

# **Investors Meeting Presentation**

## **(Financial Results for FY2024)**

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May 13, 2025

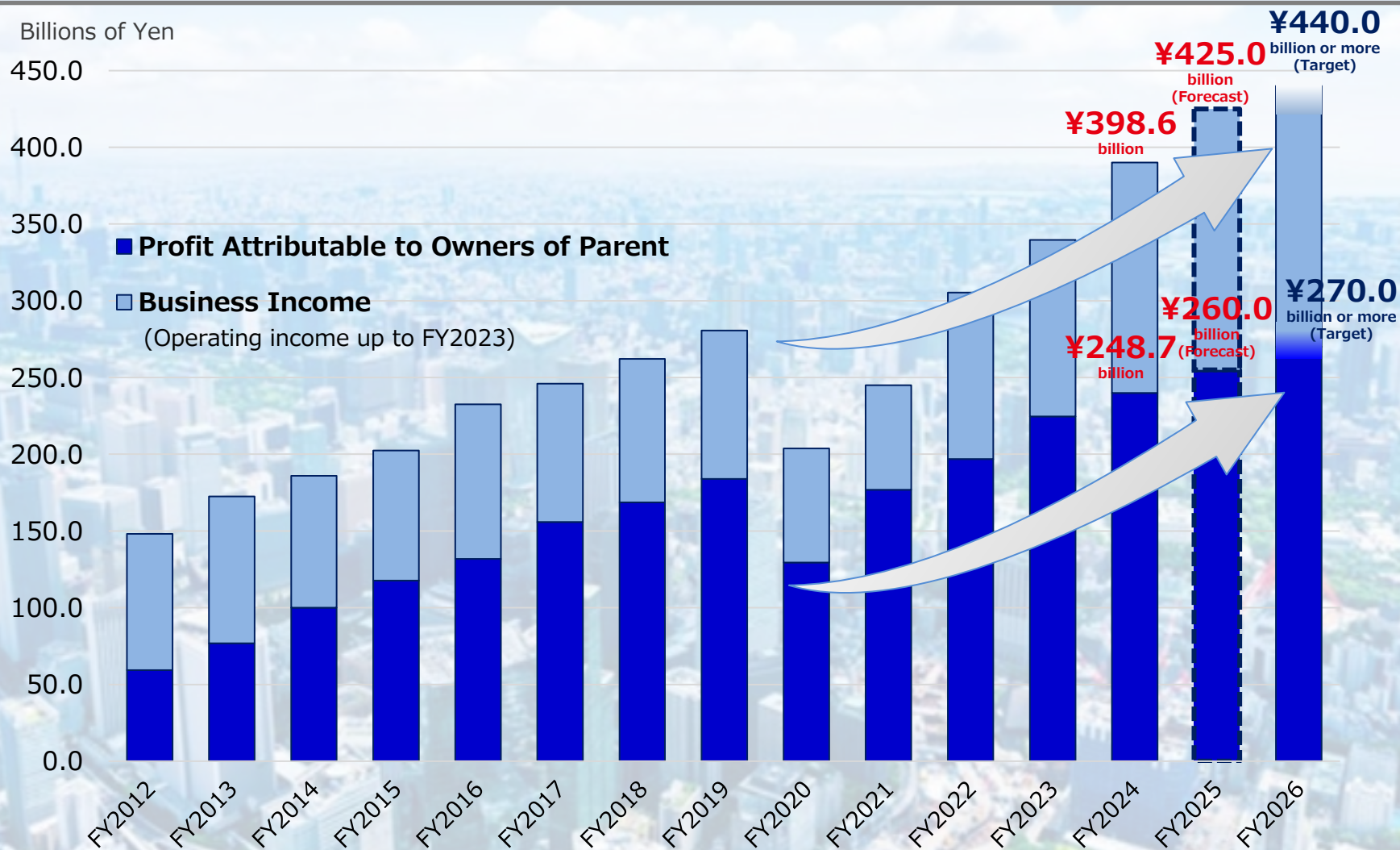


**MITSUI FUDOSAN**

<https://www.mitsuifudosan.co.jp/english/>

# Summary of Financial Results for FY2024

In FY2024, business income, profit attributable to owners of parent, and other items **all reached new highs**  
In forecasts for FY2025, we also **expect** revenue, business income, and profit attributable to owners of parent to **reach new highs**



# Today's presentation

**1**

**Impact of surging construction costs on the Company's business and our response**

**2**

**Impact of higher interest rates on cap rates**

**3**

**Overview and outlook for the overseas business, mainly North America**

**4**

**Status of the second and third paths of & INNOVATION 2030**



# 1-1. Impact of surging construction costs on the Company's business and our response (Office buildings and large-scale redevelopments)

**Contracts completed and construction started for all of the following large-scale projects to be completed by FY2028**

FY2025

FY2026

FY2027

FY2028

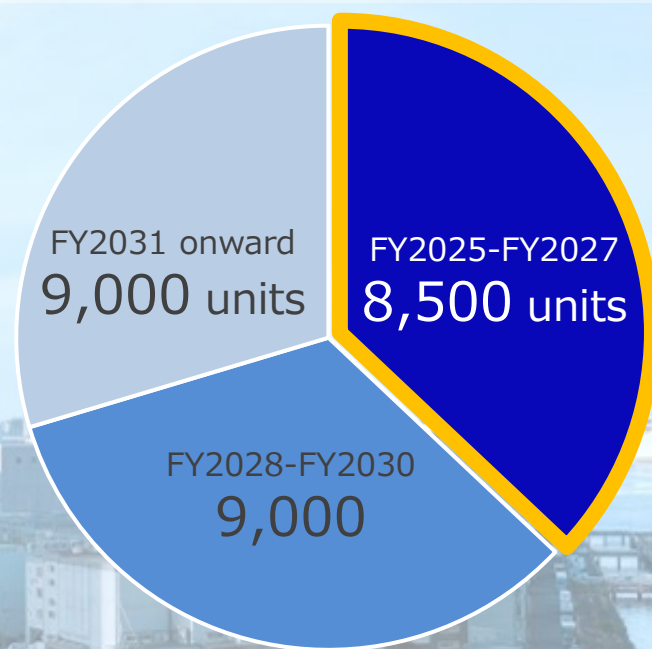




## 1-2. Impact of surging construction costs on the Company's business and our response (Condominiums)

**Construction has started for** almost **all** properties to be reported in FY2025 and FY2026  
Also making steady progress on starting construction for properties to be reported in FY2027

Mitsui Fudosan Group  
Condominium land bank\*



\* Including redevelopment projects at the planning stage

# 1-3. Impact of surging construction costs on the Company's business and our response



Grand opening on May 31 (planned)  
“Mitsui Shopping Park LaLa Terrace  
KAWAGUCHI”

Renovation of existing facility to increase  
value while reducing costs

Respond with a combination of methods based on **abundant  
accumulated experience and development expertise**

**Increase  
profitability** ↗

Improve rentable  
ratios by reviewing  
plans, review unit  
rent settings, etc.

**Value  
engineering** ↘

Review  
specifications,  
centralized  
purchasing, order  
splitting, etc.

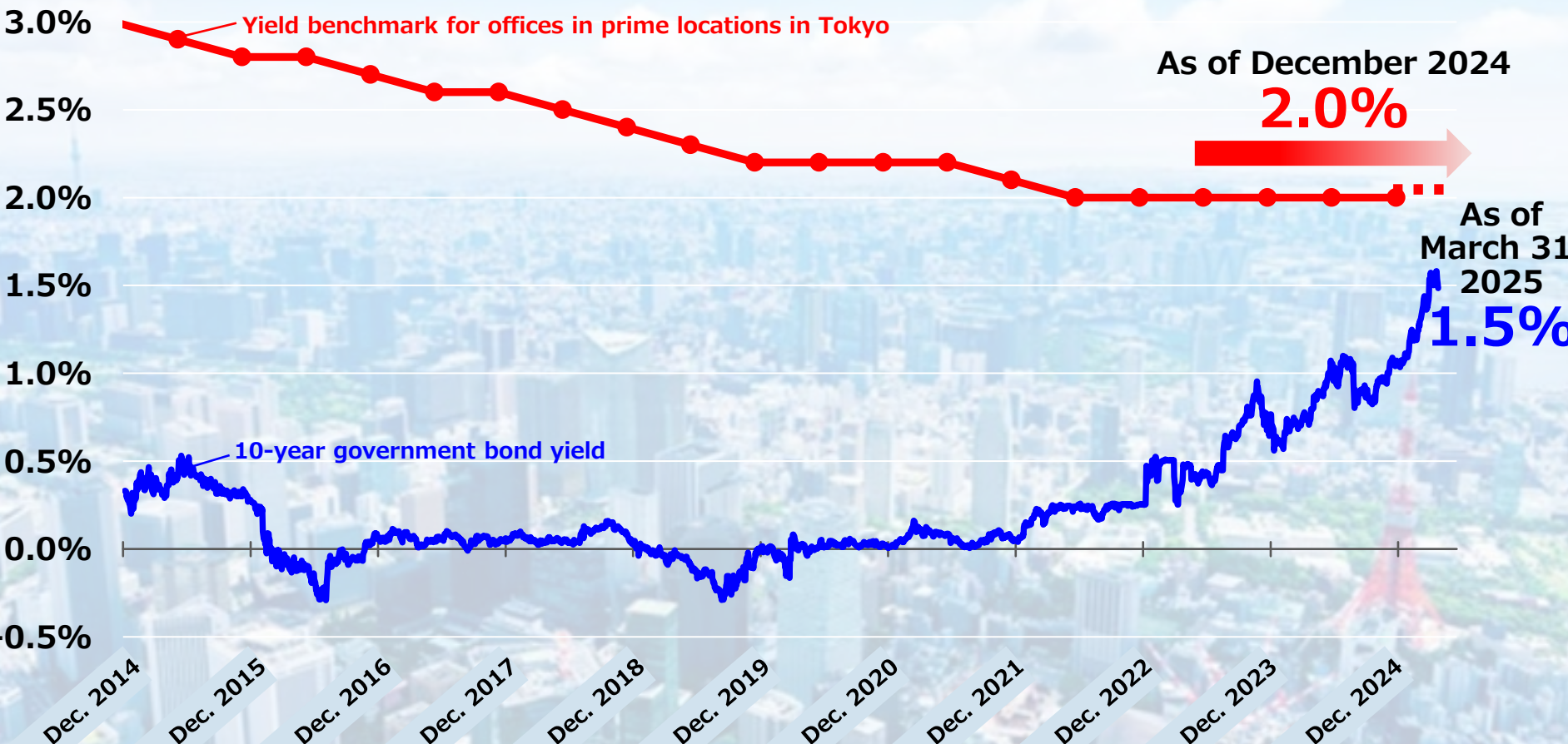
**Lock in exits  
Inventive business  
schemes**

Early partial sales  
Use of renovation  
methods, etc.



# 2-1. Impact of higher interest rates on cap rates (Japan)

Despite a rise in interest rates, domestic **cap rates have been stable at low levels**  
Our unrealized gains as of end-FY2024 stood at **approx. ¥3.7 trillion**, an **increase of approx. ¥0.3 trillion** from the previous level of approx. ¥3.4 trillion

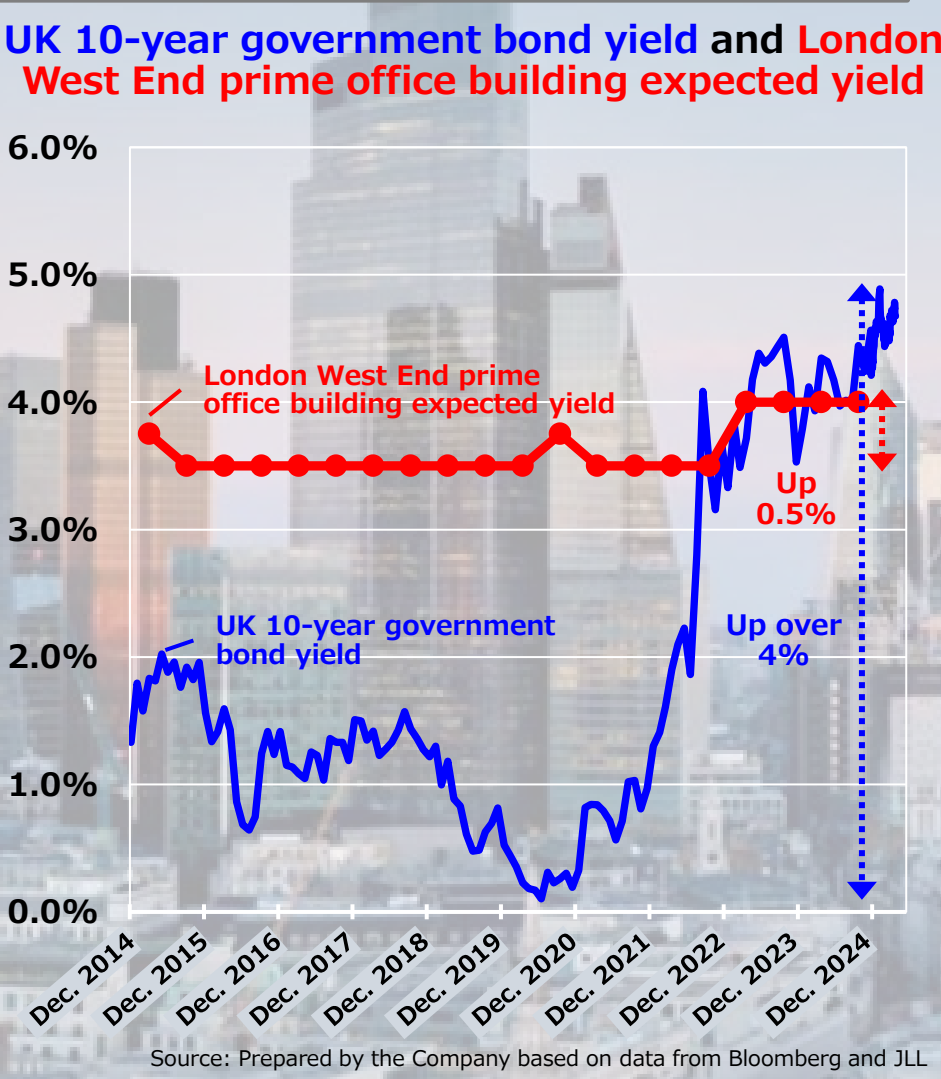
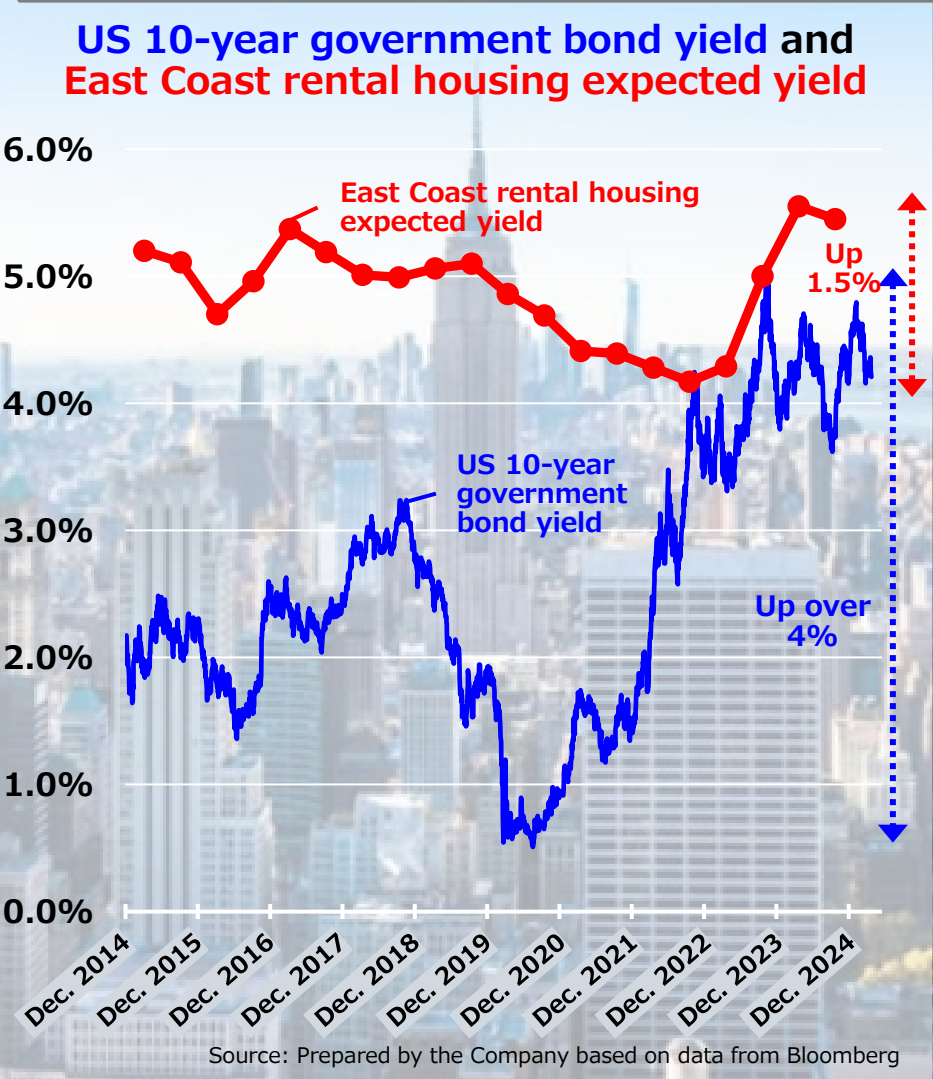


**Japan 10-year government bond yield and yield benchmark for offices in prime locations in Tokyo\***

\* For office buildings around five years old in Marunouchi, Otemachi (Chiyoda-ku) and Nihonbashi (Chuo-ku), with total and standard floor areas of 20,000 tsubo or more and 500 tsubo or more, respectively  
Source: Prepared by the Company based on data from Bloomberg and the Japan Real Estate Institute

# 2-2. Impact of higher interest rates on cap rates (US and UK)

Even in the US and the UK, where interest rates have risen sharply, **the rise in cap rates** for areas and asset classes with stable cash flows **has been moderate**





## 2-3. Impact of higher interest rates on cap rates (Current vacancy rates)

The Company's vacancy rate **remains low** across all asset classes  
**Cash flows are stable**

Tokyo metropolitan  
area office buildings <sup>\*1</sup>

**1.3%**

Retail facilities <sup>\*1</sup>

**2.3%**

Rental housing <sup>\*2</sup>

(Properties completed 3 years ago)

**2.0%**

Logistics facilities <sup>\*1</sup>

(Properties completed 1 year ago)

**2.2%**

\*1 Vacancy rates as of March 31 2025, non-consolidated data for the Company

\*2 Vacancy rates as of March 2025, data for managed properties with sublease guarantees by the Mitsui Fudosan Group  
(Calculated based on rents for operating properties and previous rents for non-operating properties)

### 3-1. Efforts to increase rents and property prices (Increase in rents for the Company's office buildings)

In response to surging construction costs and rising interest rates, it is **important** that we **increase our top line** by raising rents and unit prices, etc.

The Company's Tokyo metropolitan area  
office buildings, rent increases in FY2024

Agreement on  
rent hikes

**80%**

In principle, we aim to negotiate  
for higher rents on

**all projects**

Rate of rent increase

Up by more than

**10%** to **15%**

in multiple cases  
(The number is steadily  
increasing ↗)

Continue aiming for

**high levels**

of rent revision rates



## 3-2. Efforts to increase rents and property prices (Neighborhood creation in the Nihonbashi and Yaesu areas to date)



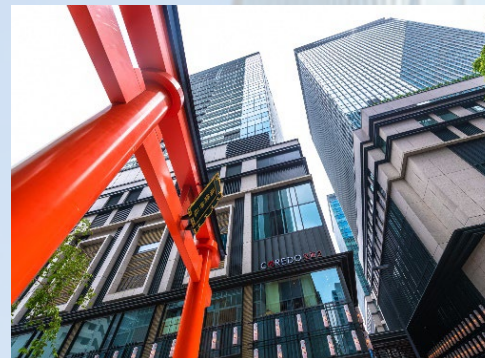
COREDO Nihonbashi opened for business

2004



GranTokyo North Tower and South Tower construction completed

2007



Muromachi Furukawa Mitsui Building construction completed  
Muromachi Chibagin Mitsui Building construction completed  
COREDO Muromachi 2 and 3 opened for business

2014

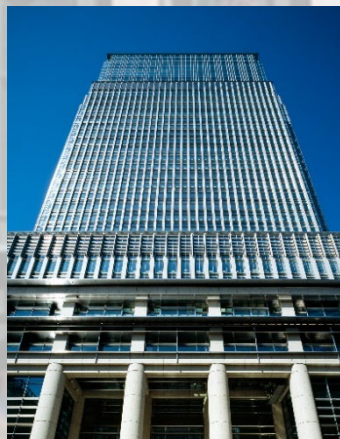


Nihonbashi Muromachi Mitsui Tower construction completed  
COREDO Muromachi Terrace opened for business

2019

2005

Nihonbashi Mitsui Tower construction completed



2010

Muromachi Higashi Mitsui Building construction completed  
COREDO Muromachi 1 opened for business



2018

Nihonbashi Takashimaya Mitsui Building construction completed



2023

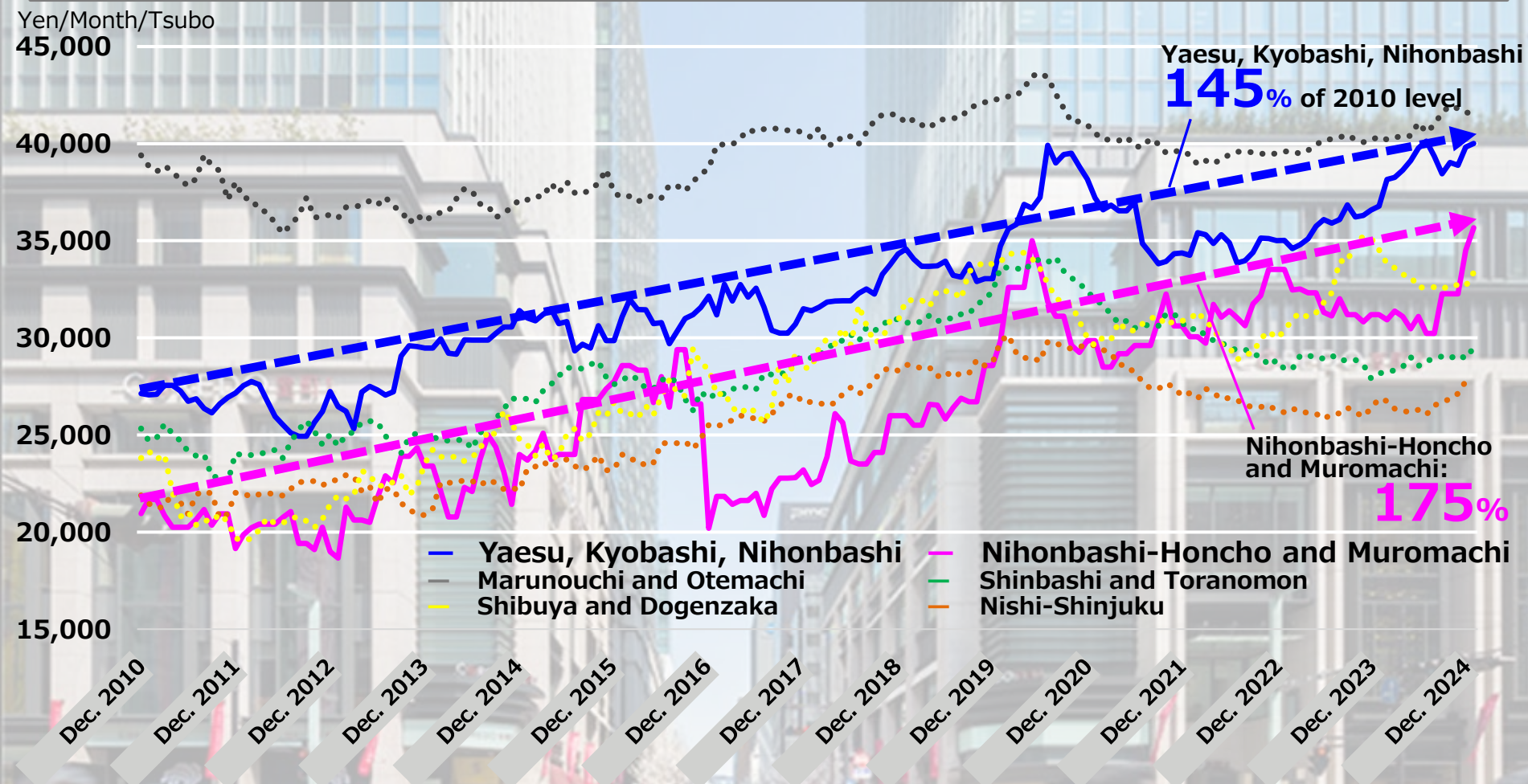
TOKYO MIDTOWN YAESU opened for business





### 3-2. Efforts to increase rents and property prices (Increase in area value through redevelopment)

**Area values have increased**, partly thanks to the contribution from our neighborhood creation. **Asking rents have increased significantly over the last 15 years**



#### Asking rents in the Nihonbashi and Yaesu areas \*

\* Asking rent including common service fees for large buildings of at least 200 tsubo per floor

Source: Prepared by the Company based on data from Sanko Estate



### 3-2. Efforts to increase rents and property prices (The Company also helped liven up the festivities as a member of the community)





# 3-2. Efforts to increase rents and property prices (Concept for future neighborhood creation in the Nihonbashi and Yaesu areas)



Nihonbashi 1-chome Central District Project construction to be completed

2026



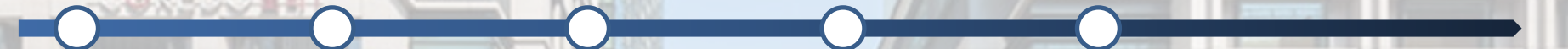
Nihonbashi 1-chome East District Project



Looking over Nihonbashi toward Hakozaeki

\* This is a concept image, and differs from the actual plan.

Nihonbashi 1-chome 1, 2 District Project

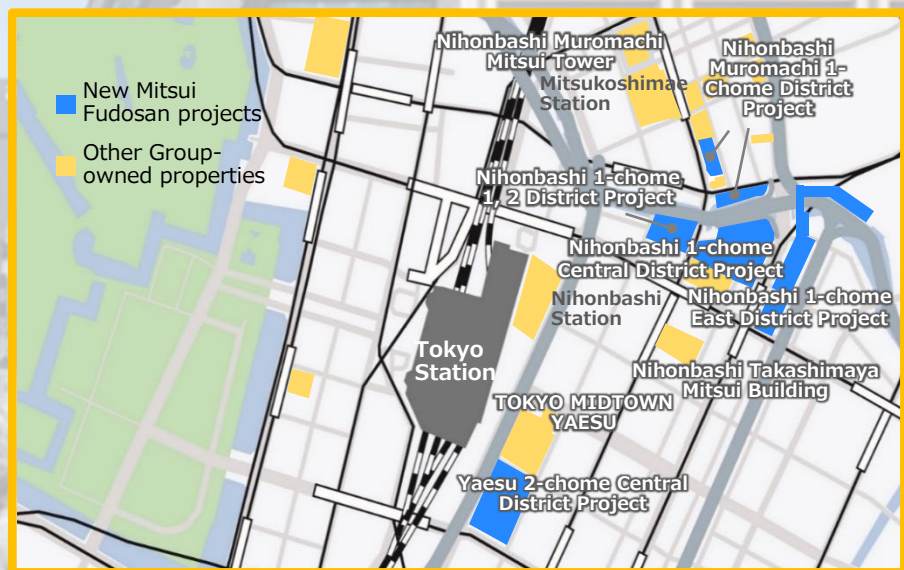


2029

Yaesu 2-chome Central District Project construction to be completed



Nihonbashi Muromachi 1-Chome District Project





### 3-3. Efforts to increase rents and property prices (Providing added value)

As an **"overdelivering landlord,"** we undertake various initiatives (soft service events) that contribute to industry creation and human capital management, which address the management challenges of our corporate tenants

⇒ Creation of **"An office in a neighborhood you want to visit."**  
**Promote the concept of added value as rent.**

#### Industry creation and core business support

- Introducing communities (LINK-J, Cross U) and arranging relocation to key industry hubs
- Promoting information exchanges among companies through events
- Providing opportunities for tenant product and service marketing, demonstrations/trials, etc.

#### Human capital management

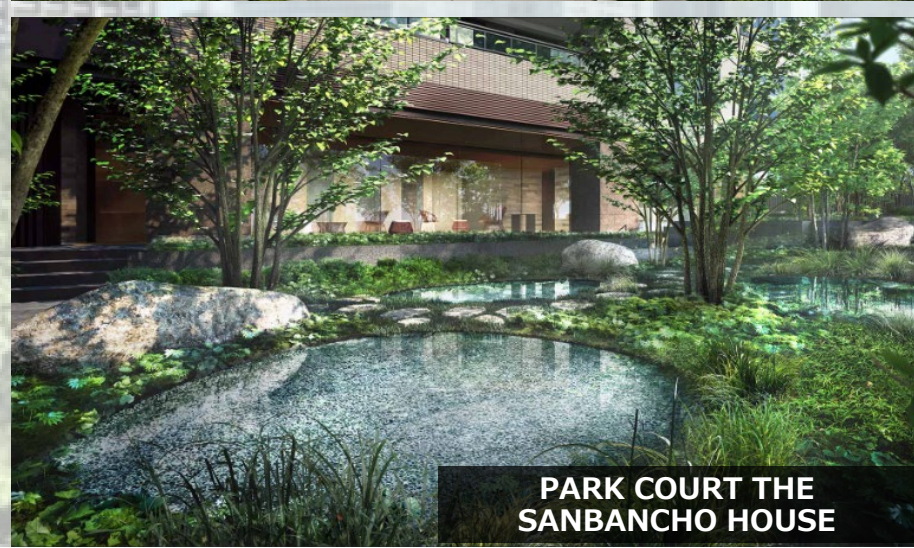
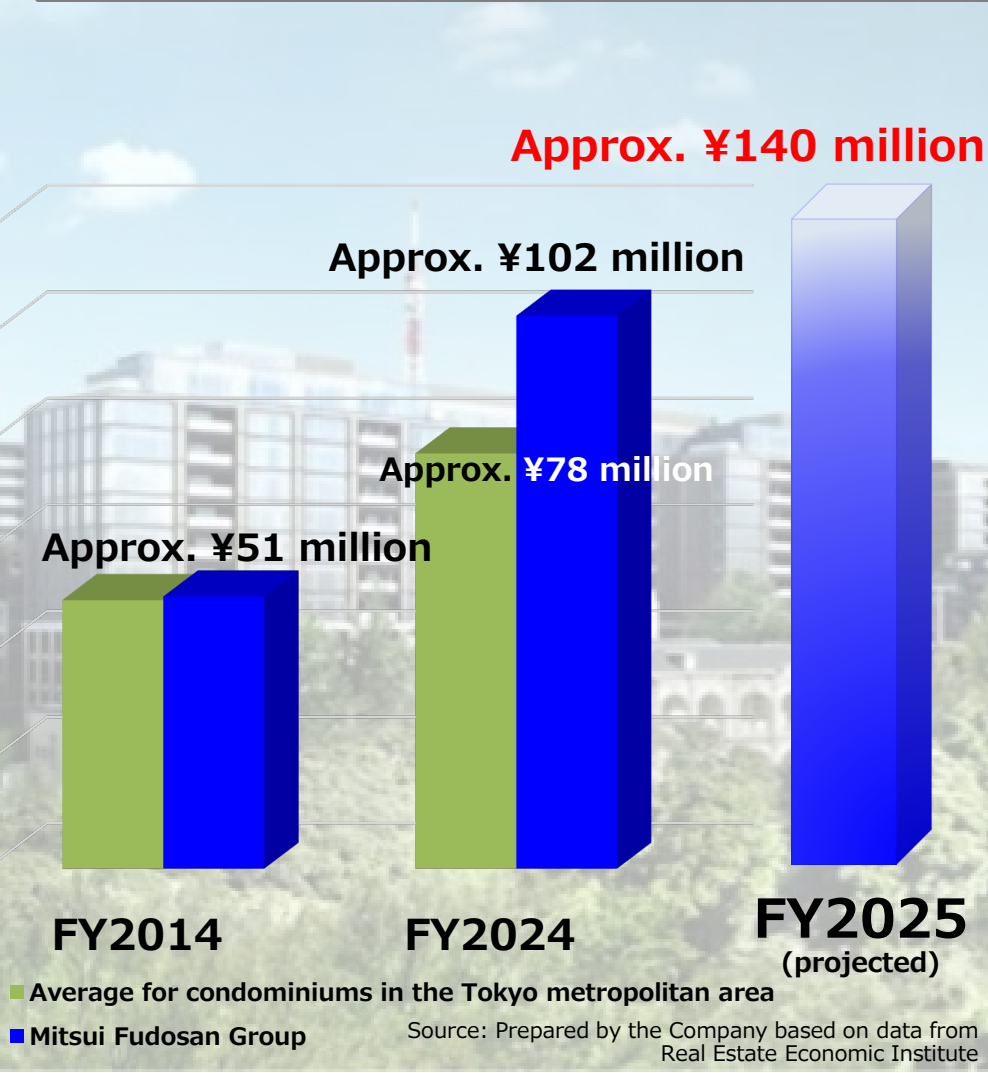
- Implementation of events that contribute to **health management, DE&I, and promoting active roles for women**, which are difficult for companies to implement on their own (&well)
- **Events to make people look forward to coming to work** (sports festivals, Shinjuku Nodo Jiman (singing contest), etc.)





# 3-4. Efforts to increase rents and property prices (Condominiums)

Projecting **an average price of ¥140 million** on properties to be reported in FY2025, **a record high**  
The Mitsui Fudosan Group's **market share of high-end properties** (¥200 million or more per unit) is **over 50%** \*Source: MERCURY FY2024

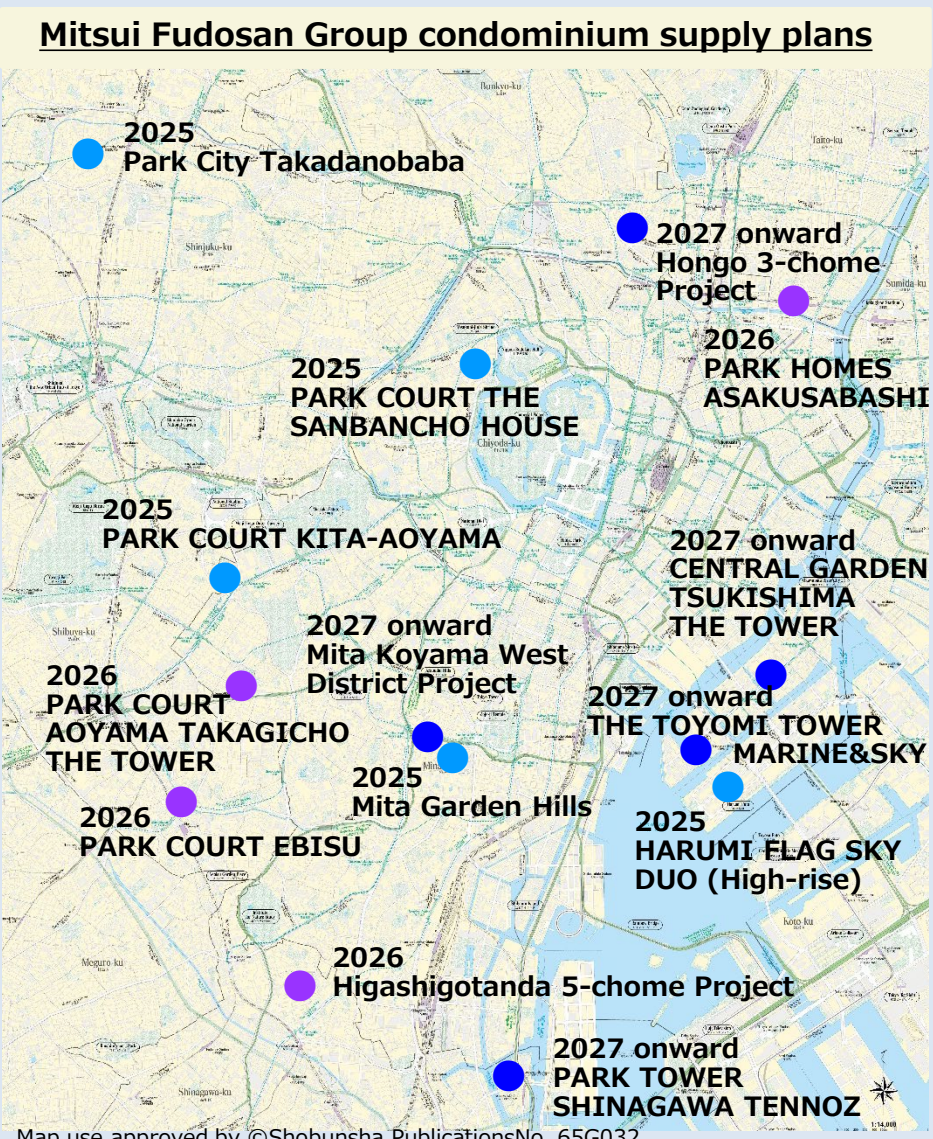




# 3-4. Efforts to increase rents and property prices (Condominiums)

## Strong pipeline in central Tokyo

Mitsui Fudosan Group condominium supply plans

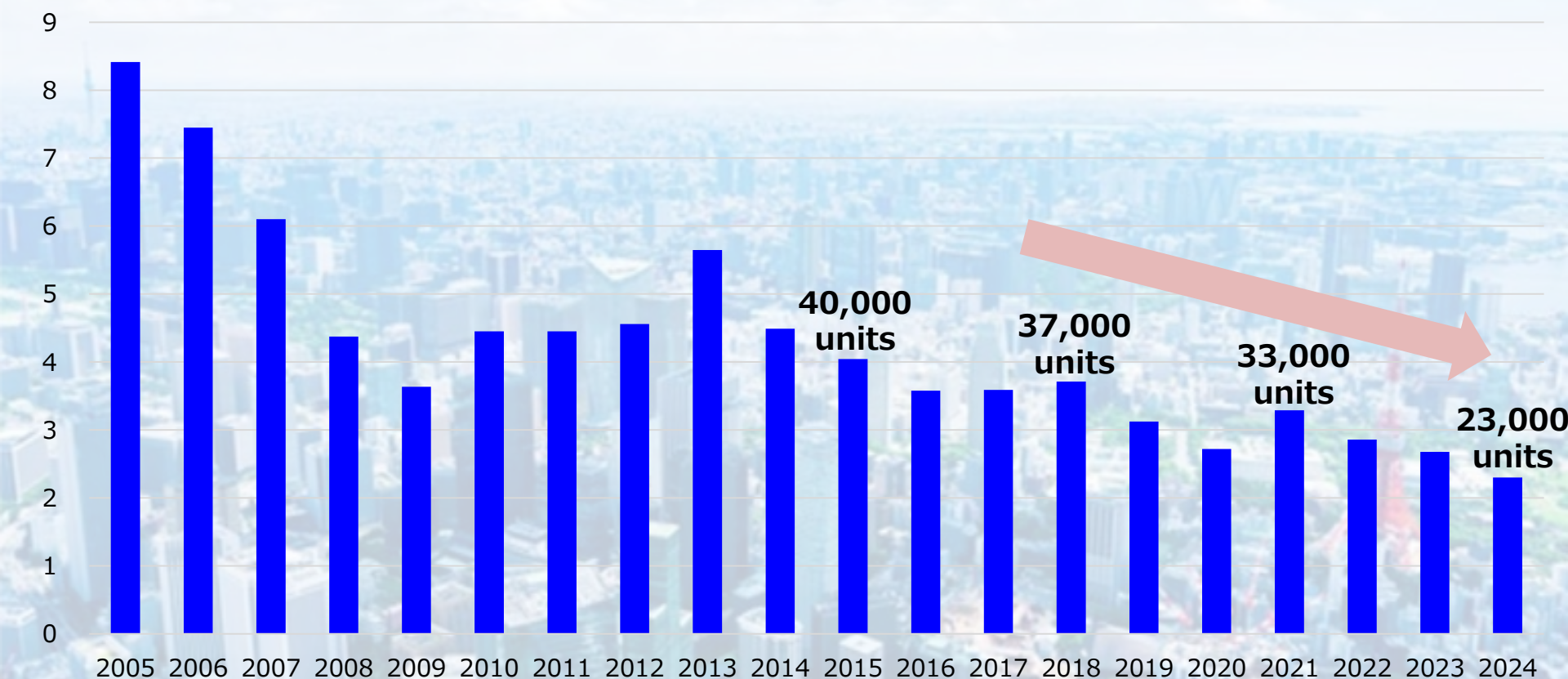




### 3-4. Efforts to increase rents and property prices (Condominiums)

**New supply has also decreased**  
⇒ **Promote the added value of Mitsui Fudosan properties as reflected in the price**, while being mindful of the market

10,000 units



**Tokyo Metropolitan Area Condominium Market: New Units Launched (Calendar year)**

Source: Prepared by the Company based on data from Real Estate Economic Institute



## 4-1. Overview and outlook for the overseas business, mainly North America

Acquiring **high-quality investments**  
⇒ **Continuing asset replacement** to create a **resilient portfolio**

London



Boston



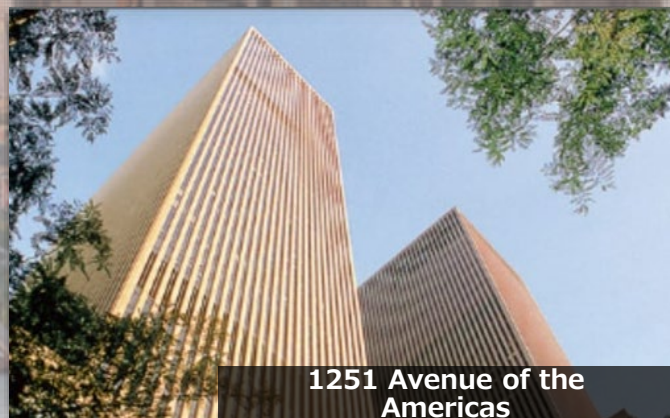
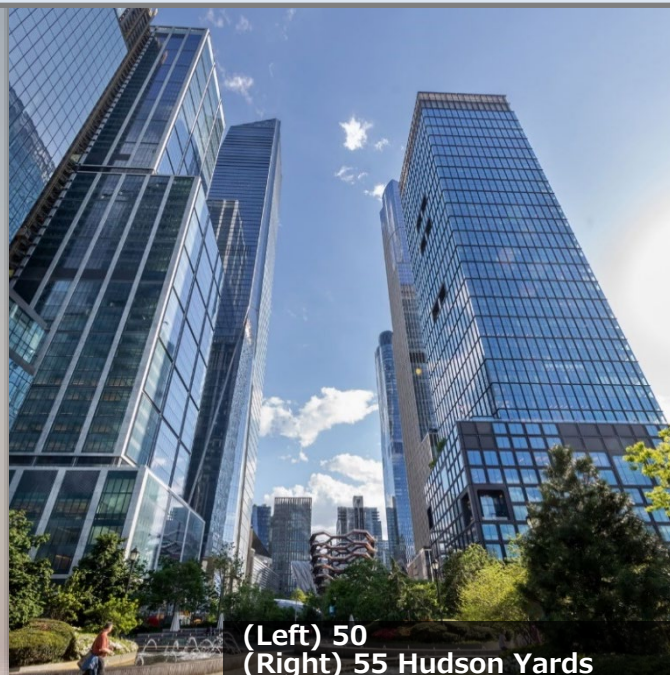
Sydney



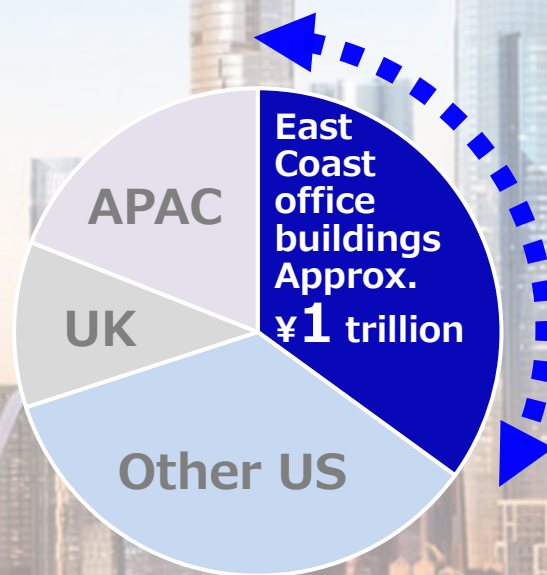


## 4-2. Overview and outlook for the overseas business, mainly North America (US East Coast)

**Generate stable bedrock profits through three flagship properties at 50/55 Hudson Yards and 1251 Avenue of the Americas**



Of ¥2 trillion in US assets, approximately  
**¥1 trillion** are East Coast office buildings



Unrealized gains of approximately  
**¥900 billion** on three flagship properties

**Approx. ¥1 trillion**

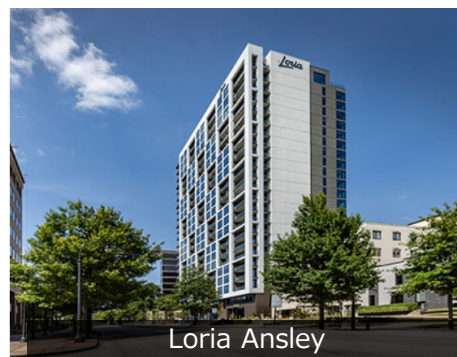
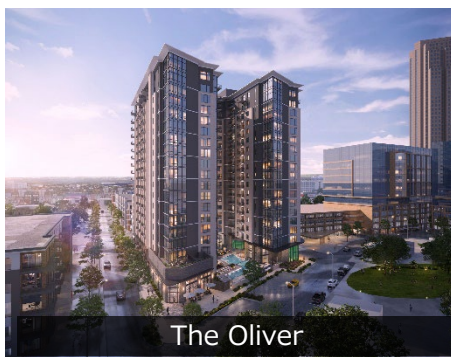


Book value  
Market value

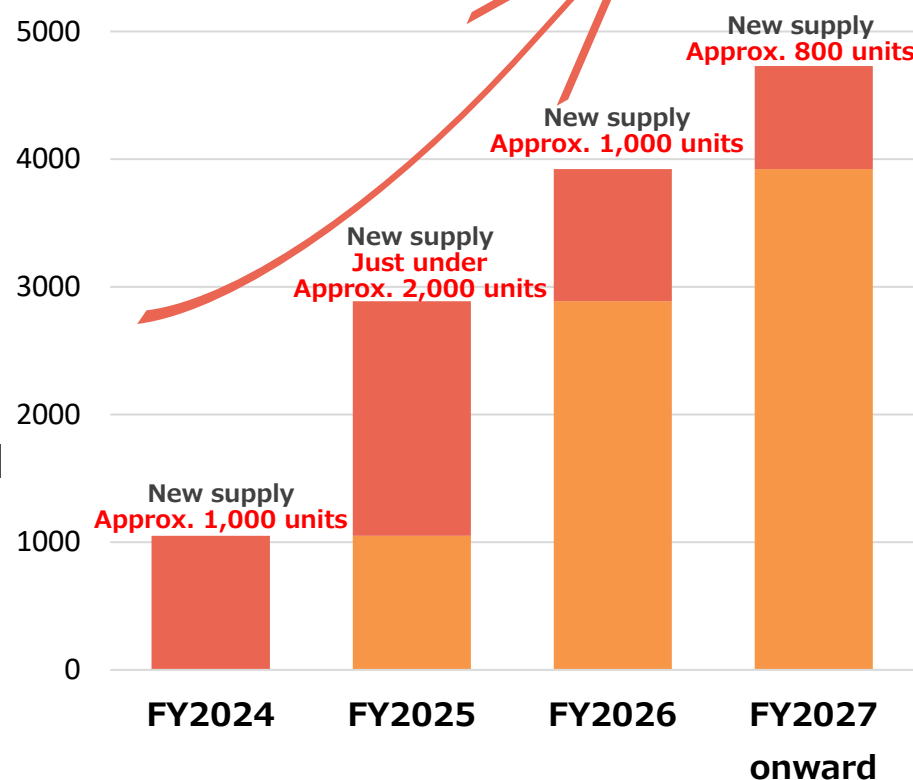


## 4-3. Overview and outlook for the overseas business, mainly North America (US Sun Belt)

**Accelerating investment in the rental housing business in the Sun Belt, where corporate agglomeration and population inflow are progressing**



Total of **approximately 5,000 units**

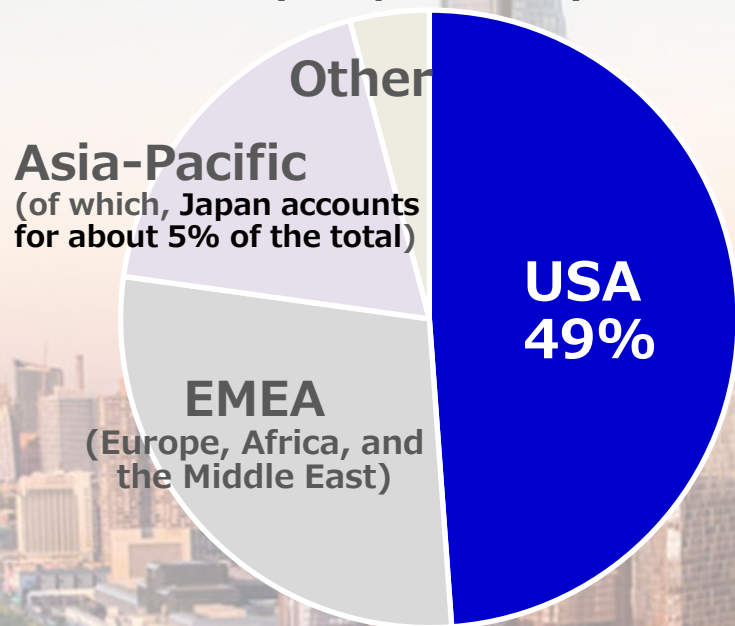


**Cumulative supply of rental housing in the Sun Belt**

## 4-4. Overview and outlook for the overseas business, mainly North America

Identifying growth areas and markets, and **carefully selecting investments**

US real estate investment as a proportion of the global total  
(Full year 2024)



Source: Prepared by the Company  
based on data from JLL

### Our strengths

Dual capabilities

Developer  
(ability to assess real estate)  
< Institutional investor  
(funding capability)

Long track record, accumulated experience

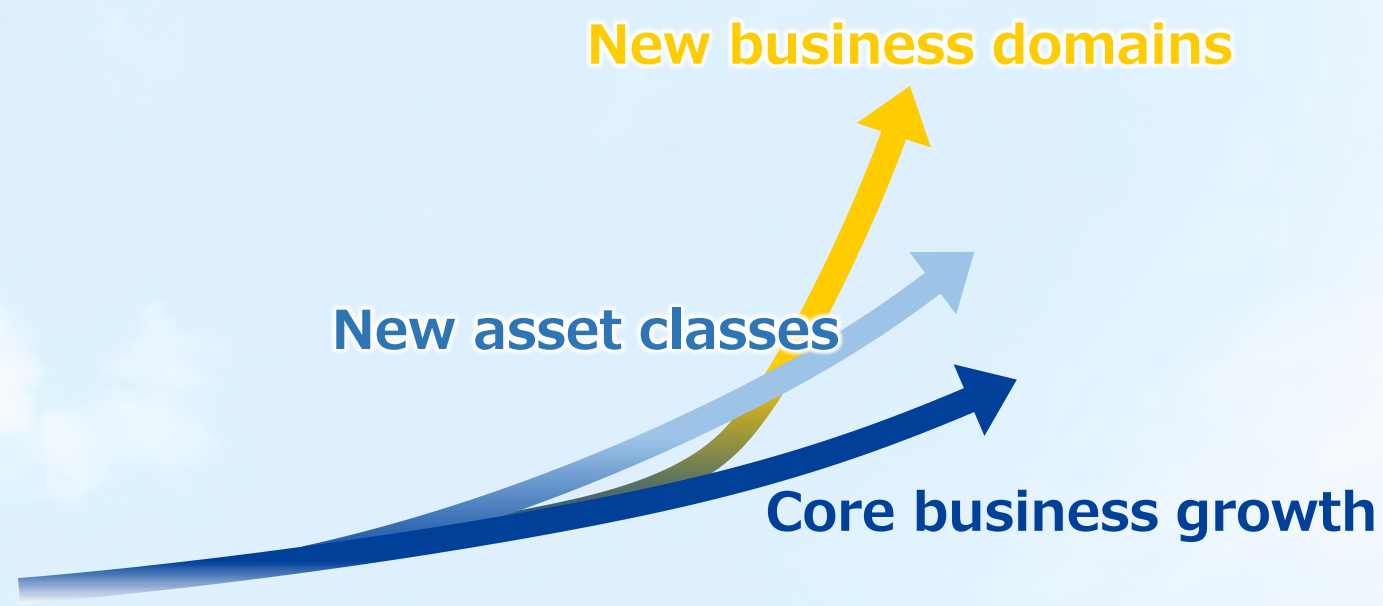
US business for more than 50 years  
(reliability)  
< Promotion of localization  
(network)

### Major partners in the US

Related, Tishman Speyer, Hines



# 5-1. Status of the second and third paths of & INNOVATION 2030



## 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 profits regardless of the external environment through differentiation and efforts to create new markets

## 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.

## 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

5-1. Status of the second path of & INNOVATION 2030 (Arena business)



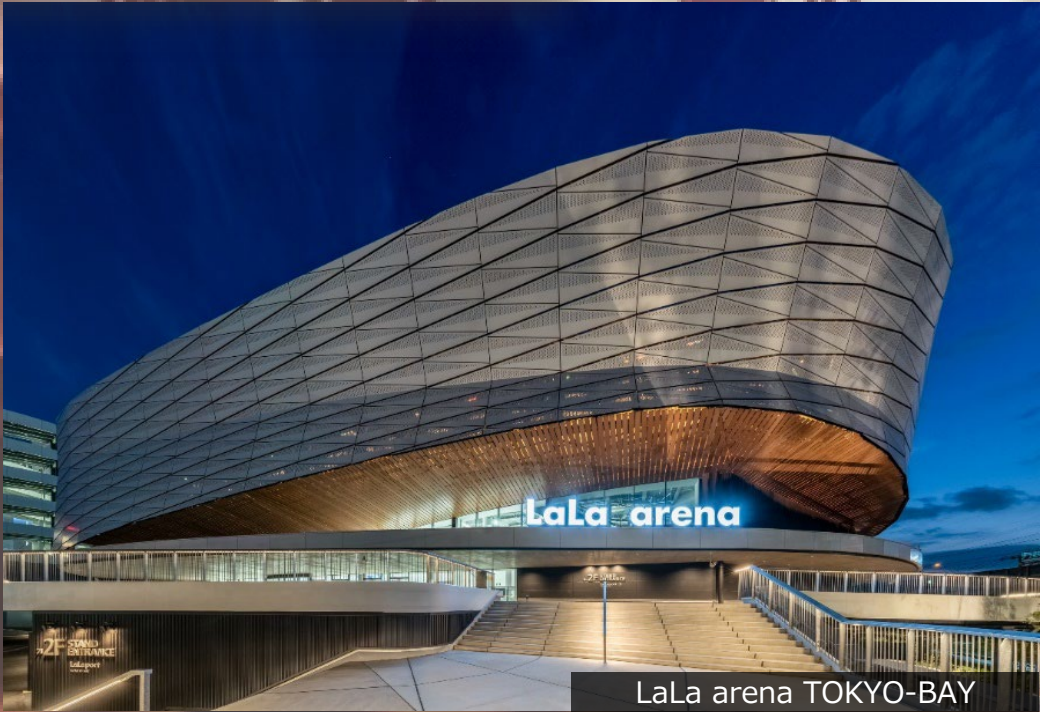
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Occupancy  
rate

**Almost  
100%**  
on weekends  
and  
holidays

Number of  
properties

**Under  
consideration  
for  
expansion**



LaLa arena TOKYO-BAY



5-2. Status of the second path of & INNOVATION 2030  
(Lab & office business)





## 5-2. Status of the second path of & INNOVATION 2030 (Lab & office business)



Number of  
properties\*

**16**  
properties  
in total

Japan\*

**10**  
properties

US\*

**5**  
properties

UK\*

**1**  
property

Total investment  
amount\*

Approx.  
**¥500** billion

\* including properties  
already sold and planned



## 5-2. Status of the second path of & INNOVATION 2030 (Data center business)

Number of  
properties\*

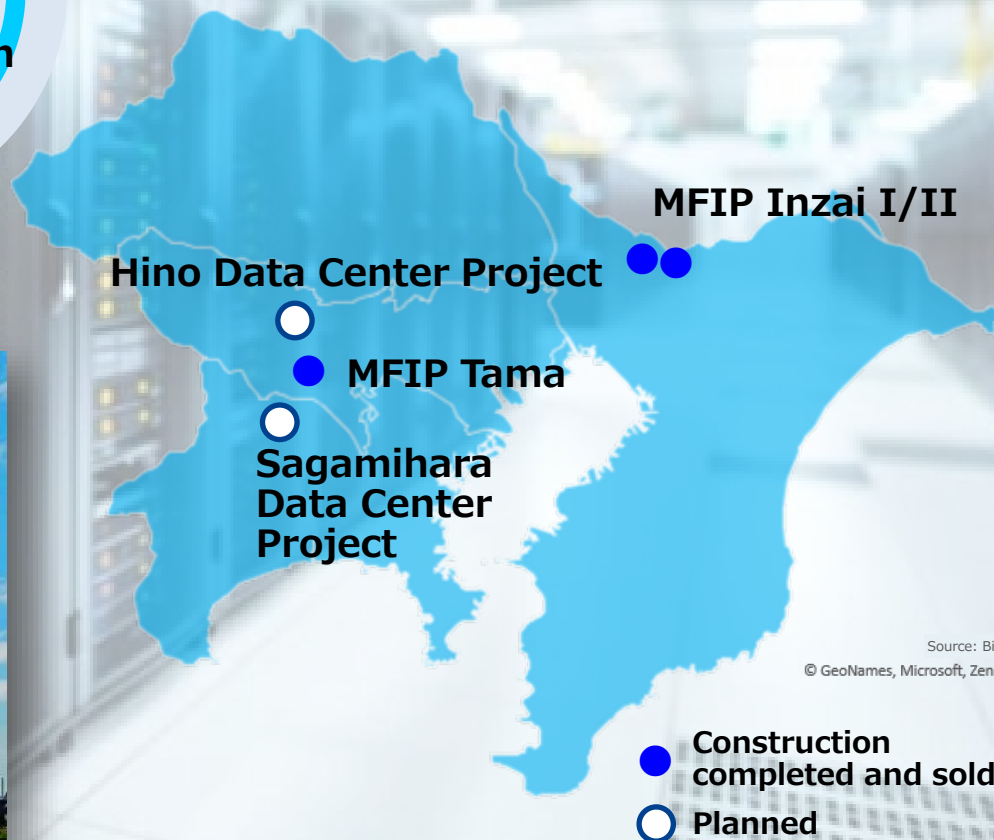
**7**

**properties  
in total**

Total investment  
amount\*

Approx.  
**¥300** billion

\* Including properties under consideration  
and properties outside the Tokyo  
metropolitan area

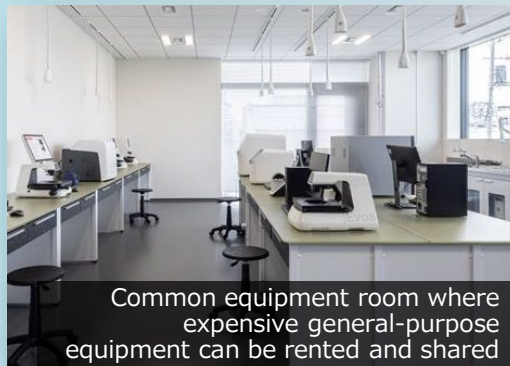


## 5-3. Status of the third path of & INNOVATION 2030 (Life science business)

### Information and network

- Industry trends
- Latest information
- Challenges

### Development of various new businesses to support industry players

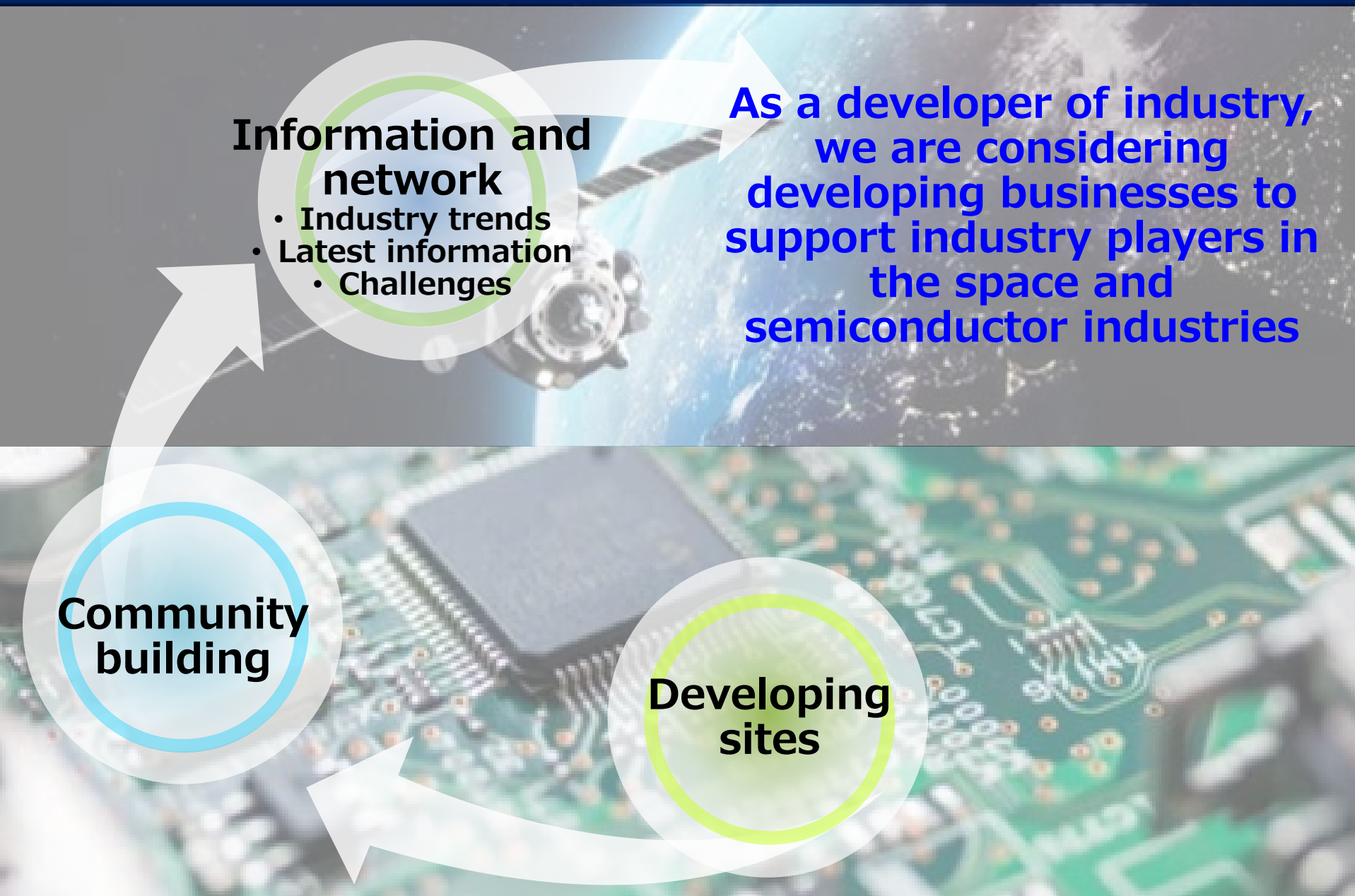


### Community building

### Developing sites



## 5-3. Status of the third path of & INNOVATION 2030 (Future image)



# 6. Conclusion





This presentation contains forward-looking statements including details regarding the Company's business results forecasts, development plans, and targets.

All forward-looking statements are based on judgments derived from the information available to the Company at the time this presentation was issued, and are subject to a variety of risks and uncertainties.

As a result, actual results may differ materially from the Company's forecasts due to a number of factors including changes in economic conditions, market trends, and shifts in the operating environment.

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