

# ◀ VISION 2025 ▶

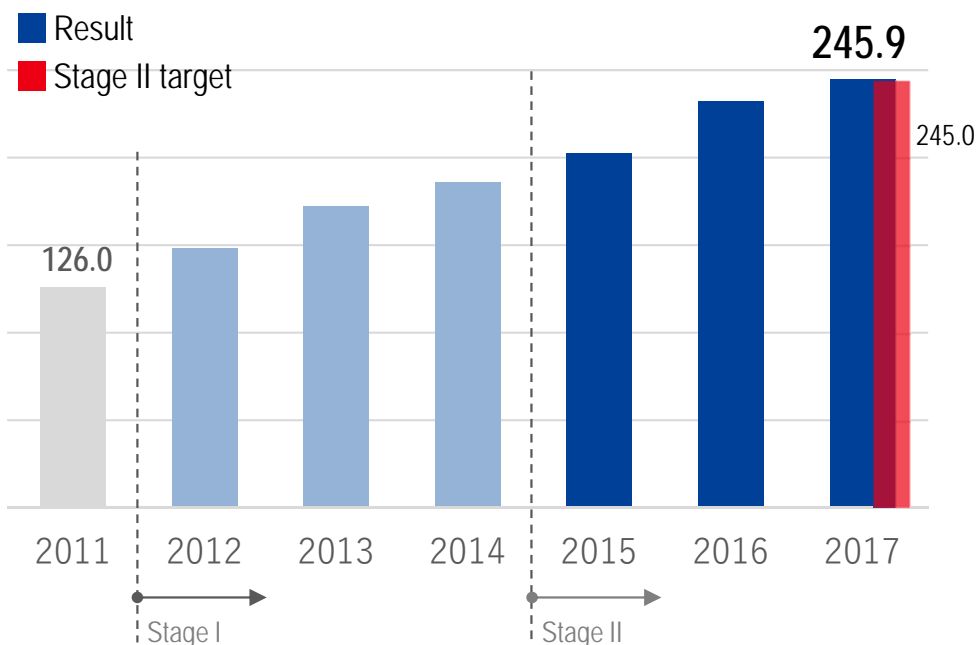
⇒ *BE THE CHANGE*

May, 2018

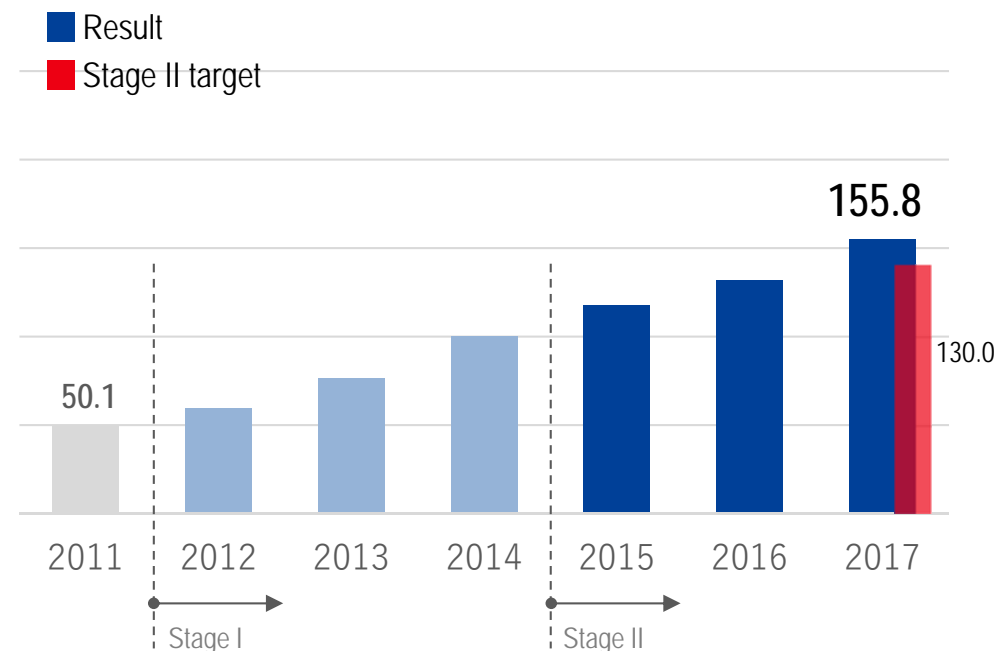
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# Innovation 2017 Stage II in review

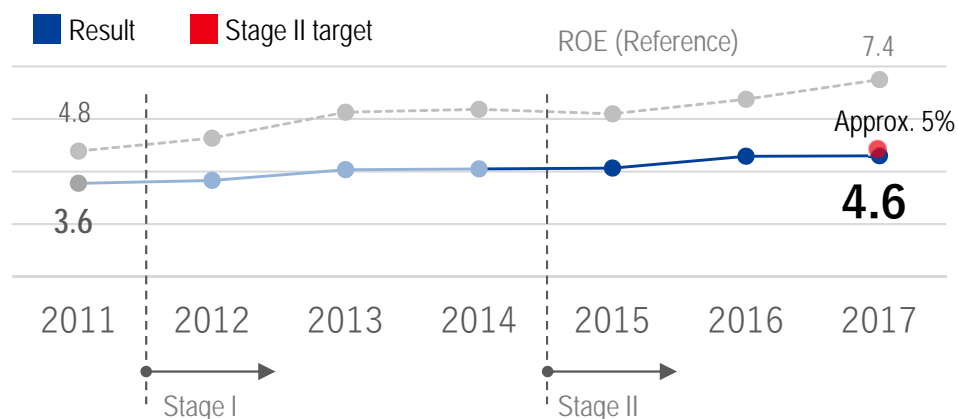
## Operating income (Billions of yen)



## Profit attributable to owners of parent (Billions of yen)



## ROA (%)



## Domestic and overseas investments (Billions of yen)

	Stage I (2012-2014)	Stage II (2015 - 2017)
Plan	15,00.0 – 18,00.0	2,400.0
Results	<b>1,776.0</b>	<b>2,503.6</b>

Investment: Capital expenditures + Investment in real property for sale

## Further strengthen the competitiveness of our domestic business / Dramatic growth in overseas business

### (1) Create neighborhoods

- Promoted mixed use and combine facilities and services  
Nihonbashi Revitalization Plan, Tokyo Midtown Hibiya,  
Kashiwa-no-ha Smart City

### (2) Evolve the office building business

- Became a business partner that helps solve our corporate customers' issues  
WORKSTYLING, 31VENTURES, etc.

### (3) Further develop the retail facility business

- Made progress on our rich pipeline
- Mitsui Shopping Park & mall, an e-commerce mall linked to real stores

### (4) Strengthen the competitiveness of the housing business

- Expanded products to meet the needs presented by changing lifestyles  
Continuing Care Retirement Communities, etc.
- Supply one-stop home and lifestyle-related services

### (5) Expand the hotel and resort business

- On track to have 10,000 rooms under management by fiscal 2020
- Opened an Aman resort property (leading Asian resort brand)

### (6) Expand the logistics facility business

- Achieved significant business expansion
- Built a holding, trading and management model

### (7) Implement a model for joint value creation with investors

- Expanded asset classes
- Contributed to the expansion of the real estate investment market through growth in assets under management

### (8) Dramatic growth in the overseas business

- Entried into 4 new countries and regions with 57 new projects  
\*Over the six-year period of Stage I and II
- Europe and the U.S.: Expanded the office building business and entered the housing business
- Asia: Expanded the retail and housing businesses and entered the hotel business

Notable rise in uncertainty even as both domestic and overseas economic conditions continue to improve

- ▶ Japan to see progression of full-fledged population decline, low birthrates and the aging of society
- ▶ Accelerated evolution of technology, particularly ICT
- ▶ Diversification and fragmentation in perceptions of value
- ▶ Heightened awareness of the sustainability of society and corporate social responsibility

## Domestic

- Chronic personnel shortages
- Higher workforce participation by seniors and women
- Interest rates forecast to rise over time

## Overseas

- Further advances toward a borderless society
- Temporary setbacks such as the spread of protectionism
- Interest rates forecast to gradually rise in Europe and the U.S.
- Geopolitical risk to remain high


## Articulating our aspirations for the Mitsui Fudosan Group based on the Group Statement, Vision and Mission

### The Group Statement, Vision and Mission (outline)

#### GROUP STATEMENT

- The Mitsui Fudosan Group aims to bring affluence and comfort to urban living

#### GROUP VISION

- “” Philosophy  
Coexist in harmony with society, link diverse values, and achieve a sustainable society
- Evolution and value creation
- A profitable and growing Mitsui Fudosan Group

#### GROUP MISSION

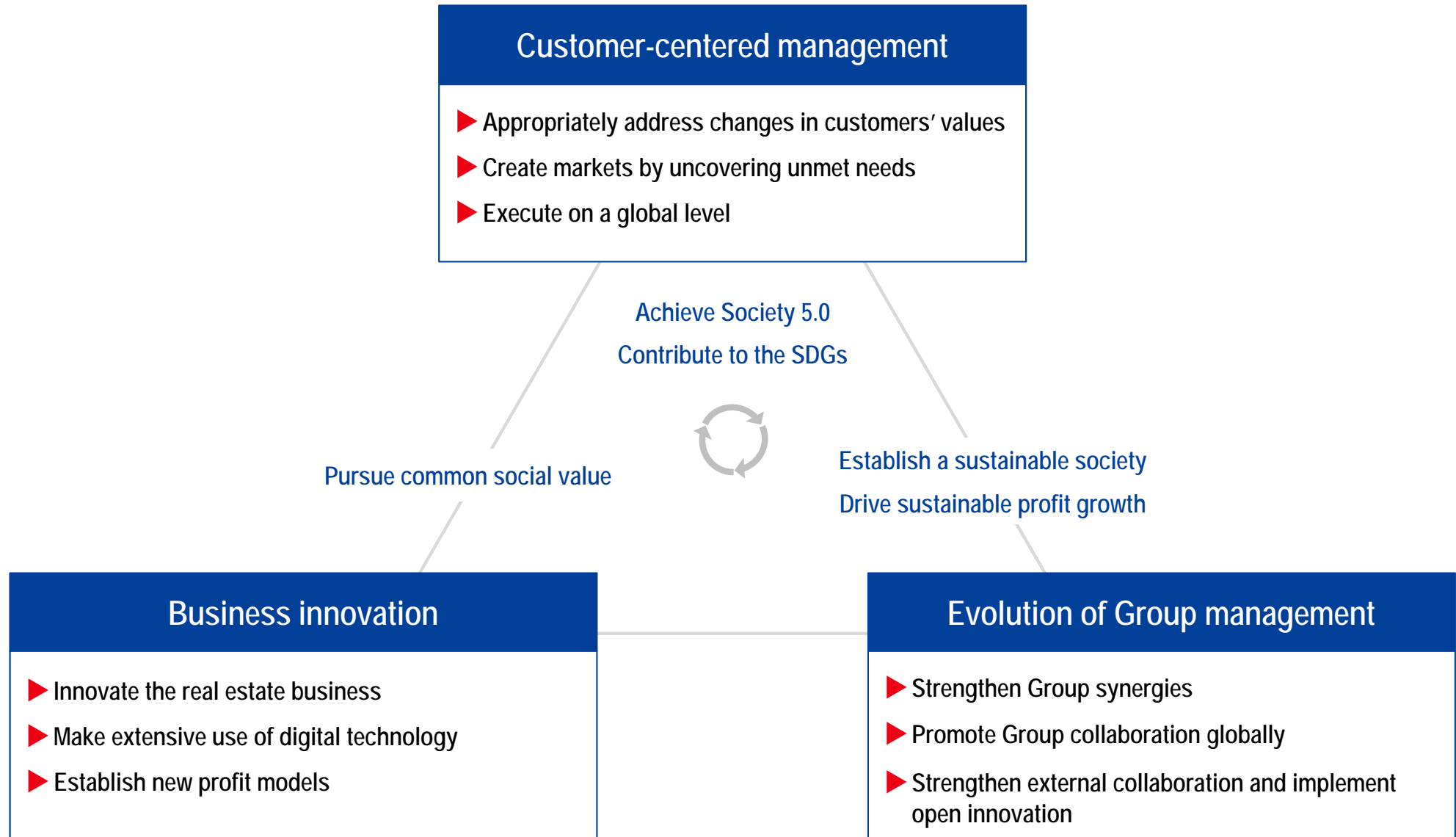
- Provide business and lifestyle-related solutions and services
- Work in partnership with customers from a global perspective
- Raise our corporate value
- Create a strong corporate group by building the capabilities of individuals

Established in June 1999, amended in April 2018

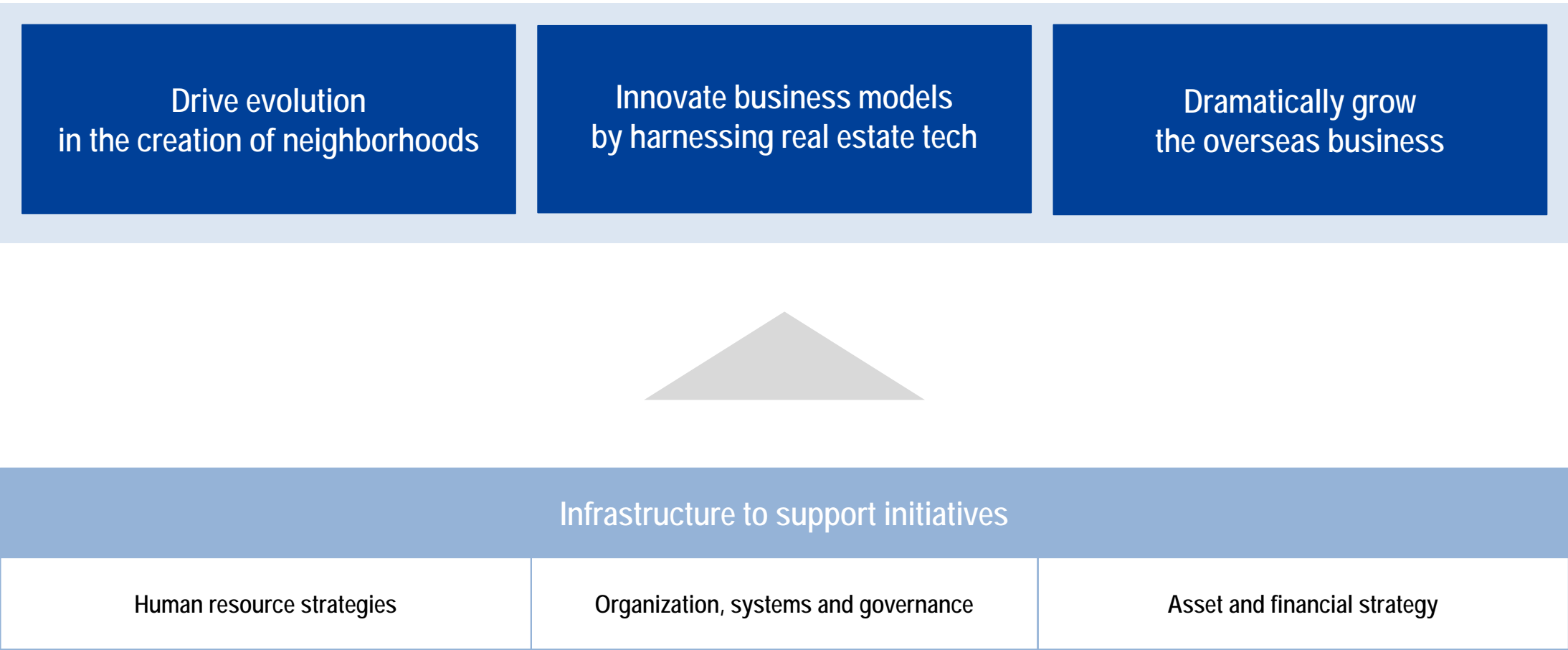
#### 2025 VISION

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

Create value by executing three basic strategies to realize the 2025 VISION



Promote three main initiatives and the development of infrastructure to support initiatives





- ▶ Evolve from standalone assets to the creation of neighborhoods, and shift from building facilities and spaces to providing business and daily lifestyles
  - ⇒ Make people the centerpiece of the creation of neighborhoods

## ■ Our aspirations in the creation of neighborhoods

Improve the productivity of workers

Comfortable and healthy lifestyles  
for residents

Enable affluent  
and comfortable lifestyles

Create new industries

Enjoyable for visitors



 TOKYO MIDTOWN HIBIYA



**Sky Garden**  
Relax in a park-like setting



**Park Wellness**  
Support a wide range of work styles



**HIBIYA FOOD HALL**  
Add value to people's lifestyles



**BASE Q**  
Encourage interaction between  
major corporations and startups



**Presentation Theater**  
Support corporate communications



**Hibiya Step Square**  
Create a lively neighborhood  
ambience

- ▶ The key period for creating neighborhoods comes after the completion of construction
- ▶ Create communities closely tied to localities and promote high-quality town management  
⇒ Realize the creation of neighborhoods that improve with age
- ▶ Proactively harness new technologies to develop smart cities that serve as platforms for ultra-smart societies

## ■ The creation of neighborhoods in Nihonbashi



Life Science Innovation  
Network Japan, Inc.



Clip Nihonbashi  
(31 VENTURES)



Fukutoku Shrine



Naka-dori street  
(Nihonbashi Sakura Festival)



Cleaning of the Famous  
Nihonbashi Bridge



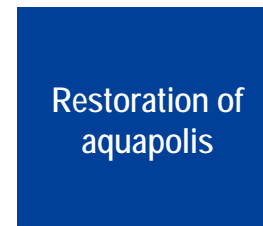
ECO EDO Nihonbashi



CITAN



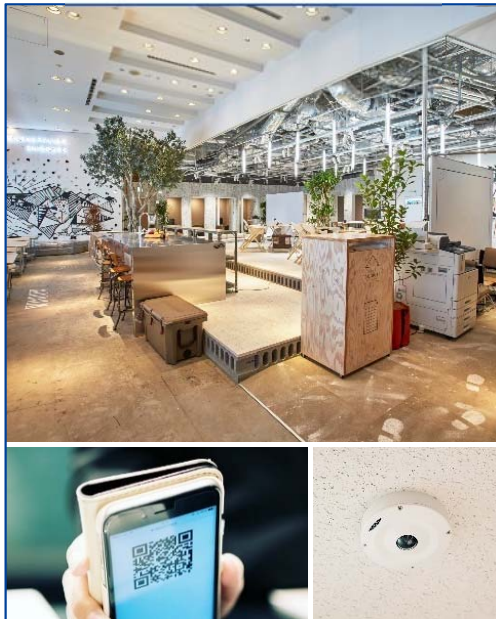
SPORTS ACADEMY



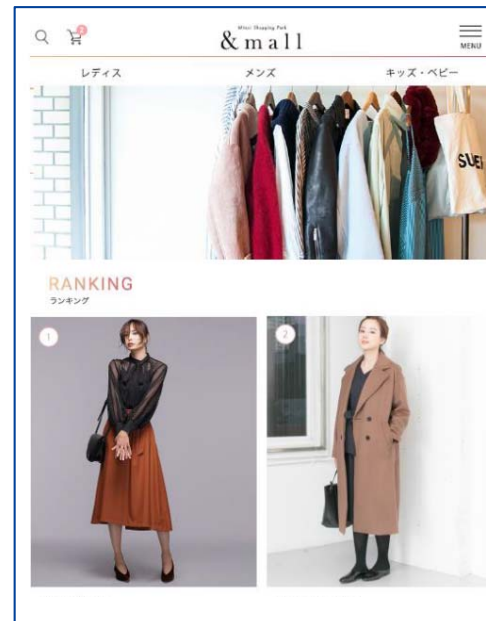
Cruise tours

- ▶ Enhance competitiveness by applying ICT to currently available products and services
- ▶ Create new businesses through Real Estate × ICT
- ▶ Accumulate and utilize data from real physical spaces, such as offices, retail facilities and housing

  
**WORK STYLING**



Mitsui Shopping Park  
**& m a l l**  
アンドモール



 **careco**  
カレコ・カーシェアリングクラブ



# Dramatically grow the overseas business

- ▶ Drive expansion by leveraging the Mitsui Fudosan Group's strengths
- ▶ Promote further localization
- ▶ Expand neighborhood creation development projects overseas

## Mitsui Fudosan Group's strengths

- Engaged in every product segment  
(Offices, retail, housing, hotels, logistics, etc.)
- Expansive value chain  
(Investment, development, management, leasing and sales)
- Development capabilities necessary for creating neighborhoods

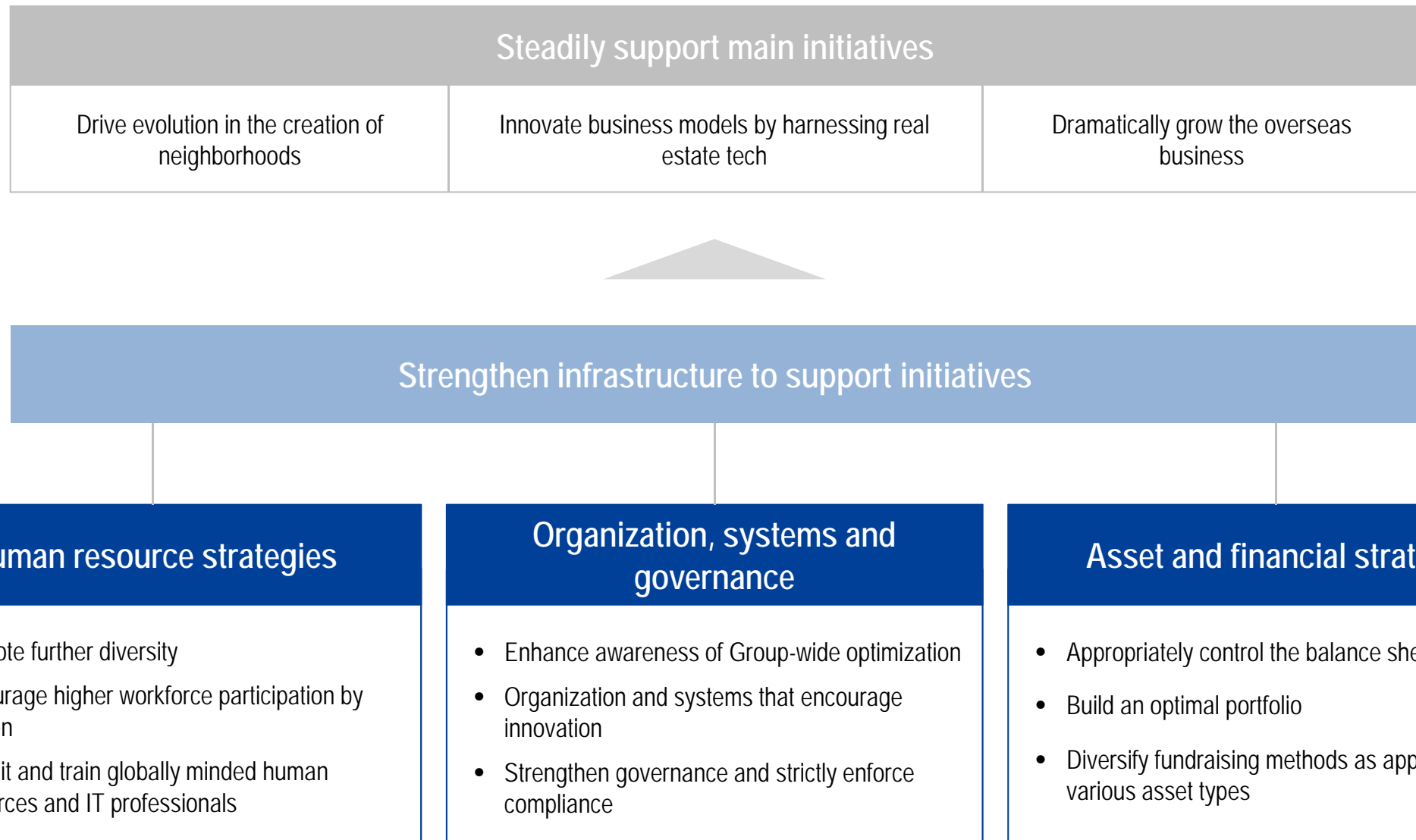
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## Overseas partner strategy

- Deepen relationships with existing partners
- Accelerate the cultivation of new partners



## Promote the development of infrastructure to support initiatives

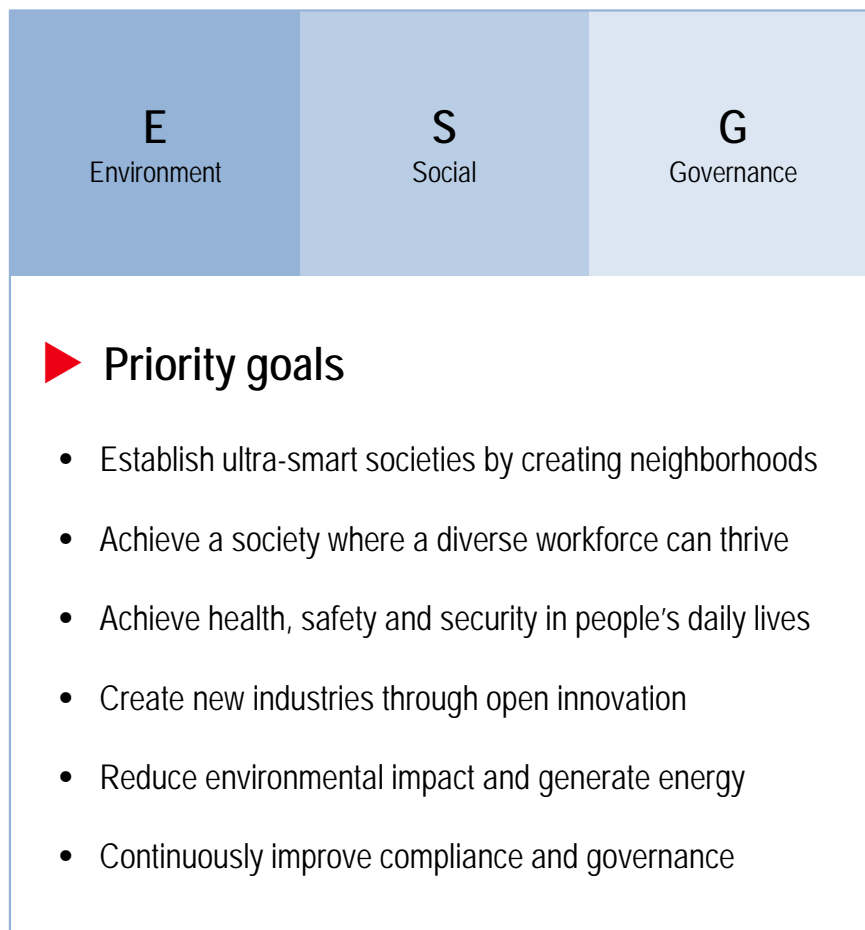


Aim to achieve sustainable profit growth toward around 2025

	Around 2025
Consolidated operating income	Around ¥350 billion
Of which: Overseas income	Around 30%
ROA	Around 5%

# Seek to achieve a sustainable society

Achieve a sustainable society and drive sustainable profit growth by addressing ESG issues based on the philosophy of the Mitsui Fudosan “” logo



Contribute

## Achieving Society 5.0 (from the Cabinet Office website)

- IoT will connect all people and things, all sorts of knowledge and information will be shared, and totally new value will be born
- Social issues will be overcome and humans will be liberated from various types of constraints
- AI will free humans from the burdensome work of analyzing huge amounts of information
- The possibilities open to humans will expand through the use of robots, automatic-driving cars, etc.

Contribute



\* Details on the Mitsui Fudosan Group's ESG initiatives will be updated and disclosed as appropriate through our corporate website, &EARTH REPORT, annual report and other channels.

- ▶ Mitsui Fudosan reinvests earnings to increase shareholder value over the medium to long term and returns profits to shareholders based on comprehensive consideration of such factors as the business environment and its performance and finances.
- ▶ In order to strengthen shareholder returns, Mitsui Fudosan undertakes the stable payment of dividends while also flexibly repurchasing its own shares in a bid to enhance capital efficiency.
- ▶ Mitsui Fudosan has identified a total shareholder return ratio of around 45% \* of profit attributable to owners of parent.
- ▶ The abovementioned basic policy for shareholder returns will be implemented from the fiscal year ended March 31, 2022.

\* Revised in May, 2022



# Reference: Domestic pipeline

Legend: ● Office ● Retail ● Residence ● Hotel & Resort ● Logistics ● Others



msb Tamachi

● ● ● ●



Nihonbashi Muromachi 3<sup>rd</sup> District Project

● ● ● ●



Toyosu 2<sup>nd</sup> District 2-1 Project

● ● ● ● ●



Yaesu 2<sup>nd</sup> District North Project

● ● ● ●

2018

2019

2020

2021 and beyond



Nihonbashi Takashimaya Mitsui Building

● ● ● ●



OH-1 Project

● ● ● ●



Kasuga Korakuen District Project

● ● ● ● ●



Yaesu 2<sup>nd</sup> District Central Project

● ● ● ● ●



# Reference: Domestic pipeline

Legend: Office Retail Residence Hotel & Resort Logistics Others



LaLaport NAGOYA minato AQUUS

Office Retail



Halekulani Okinawa

Hotel & Resort



LaLaport NUMAZU

Office



THE TOWER YOKOHAMA KITANAKA

Residence Office Others

2018

2019

2020

2021 and beyond



Makuhari Bay Towers Project

Residence Office Others

\* Perspective image of neighborhood based on the Master Plan



Marronnier & Namiki Yomiuri Ginza Project

Office Hotel & Resort



MFLP Funabashi II

Logistics Office Others



PARK CITY MUSASHI-KOYAMA THE TOWER

Residence Office Others



# Reference: Overseas pipeline (North America and Europe)

Legend: Office Retail Residence Hotel & Resort Logistics Others



(US)  
55 Hudson Yards

Office Retail



(US)  
22 Texas

Residence



(US)  
4000 North Fairfax Drive

Residence



(US)  
50 Hudson Yards

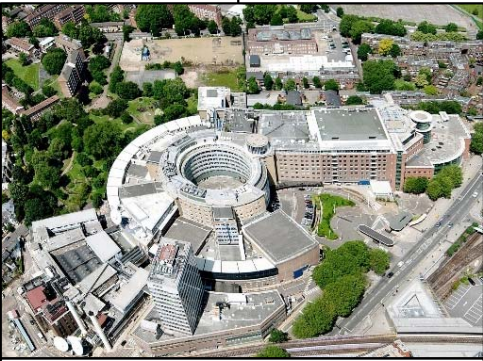
Office Retail

2018

2019

2020

2021 and beyond



(UK)  
Television Centre Redevelopment Project

Office Retail Residence Hotel & Resort Others



(US)  
Robinson Landing

Residence Retail



(US)  
Walnut Creek Transit Village

Residence Retail



(US)  
1630 Colombia Road

Residence



# Reference: Overseas pipeline (Asia)

Legend: ● Office ● Retail ● Residence ● Hotel & Resort ● Logistics ● Others



(Thailand)  
Ideo Mobi Sukhumvit 66



(Singapore)  
Forest Woods



(Thailand)  
Ashton Asoke-Rama 9



(Philippines)  
The Arton

2018

2019

2020

2021 and beyond



(Taiwan)  
Mitsui Outlet Park Taichung Port



(China)  
LaLaport SHANGHAI JINQIAO



(Taiwan)  
Taipei Zhongxiao Xinsheng Hotel Project



(Malaysia)  
LaLaport Kuala Lumpur

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# BE THE CHANGE

さあ、街から世界を変えよう。