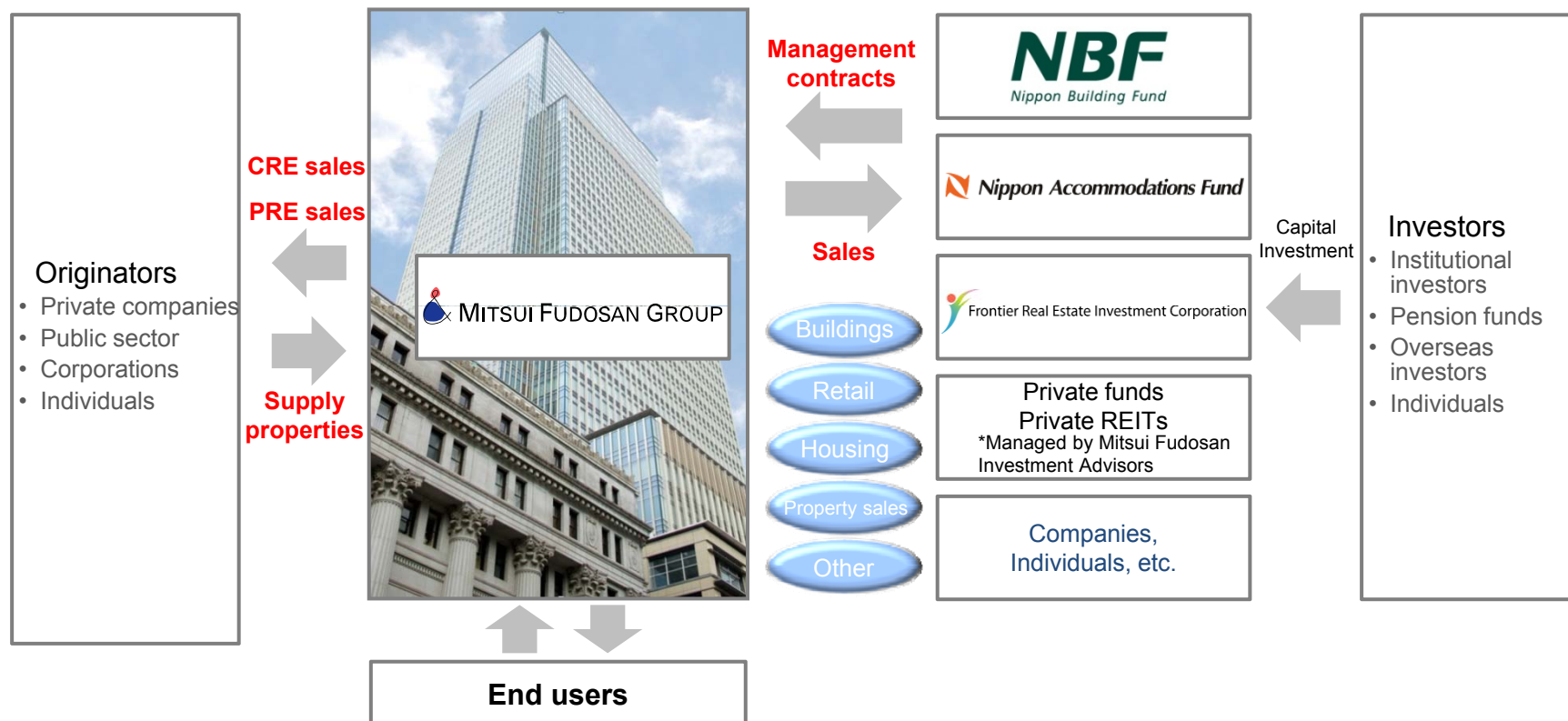
Improve the productivity of sales and marketing

5. Innovation 2017 – (1) Strengthen the competitiveness of our domestic business



③ Evolution of our model for cooperation with investors

- Expand variety by adding logistics facilities to our existing asset classes
- Make CRE, PRE, PFI and PPP proposals that meet the needs of both public and private customers
- Develop attractive investment products (Mitsui Fudosan Private REIT, etc.)
- Encourage the government to expand and develop listed REITs and private funds

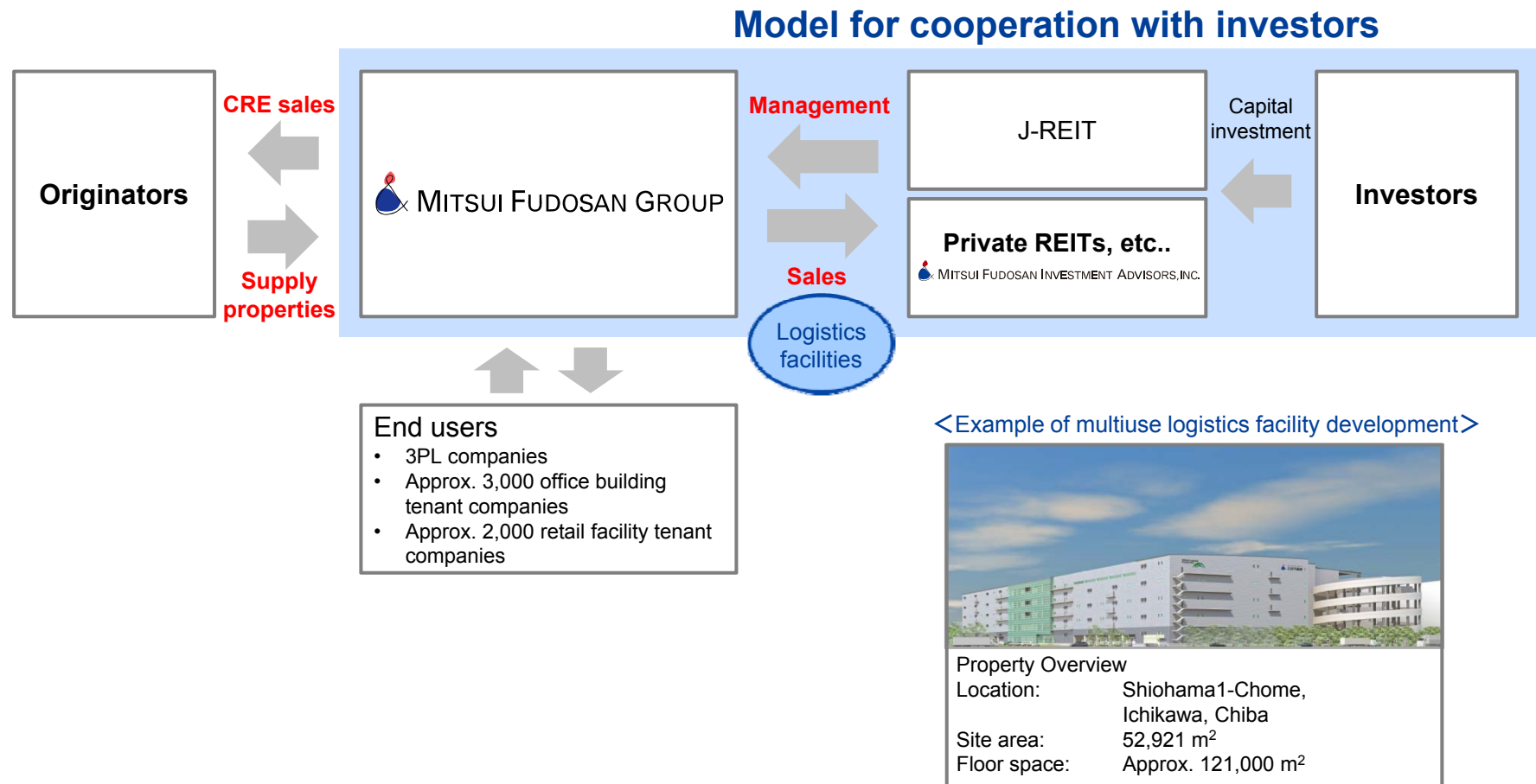


5. Innovation 2017 – (1) Strengthen the competitiveness of our domestic business



③ Evolution of our model for cooperation with investors: Enter the logistics facility business

■ Logistics facility business value chain



5. Innovation 2017 – (2) Develop global operations



① Overseas business development

Asia

- Develop retail facilities, housing and office buildings more actively
- Create value by proactively participating in creating neighborhoods

North America & Europe

- Build up an outstanding portfolio by turning over assets
- Be more active in development projects

London

20 Old Bailey (London)

5 Hanover Square (London)

Moorgate (London)

Asia

Beijing, Dalian, Tianjin, Shanghai, Ningbo, Guangzhou, Hong Kong, Singapore

Shanxing Outlet Plaza, Ningbo

Tianjin Eco-City (Area 12a)

Shanghai New Town Development Project

Hawaii

Halekulani (Hawaii)

North America & Europe

San Francisco, Washington D.C., New York

1251 Avenue of the Americas (New York)

Homer Building (Washington D.C.)

5. Innovation 2017 – (2) Develop global operations



② Provide solutions for cross-border needs

- Provide solutions as a partner for customers in Japan (such as tenant companies) doing business overseas
- Provide solutions for overseas customers doing business in Japan



Shiodome City Center
Joint business with Alderney
Investments Pte Ltd.



LaLaport TOKYO-BAY
Tourists visiting Japan

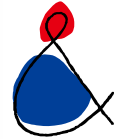


Shanjing Outlet Plaza, Ningbo
Stores of Japanese corporate tenants



1251 Avenue of the Americas (New York)
Overseas offices of Japanese tenants
including banks

5. Innovation 2017 – (3) Achieving the targets of Innovation 2017



Three strategies

Business model innovation

Customer-centered management

Full implementation of Group management

Strengthen the competitiveness of our domestic businesses

- Create neighborhoods
- Evolve the housing business
- Evolution of our model for cooperation with investors

Develop global operations

- Overseas business development
- Meet cross-border needs

Contribution to earnings

Three core businesses

Holding

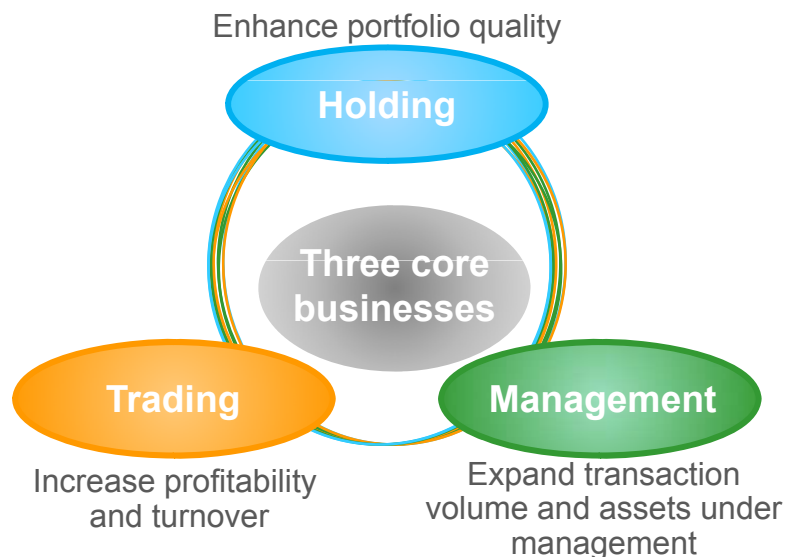
Trading

Management

5. Innovation 2017 – (3) Achieving the targets of Innovation 2017



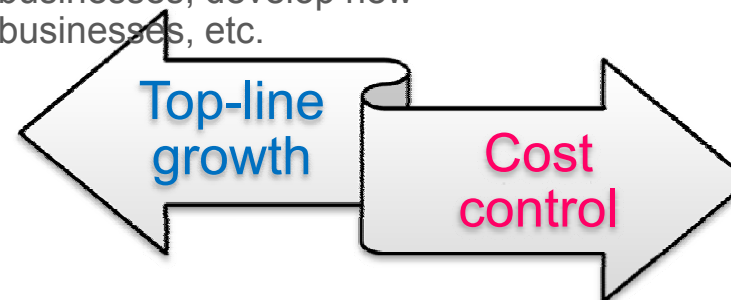
① Grow in core businesses



Achieve well-balanced earnings growth by flexibly combining the three core businesses according to the operating environment.

② Strengthen our earnings structure

Deepen existing businesses, develop new businesses, etc.



Reduce cost of revenue and operating expenses
Raise indirect cost efficiency
Etc.

Increase profitability through overall Group initiatives and the efforts of each business and Group company.

③ Maintain sound finances

Maintain the capacity to procure additional funding for new investments

Ensure financial integrity to prepare against downturns in the financial environment

5. Innovation 2017 – (4) Quantitative targets



① Quantitative targets and benchmarks

■ Achieve both earnings growth and sound finances

	FY2014 ¹ Targets	FY2017 ¹ Goal	FY2011(Forecast) ² Reference
Operating income	¥163 billion	¥240 billion or higher	¥122 billion
Holding	¥87 billion	¥120 billion	¥84.6 billion
Trading	¥39 billion	¥60 billion	¥18 billion
Management	¥48 billion	¥60 billion	¥39.2 billion
Net income	¥67 billion	¥110 billion or higher	¥48 billion
ROA ³	Approx. 3.8%	Approx. 5.5%	—
Debt/equity ratio	Approx. 1.8 times	Approx. 1.5 times	—
Interest-bearing debt	¥2,160 billion	Approx. ¥2,100 billion	¥1,820 billion

Notes:

1. Earnings, benchmarks and interest-bearing debt for FY2014 and FY2017 include SPC figures. The potential impact of the mandatory application of IFRS on results and benchmarks is not included.
2. The FY2011 forecast for earnings and interest-bearing debt is based on the performance forecast and does not include SPC figures. The appendix at the end of the presentation(P.22) explains differences between FY2011 forecast operating income for the holding, trading and management segments and for the financial accounting segments.
3. ROA = (operating income + interest, dividends and miscellaneous revenues) / average total assets over the period

5. Innovation 2017 – (4) Quantitative targets



② Investments and recovery (by area & type)

■ Investments in Japan and overseas to generate future growth

(Billions of yen)

Area and Type		FY2012-FY2014	FY2015-FY2017	FY2012-FY2017 Total	
Domestic	Capital expenditures	Investment	300-400	400-500	Approx. 800
		Recovery	Approx. 200		Approx. 200
		Total	Approx. 600		Approx. 600
	Real property for sale	Investment	1,000-1,100	1,300-1,400	Approx. 2,400
		Recovery	1,000-1,100	1,300-1,400	Approx. 2,400
		Total	Approx. ±0		Approx. ±0
Overseas	Europe, North America & Asia	Investment	200-300	200-300	Approx. 500
		Recovery	Approx. 100		Approx. 100
		Total	Approx. 400		Approx. 400

Net investment (sum of investment and recovery)	500-600	400-500	Approx. 1,000
Adjusted cash flow ¹	400-500	500-600	Approx. 1,000

1. Adjusted cash flow = Income before income taxes + Depreciation and amortization etc. – Income taxes paid

5. Innovation 2017 – (5) Shareholder returns

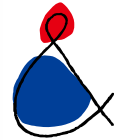


Basic policy for shareholder returns

- Shareholder returns are based on comprehensive consideration of reinvesting earnings to increase shareholder value over the mid-to-long term and directly distributing earnings to meet shareholder expectations.
- We aim to maintain stable dividends in the short term and increase dividends in the future as a result of earnings growth.

Net Income & Dividends

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011 (E)
Net income (Billions of yen)	75.2	87.3	83.5	60.0	49.9	48.0
Cash dividends per share (Yen)	14	20	22	22	22	22



Two stages leading up to FY2017

Sustainable value creation and income growth

Stage I (2012-2014)

- Make investments and prepare the foundation for future growth

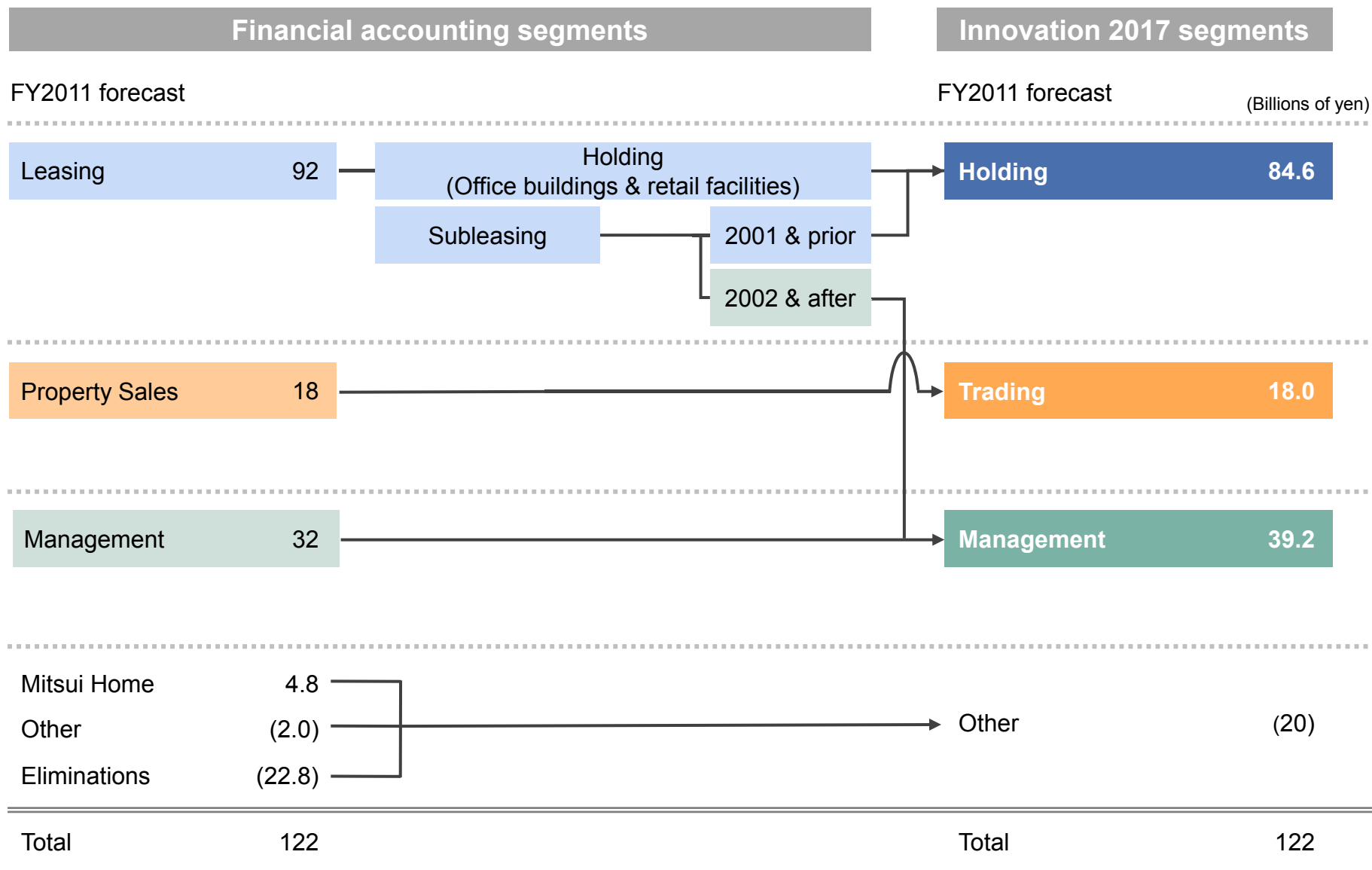
Stage II (2015-2017)

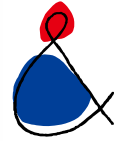
- Establish our position as a real estate solutions partner for our customers in global markets



Achieve strong growth and profitability for the Mitsui Fudosan Group

Appendix: Operating income by segment





This presentation contains forward-looking statements that are based on information available and our judgment when we issued the presentation, and are subject to risks and uncertainties.

Actual results may differ from our forecasts depending on factors including changes in economic conditions, market trends and operating conditions.

Although we exercised due care in preparing this presentation, we assume no obligation to update, revise or correct the statements and do not warrant their usefulness, suitability for a specific purpose, functionality or reliability.

This presentation is not intended to solicit investment.
Investment decisions should be based solely on the judgments of the investor.