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To whom it may concern:

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Notice Concerning Formulation of the Mitsui Fudosan Group Long-Term Vision

Mitsui Fudosan Co., Ltd. announced today that it has formulated VISION 2025, the new Mitsui Fudosan Group Long-Term Vision.

1. Background and Purpose of Formulating VISION 2025

In fiscal 2015, the Mitsui Fudosan Group unveiled the Medium-Term Business Plan “Innovation 2017 Stage II.” Guided by this plan, the Group has been working to further strengthen the competitiveness of its domestic business and achieve dramatic growth in its overseas business. In fiscal 2017, the Group was able to show solid progress on this plan. Notably, the Group posted both record-high operating income and profit attributable to owners of parent for the fourth consecutive year, thereby achieving the goals laid out in the plan.

Three years have passed since the plan was drawn up. During this time, the external environment has changed significantly. Japan is seeing the full-fledged progression of population decline, low birthrates and the aging of society. In addition, the acceleration of technological advances combined with further diversification and fragmentation in perceptions of value, could pave the way for a dramatic change in the existing structure of industry and business models. Moreover, there has been a continued rise in awareness of sustainability issues such as environmental concerns and social challenges. It will be essential for companies to be even more mindful of these changes in developing businesses.

Based on its view of the environment, the Mitsui Fudosan Group believes that it will be crucial to innovate the real estate business and to achieve further globalization, to attain sustainable growth into the mid-2020s and beyond. In order to execute strategies from a long-term perspective, the Mitsui Fudosan Group has formulated the long-term Vision: VISION 2025.

2. 2025 VISION and Basic Strategies

Based on the Group's Statement, Vision and Mission, the Mitsui Fudosan Group has formulated 2025 VISION to articulate a long-term Vision that clearly lays out the Group's future direction.

2025 VISION

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

The Mitsui Fudosan Group will execute the following three basic strategies: customer-centered management, business innovation and evolution of Group management. By doing so, the Group will strive to maintain robust growth and profitability and contribute to establishing a sustainable society.

3. Main Initiatives

The Mitsui Fudosan Group will implement the following three main initiatives:

- Drive evolution in the creation of neighborhoods
 - Provide business and daily lifestyles to people, who are the centerpiece of the creation of neighborhoods.
 - Aim to address social issues through the creation of neighborhoods, to develop smart cities that serve as platforms for Society 5.0.
- Innovate business models by harnessing real estate tech
 - Aim to enhance customer satisfaction further by elevating the use of ICT in existing businesses.
 - Create new markets and value by innovatively leveraging ICT in ways unique to the real estate industry.
 - Accumulate and utilize data from real physical spaces, such as offices, retail facilities and residences.
- Dramatically grow the overseas business
 - Expand the overseas business into a core driver of Group operating income, by deploying the group's strengths and business models developed in the domestic business on a global basis.

At the same time, steadily build out the infrastructure to support these initiatives.

4. Outlook

The Mitsui Fudosan Group aims to achieve sustainable profit growth toward around 2025.

Consolidated operating income	Around ¥350 billion
Of which: Overseas income	Around 30%
ROA	Around 5%

5. Shareholder Returns Policy

- Mitsui Fudosan reinvests earnings to increase shareholder value over the medium to long term and returns profits to shareholders based on comprehensive consideration of factors such as the business environment and its performance and finances.
- In order to strengthen shareholder returns, Mitsui Fudosan undertakes the stable payment of dividends while also flexibly repurchasing its own shares in a bid to enhance capital efficiency.
- Mitsui Fudosan has identified a total shareholder return ratio of around 35% of profit attributable to owners of parent.
- The abovementioned basic policy for shareholder returns will be implemented from the fiscal year ended March 31, 2018.