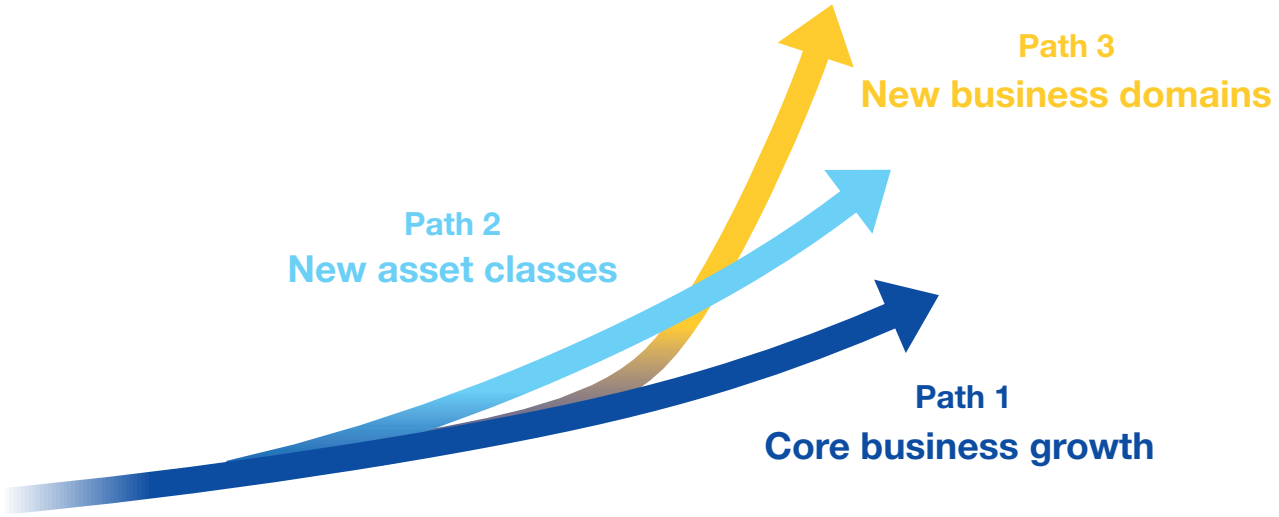
Business Strategy

Three business strategy paths

The business strategies that we intend to follow through to 2030 are comprised broadly of three paths. Under each of these three paths, we will first, promote further core business growth, second, expand into new asset classes, and third, explore new business domains and capture business opportunities. Rather than an “either/or” proposition, we look at each of the three paths from an “and” perspective. As such, each path is linked to the other. In addition to our growth strategy in the existing real estate domain, we will practice ambidextrous management by increasing sources of earnings in new business fields beyond the real estate domain.



Path 1: Promote further core business growth (develop and evolve)

Work to further grow (develop and evolve) the core businesses that have supported the Group’s efforts to create value to date.

(1) Decouple from the market*

(2) Strengthen development profitability～Realize added value

(3) Further develop and evolve overseas business

* Achieve high profitability regardless of the external environment through differentiation and efforts to create new markets.

Path 2: Expand into new asset classes

Accelerate expansion into new asset classes by leveraging the strengths and know-how cultivated in core businesses.

(1) Create neighborhoods harnessing the power of sports and entertainment

(2) Expand the Mitsui Lab & Office business

(3) Further expand business domains by strengthening the data center business, etc.

Path 3: Explore new business domains and capture business opportunities

Explore new business domains and capture business opportunities to realize the Group’s continued growth in the future.

(1) Further develop and evolve as a platformer

(2) Invest in mainstay fields

(3) Establish a new division

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Path 1

Promote further core business growth (develop and evolve)

1 Core business growth

Decouple from the market

- Pursue a customer-centered approach. Combine real and digital media to provide experiential value that meets the diversifying needs of individual customers. Further promote the development of mixed-use neighborhoods that integrate soft (services) and hard (real estate) to strengthen the competitiveness of entire cities. Strengthen the Mitsui Fudosan Group Network while working to upgrade and expand memberships organizations.
- Decouple from the market by differentiating each business and efforts to develop neighborhoods while creating new demand.

Increase the quality and quantity of core business value provided through real and digital measures

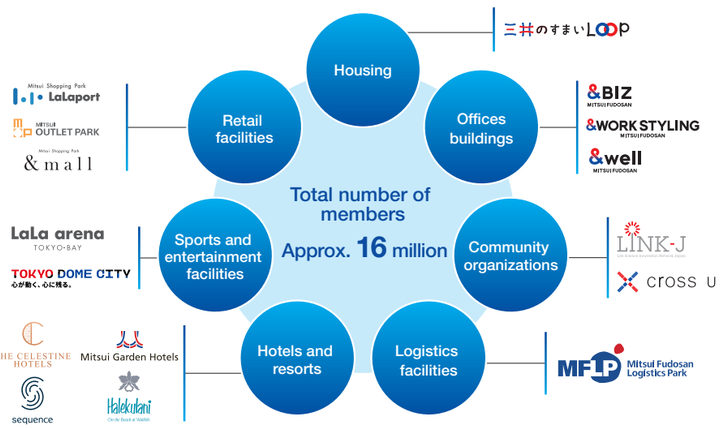
For details, see P.072

Offices	Develop offices you want to work in in cities you want to visit.
Retail facilities	Build a one-of-a-kind omni-channel platform.
Housing	Strengthen collaboration among Group companies, provide one-stop services.
Hotels and resorts	Utilize customer data and DX, propose personalized high-quality stay experiences.
Logistics	Help address customer issues throughout the supply chain, not just in the warehouse.

Create mixed-use neighborhoods

- Harness the wide-ranging know-how cultivated to date and integrate soft (services) and hard (real estate) to provide value that meets the various working, living, enjoying, and relaxing needs of people.

Strengthen the Mitsui Fudosan Group Network



Strengthen development profitability～Realize added value

For details, see P.023

- Further develop the "Income Gain Business, Capital Gain Business, and Management" business model. In addition to stable leasing income from property holdings, accelerate asset turnover and realize added value (valuation gains) at an early stage from total real property for sale and fixed assets.
- Engage in long-term management of assets under management after sale.
- Also consider the proactive use* of third-party funding from the kickoff stage of large-scale developments.

* Proactively call for third-party funding from various entities, including institutional investors from the business kickoff stage; in addition to the Company's share of revenues, improve business efficiency by acquiring management fees.

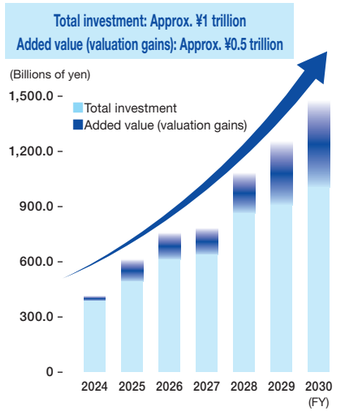
Create sustainable added value

Major Projects Scheduled for Completion between FY2024 and FY2030

- MOP MARINEPIA KOBE (reconstruction)
- MFLP·LOGIFRONT Tokyo-Itabashi
- MFLP Yokohama Shinkoyasu
- Nihonbashi 1-Chome Central District Project
- Former Yokohama City Hall Block Utilization Project
- (Tentative name) LaLaport ANJO
- Nihonbashi-Honsho 1-Chome 3 Project
- Hakone Project
- Yaesu 2-Chome Central District Project
- Uchisaiwaicho 1-Chome Central District Project
- Uchisaiwaicho 1-Chome North District Project
- Nihonbashi Muromachi 1-Chome District Project
- Hino Data Center Project

■ Create added value through major projects

Notes:
1. Based on the Company's own current estimates.
2. Amounts for each fiscal year are cumulative for FY2024 and beyond.



Nihonbashi 1-Chome Central District Project

(Tentative name) LaLaport ANJO

MFLP·LOGIFRONT Tokyo-Itabashi

Capture new business opportunities

Customer network × Wide range of solutions × Every asset classes ▶ New business opportunities

Further develop and evolve overseas business

Accelerate the turnover-type investment model

- Accelerate new acquisitions focusing on turnover-type purchases while carefully selecting products and areas
- Realize profits after generating added value. Strengthen BS control endeavors.
- Target further overseas business growth by making smart decisions on when to buy sell based on conditions in each local market.

Growth by area and product strategy

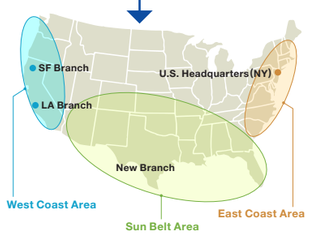
- Position such offices as 50 Hudson Yards in the United States as an earnings platform and accelerate expansion into the fast-growing Sun Belt Area as a next step.
- Expand investment in Australia and India where growth is expected.
- Build a portfolio drawing on the business environment in each area.
- Consider investing in new business domains (e.g., renewable energy facilities, student dormitories, data centers)

Expand into the U.S. Sun Belt Area

Promote business across a three-area structure

Expand high-growth investments, focusing on the Sun Belt Area* in the United States Accelerate logistics facility and other business activities, including rental multifamily housing, which is experiencing robust real demand and remarkable growth. Open offices in the area and establish a three-area structure that includes the existing East Coast (NY) and West Coast (SF, LA) areas.

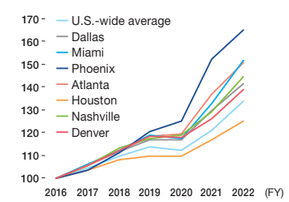
* Generally refers to the area south of the 37th parallel north latitude.



■ Population trends*1 / Trends in nominal GDP*2 (growth rate from 2016 to 2022)

	East Coast	West Coast	Sun Belt
Population trends	101.8%	101.1%	**105.7%**
Trends in nominal GDP	130.2%	143.1%	**144.9%**

■ Trends in housing complex rents*3 (with 2016 as 100)



Sources: *1 U.S. Bureau Census *2 U.S. Bureau of Economic Analysis *3 REIS (Real Estate Information Service) All Class

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Path 2

Expand into new asset classes

Create neighborhoods harnessing the power of sports and entertainment

- Utilize sports and entertainment, strengthen mixed-use functions, and promote the creation of neighborhoods that instill excitement.
- Capture business opportunities by leveraging TOKYO DOME CORPORATION's strengths.
- Establish a new division to maximize the value of each customer's experience through synergies between retail facilities and the power of sports and entertainment.

Expand on the back of TOKYO DOME CORPORATION's strengths

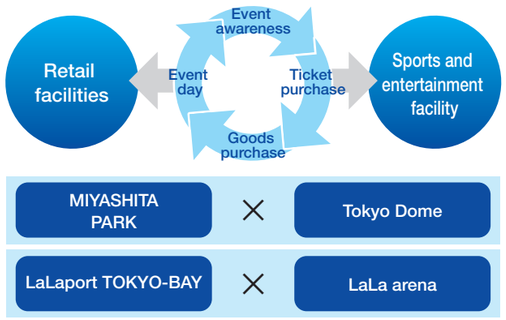
- Employ sales and booking coordination capabilities across a wide range of genres, including sports and concerts.
- Leverage the ability to manage on-site operations for events that cater to thousands to tens of thousands of people.
- Harness the ability to plan and manage independent entertainment events.
- Utilize the ability to plan directly managed leisure facilities.

Tokyo Dome City

New Chichibunomiya Rugby Stadium project
(utilizing the know-how of TOKYO DOME CORPORATION)

Promote the arena business

- Increase points of customer contact through arena operations, enhance event content, etc., and develop measures to increase synergies with retail facilities.



LaLa arena TOKYO-BAY

Create exciting experiences through sports and entertainment

- Create exciting experiences through events and content.
- Actively promote initiatives in collaboration with external partners.

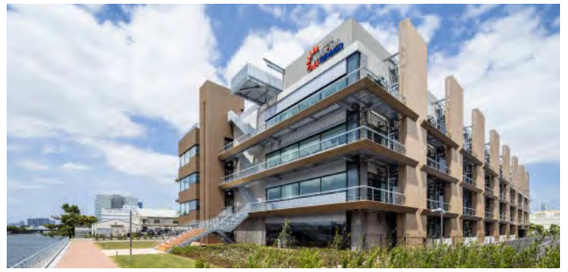
Expand the Mitsui Lab & Office business

- Further expand the rental wet lab market*, created by the Company, and capture demand.
- Contribute to open innovation in society by putting in place an environment for various research scenarios.

* Wet lab: Research facility for conducting experiments using equipment and chemicals

- Responding to the growing importance of open innovation in the R&D environment, the Company already developed 13* projects in Japan and abroad.
- Strengthen both urban projects, which are located in major metropolitan areas, and business seeds regional projects, which are located near academia and medical institutions.

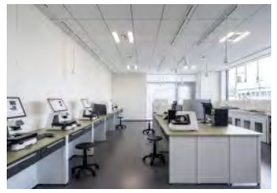
  * Including projects scheduled to commence.



MITSUI LINK-Lab SHINKIBA 2

Torrey View (San Diego, U.S.)

- In addition to such tangible assets as buildings and equipment, support tenant company innovation creation by combining intangible services, including communication spaces and communities such as Life Science Innovation Network Japan Inc. (LINK-J).



Common Equipment Room
(MITSUI LINK-Lab SHINKIBA 2)

MITSUI LINK-Lab
(events for interaction between tenants)

Further expand business domains by strengthening the data center business, etc.

- Strengthen data center business to support the digitalization of society. Capture rising demand.
- Moreover, leverage the Group's strengths and expertise, expand into various asset classes, and create value for customers.

- Expand business domains to urban-and co-location -type data centers* (DCs) by leveraging know-how in the Data Center DC business.

* A service that rents out space to install servers, network equipment, etc.

Data center: MFLP Inzai II

- Leverage the Group's strengths and expertise, expand into various new asset classes, and increase the value provided to customers in connection with the creation of neighborhoods.

School facility: Rugby School Japan (Kashiwa-no-ha)

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Path 3

Explore new business domains and capture business opportunities

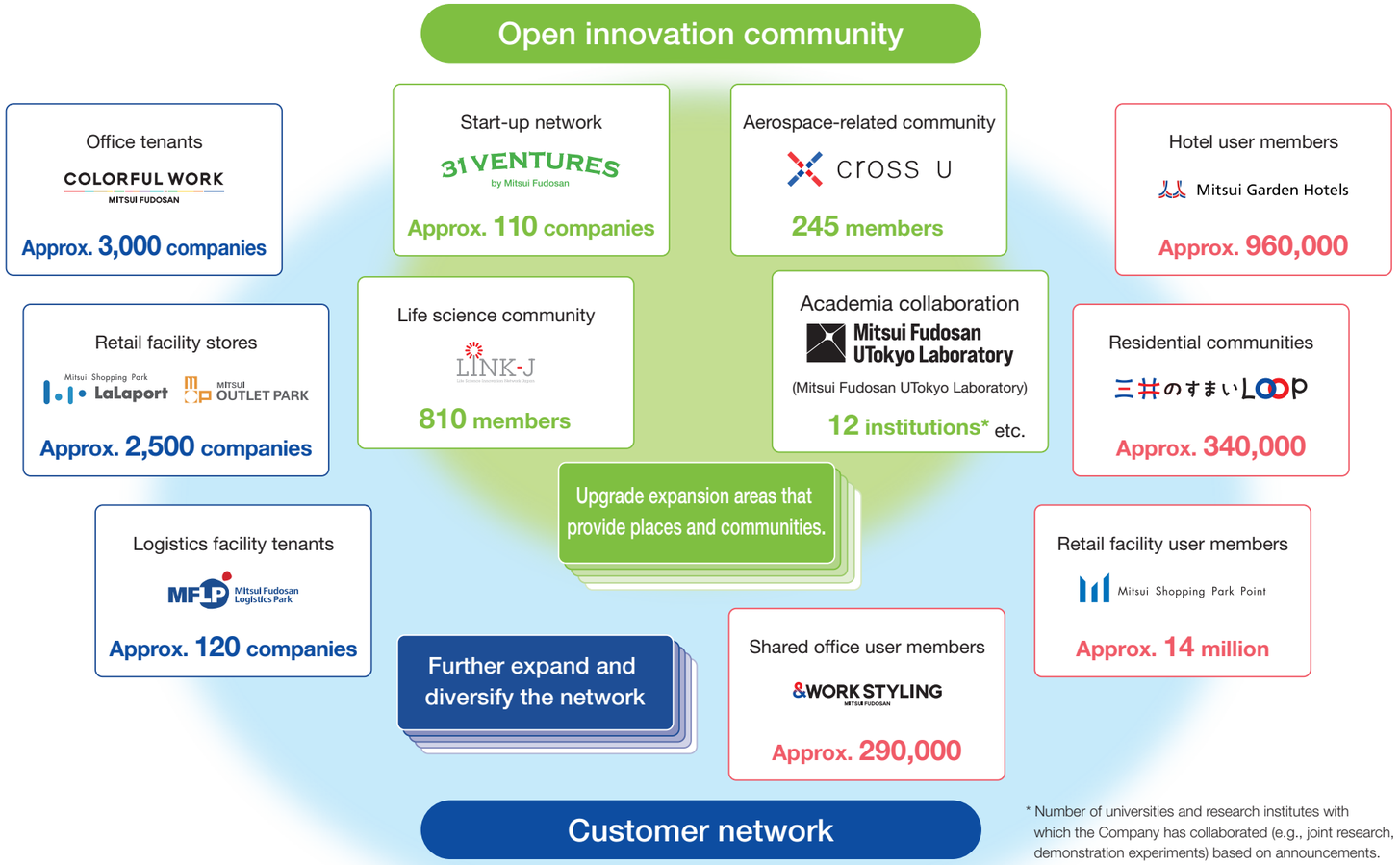
3 New business domains

Further develop and evolve as a platformer

- Play a role in bringing together the wisdom of companies, society, and the people who live there.
- Build a network that transcends the traditional boundaries of real estate developers by providing a platform for open innovation.
- Upgrade expansion areas (menus) that provide places and communities as an industry developer. Accelerate contributions to the innovation and creation of new industries through increased involvement as a platformer.

Extensive networks and communities

- Upgrade place and community service menus by leveraging networks established to date.
- Play a role in bringing together the wisdom of diverse people from various areas, including large companies, start-ups, and academia, and accelerate contributions to open innovation and the creation of new industries.



* Number of universities and research institutes with which the Company has collaborated (e.g., joint research, demonstration experiments) based on announcements.

Pick up **"cross U," a co-creation platform for the aerospace business**

- A business co-creation platform that provides places and a community for aerospace business-related players
- Established in partnership with volunteers from industry, government, and academia, activities commenced at a base in Nihonbashi in April 2023
- During the first year of activities, special members increased to 252; working to promote further growth as one of the largest space business communities in Japan

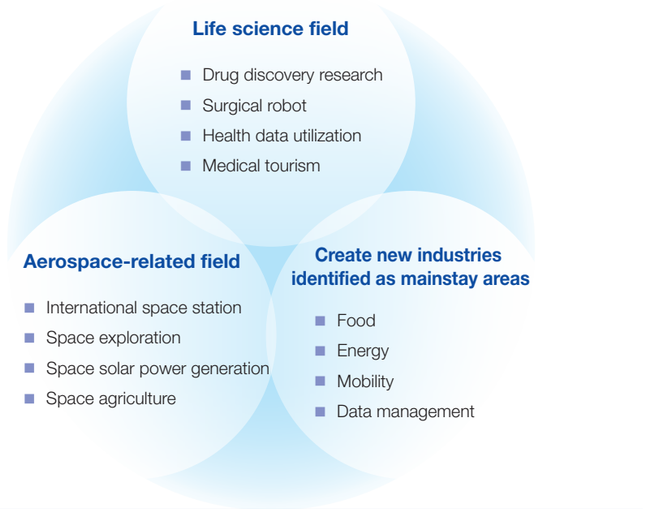
Providing spaces and creating opportunities: X-NIHONBASHI

Example of a member and tenant company: JAXA, SpaceBD

Invest in mainstay fields

- Search for business seeds that contribute to the creation of new industries by drawing on the places and communities we provide.
- Identify and invest in mainstay areas where the Group can leverage its strengths, including its diverse network, vast points of customer contact, and planning know-how.
- Work to expand into relevant business fields and nurture into a new source of revenue for the future.

■ Image of investment consideration areas



Establish a new division

- Establish a new division for Group-wide growth through innovation. Explore new business domains and effectively allocate management resources to capture business opportunities.
- Actively utilize M&As and newly establish a dedicated department.

M&A investment budget*1
Over ¥400 billion
*1 To FY2030

Start-up equity investment limit*2
Over ¥100 billion
*2 To FY2030

■ Division structure

- Innovation Promoting Division
  - Innovation Planning and Promoting Department
  - Corporate Development Department
- Industry-Academia Collaboration Department
- Open Innovation Department
- Space Business Innovation Department
- Life Science Innovation Department
- Kashiwanoha Urban Planning and Development Department