

Special
Feature

The Mitsui Fudosan U.S. Business Today

Purpose of Engaging in Overseas Business

Acquire new income opportunities

Decentralize the portfolio

Business Strategy



Mitsui Fudosan's Strengths in the U.S. Business

Developer

Real estate connoisseur skills

Institutional investor

Financing ability

Approx. 50 years of experience in the U.S.

Creditworthiness

Promotion of Localization

Network

Partnership Strategy

Close relationships with major U.S. developers and local developers specialized in each area



Recruitment that is conscious of the local business community

Portfolio



Business Model Evolution

Leasing revenue accumulation model

Hybrid model of leasing and property sales revenue

- Expand leasing revenue as the foundation of the overseas business following the completion of 50 Hudson Yards
- Actively capture new development projects in a market with remarkable growth
- Increase property sales with a focus on rental housing that has achieved stable occupancy, and rapidly realize income through development

Mitsui Fudosan DNA Alive and Well in the USA

TOPICS

50 Hudson Yards completed

50 Hudson Yards completed in Manhattan, New York City.

This is the second building in which we have participated (90% business share), following "55 Hudson Yards" (completed in 2018).

Mixed-use (largest ever^{*1}, 11 ha)
^{*1 In Manhattan}



Midtown Chelsea proximity
Directly connected to 34th St. HY Sta.
(Only one in HY)



Largest scale office^{*2}
New construction large floor plate
^{*2 In Manhattan}

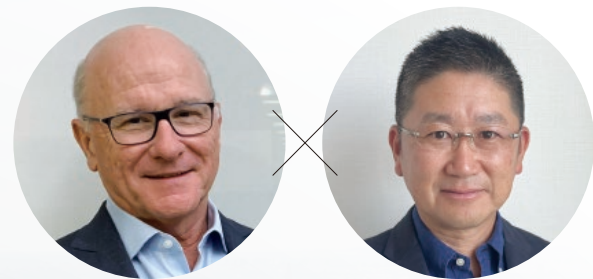
Building Name	50 Hudson Yards	55 Hudson Yards
Scale of the building	58 floors above ground and 3 floors below ground	51 floors above ground and 1 floor below ground
Total floor area	Approx. 269,000 m ²	Approx. 117,600 m ²
Standard floor area	Approx. 4,600-7,400 m ² ^{*3}	Approx. 2,600 m ²
Main use	Office	Office
Completion	June 2022	October 2018
Total project cost (¥145/\$)	Over ¥600 billion	Approx. ¥200 billion

^{*3}Varies by floor



Conversation between
the CEO and President
of Mitsui Fudosan America

The U.S. Market Today and Mitsui Fudosan's U.S. Presence



Mitsui Fudosan America, Inc. CEO

Mitsui Fudosan America, Inc. President

John Westerfield

Takeyoshi Sugimoto

1 History of Mitsui Fudosan America

Takeyoshi: The predecessor of Mitsui Fudosan America (MFA) was originally founded in 1973, which means we will welcome our 50th year in business in 2023. The major areas of business at the time of our founding included business park development, as well as in-use office building acquisition and management, among others. In 1986, we acquired 1251 Avenue of the Americas, where MFA's head offices are located today. And I see this move as a turning point that allowed MFA to grow to our current business scale.

John: Following our acquisition of 1251 Avenue of the Americas, MFA vigorously acquired office buildings in New York, Washington D.C., San Francisco, Los Angeles, and other cities throughout the 1990s and 2000s, during which time we also engaged in development projects in Los Angeles. Over the past decade, we have focused on developing office buildings and rental housing, and have more recently developed life science-related related properties.

2 Reading the Needs of Society and Entering New Markets

John: As I mentioned a few moments ago, the core of MFA's business activities has shifted from property acquisition to property development. And what we aim to achieve today are developments that help create communities and build neighborhoods. More recently we completed construction of several large-scale office buildings like 50 Hudson Yards and 55 Hudson Yards. And in addition to making investments in rental housing in the Sun Belt Area over the past few years, we have also entered new markets, such as life science facilities like Torrey View in San Diego, in response to growing demand for research and development facilities.

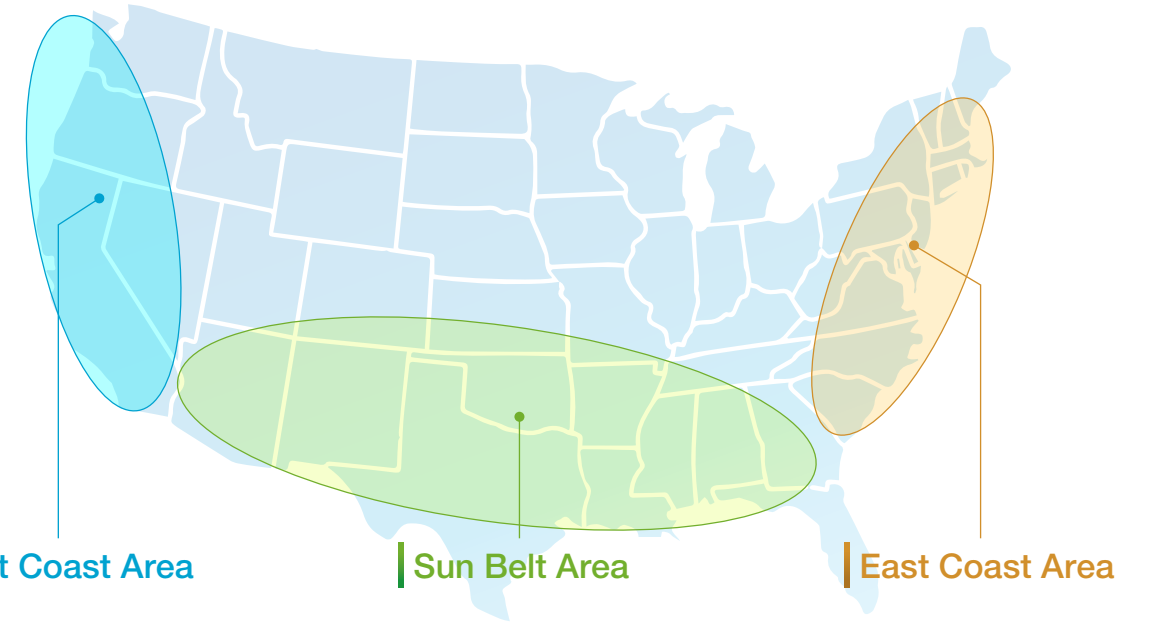
Takeyoshi: Unlike institutional investors, we are able to take risks involved in development, which can be broadly categorized into licensing approval, cost, and leasing. Mitsui Fudosan therefore possess an expansive abundance of experience in risk management accumulated through development projects in Japan. And I feel that our power of judgement regarding investment properties is also emerging as a strength on the U.S. market. Moreover, the growth potential of the U.S. economy has also arisen as a tailwind for our business. Specifically, the U.S. economy is anticipated to grow steadily against the backdrop of an increasing population and strong personal consumption. Although inflation remains at a high level and we intend to carefully ascertain how this will impact our business in the near term, nevertheless the U.S. economy is expected to maintain an annual potential growth rate of 2%–3%.

3 New Possibilities in the U.S. Market

John: The United States is definitely seeing continued growth in both population and the economy. At the same time, an accelerating population influx to the Sun Belt Area, the advancement of urbanization, expansion of knowledge-intensive and tech industries in major cities, and other recent trends will all also work to the benefit of our business. Moreover, the increase in demand for rental housing development due to housing shortages throughout the United States will also help to expand business opportunities for MFA.

Takeyoshi: As stated in VISION 2025, our long-term vision, the Mitsui Fudosan Group intends to further develop the overseas business over the future. And the goal of this policy is to increase income from the overseas business to a point where it accounts for 30% of total operating income by 2025. In order to ensure that MFA serves as the driving force for this growth, we intend to continue investing carefully, yet aggressively, for the purpose of contributing to the advancement of the Mitsui Fudosan Group.

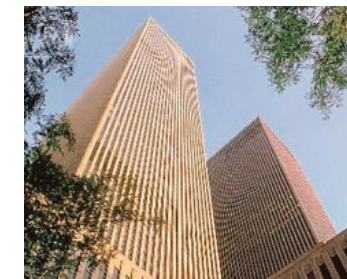
Business deployment in the U.S. (office buildings and rental housing)



East Coast Area

New York, Washington D.C., Boston, New Jersey, etc.

Asset class	Main properties
Office Buildings*	50•55 Hudson yards 1251 Avenue of the Americas
Rental Housing	Gallery 64 525 West 52nd Street



1251 Avenue of the Americas



Gallery 64

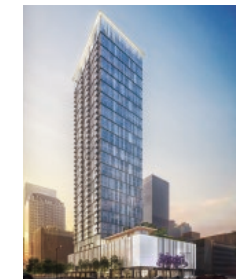
West Coast Area

San Francisco, Los Angeles, San Diego, Seattle, etc.

Asset class	Main properties
Office Buildings*	270 Brannan Torrey View
Rental Housing	Figuroa Eight Vance



Torrey View



Figuroa Eight

Sun Belt Area

Dallas, etc.

Asset class	Main properties
Rental Housing	Maple Terrace



Maple Terrace

* Including lab & office