MITSUI FUDOSAN

Press Release

March 7, 2018

Mitsui Fudosan Co., Ltd.

Mitsui Fudosan Decides to Participate in the Zhongshan Zhongxiao Hotel (Tentative Name) Business, Very Close to Taipei Main Station

Mitsui Fudosan's Second Directly Operated Hotel in Taiwan

Scheduled to Open in 2022

Key Points of the Project

- ●Superior location featuring good access to public transport with planned direct access to Taipei Main Station on the first basement floor and excellent street-level visibility
- ●Scheduled to open in 2022 as Mitsui Fudosan's second hotel property in Taiwan with approximately 350 guestrooms
- ●Advancing the development of hotel businesses in Taiwan centered on the Taipei metropolitan area

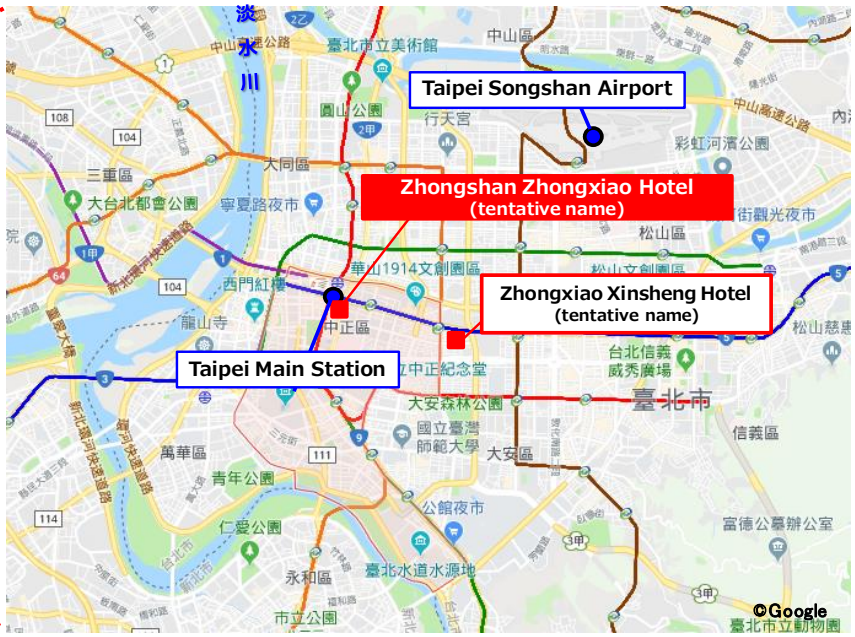
■ Tokyo, Japan, March 7, 2018 – Mitsui Fudosan Co., Ltd., a leading global real estate company headquartered in Tokyo, announced today that it has decided to participate in the Zhongshan Zhongxiao Hotel (tentative name) business, in what will become its second hotel property in Taiwan, by entering into an agreement with King Yu-Tai Co., Ltd. * (Headquarters: Taipei; Representative: Liao Nien-Yu) regarding the development and management of the new hotel. It is scheduled to open in 2022 as the second hotel to be directly operated by the Mitsui Fudosan Group following the Zhongxiao Xinsheng Hotel (tentative name) business, the Mitsui Fudosan Group's first hotel business in Taiwan. Going forward, the Mitsui Fudosan Group will continue to develop hotel businesses in Taiwan centered on the Taipei metropolitan area.

* A project management company established by How Yu Construction Co., Ltd., a Taiwanese construction firm.

■ The project site will be highly accessible to transport, being only three minutes on foot from Taipei Main Station, which is served by a total of five railway lines, including Taiwan High Speed Rail (HSR), Taiwan Railways Administration (TRA), and three Taipei Metro (MRT) lines (Taoyuan Airport MRT, Tamsui-Xinyi Line, and Bannan Line). When the hotel opens, it is scheduled to have direct access to the station on the first basement floor. Located at the intersection of the major arterial boulevards Zhongshan Road and Zhongxiao Road, the hotel will be highly visible at street level. On the west side of the project site is the commercial district close to Taipei Main Station and on the south side is a complex of government ministries and agencies. There are also numerous historical buildings in the area. The hotel will be approximately 15 minutes by car from Taipei Songshan Airport. Mitsui Fudosan expects the hotel to serve a wide range of guests, including business travelers, visitors from Hong Kong and Southeast Asia, and customers from other parts of Taiwan, in addition to sightseeing and leisure travelers from Japan.

■ For this hotel, the Mitsui Fudosan Group will lease a building that will be developed by King Yu-Tai Co., Ltd. and will operate the property as an high-class accommodation-style hotel with approximately 350 guestrooms. The Group will collaborate on planning the hotel from the building development stage. On the hotel operations front, the Mitsui Fudosan Group has developed expertise through the operation of 20 hotels in its Mitsui Garden Hotel chain in Japan. The Group will take full advantage of this expertise to create "hotels that satisfy the senses" and "hotels to remember" in Taiwan, as it has done in Japan. With this in mind, Mitsui Fudosan will make every effort to provide services replete with unparalleled hospitality.

Northern Taiwan



Central Taipei

■ The Mitsui Fudosan Group's Business in Taiwan

In January 2016, the Mitsui Fudosan Group opened Mitsui Outlet Park Linkou, the Group's first business in Taiwan. The Group is currently developing business with the goals of opening Mitsui Outlet Park Taichung Port, the Group's second outlet park facility in Taiwan, in 2018; Zhongxiao Xinsheng Hotel (tentative name), the Group's first hotel business in Taiwan, in 2020; and Mitsui Shopping Park LaLaport Nangang (tentative name), the Group's first LaLaport facility in Taiwan, in 2021. In order to drive further business expansion, the Group will utilize Mitsui Fudosan Taiwan Co., Ltd., a Taiwanese subsidiary established in 2016, as an investment base to expand businesses such as housing, logistics and mixed-use development projects, as well as commercial facilities and hotels, across Taiwan.

■ The Mitsui Fudosan Group's Hotel Business

The Mitsui Fudosan Group currently operates 23 hotels with 5,841 guestrooms throughout Japan in 2 hotel chains: the upper-middle-class Mitsui Garden Hotels and the high-class THE CELESTINE HOTELS. In June 2018, Mitsui Garden Hotel Otemachi and Mitsui Garden Hotel Gotanda are scheduled to open. Mitsui Garden Hotel Nihonbashi Premier (tentative name) is scheduled to open in the fall of this year. Going forward, the Group will strive to proactively advance new business initiatives in major metropolitan areas and core regional cities.

In addition, the Mitsui Fudosan Group manages properties in the resort business such as Haimurubushi on Kohama Island in Okinawa Prefecture, NEMU RESORT in Shima City, Mie Prefecture, and Toba Hotel International in Toba City, Mie Prefecture. In summer 2019, the Group is scheduled to open Halekulani Okinawa. The Group also conducts an overseas business, with properties including Halekulani, a hotel in Hawaii, U.S.A., and the St. Regis Hotel & Residences in Singapore.

■ Mitsui Fudosan's Overseas Strategy

The Mitsui Fudosan Group has positioned overseas business as one of its growth areas. The Group is conducting business in Asian countries and regions such as China, Taiwan, and Southeast Asia, in addition to the U.S. and the U.K. The Group is advancing seven commercial facility projects in Asia. Notably, following the opening in 2011 of Shanjing Outlet Plaza-Ningbo in China, the Group has been developing outlet businesses in Kuala Lumpur and Taiwan and LaLaport businesses in Shanghai and Kuala Lumpur. Mitsui Fudosan is also actively engaged in the housing business in Malaysia, Singapore, Thailand, Indonesia, the Philippines and China. The Company will actively pursue business in Asia, with a view to capturing growing consumer spending and to expanding profits at the earliest opportunity in conjunction with contributing to local communities.

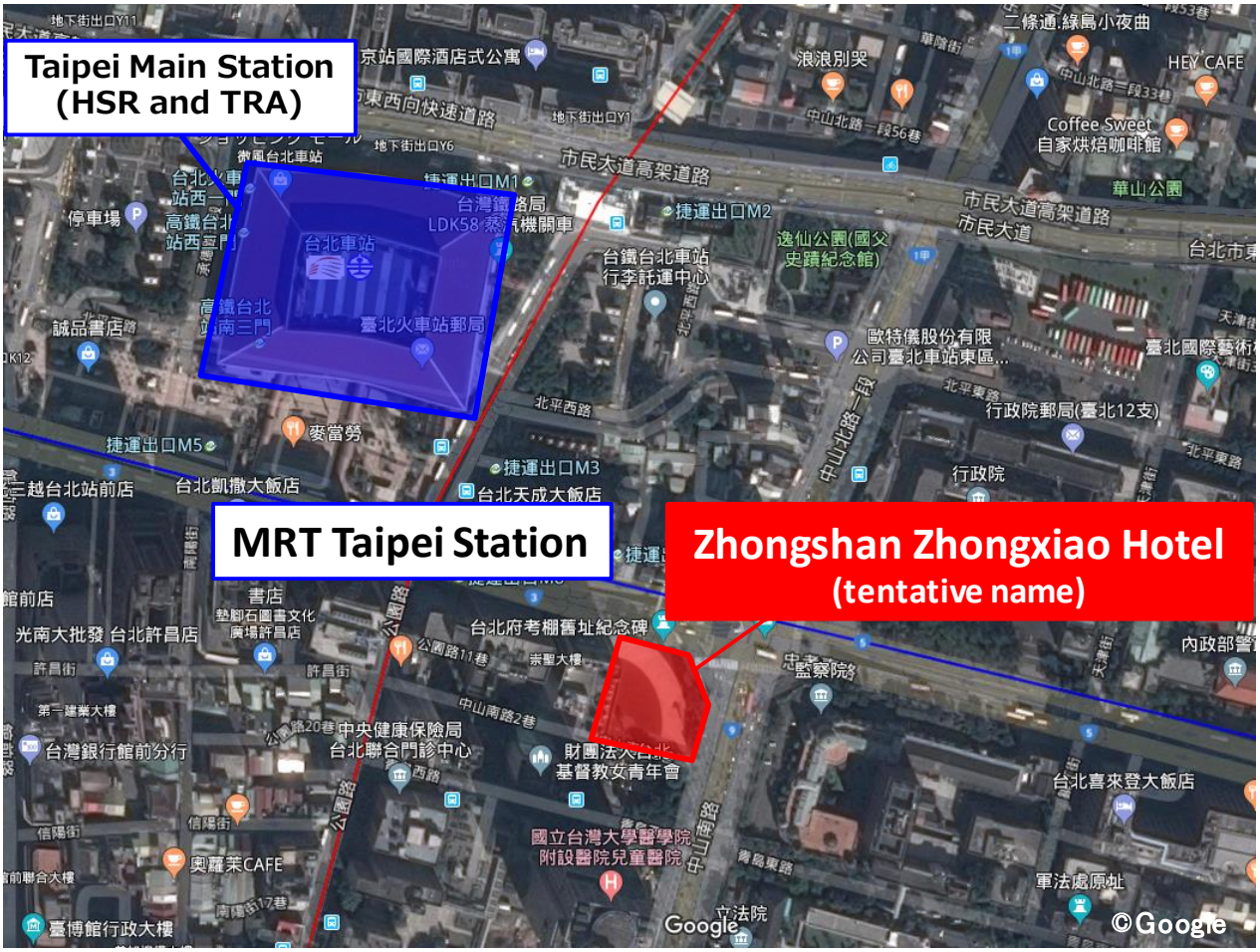
■ How Yu Construction Co., Ltd.

Name :	How Yu Construction Co., Ltd.
Chairman :	Liao Nien-Yu
Head Office Location :	Section 1, Zhongshan North Road, Taipei City, Taiwan
Capital:	NTD 0.51 billion
Main Businesses :	Construction of office buildings and public facilities, etc.

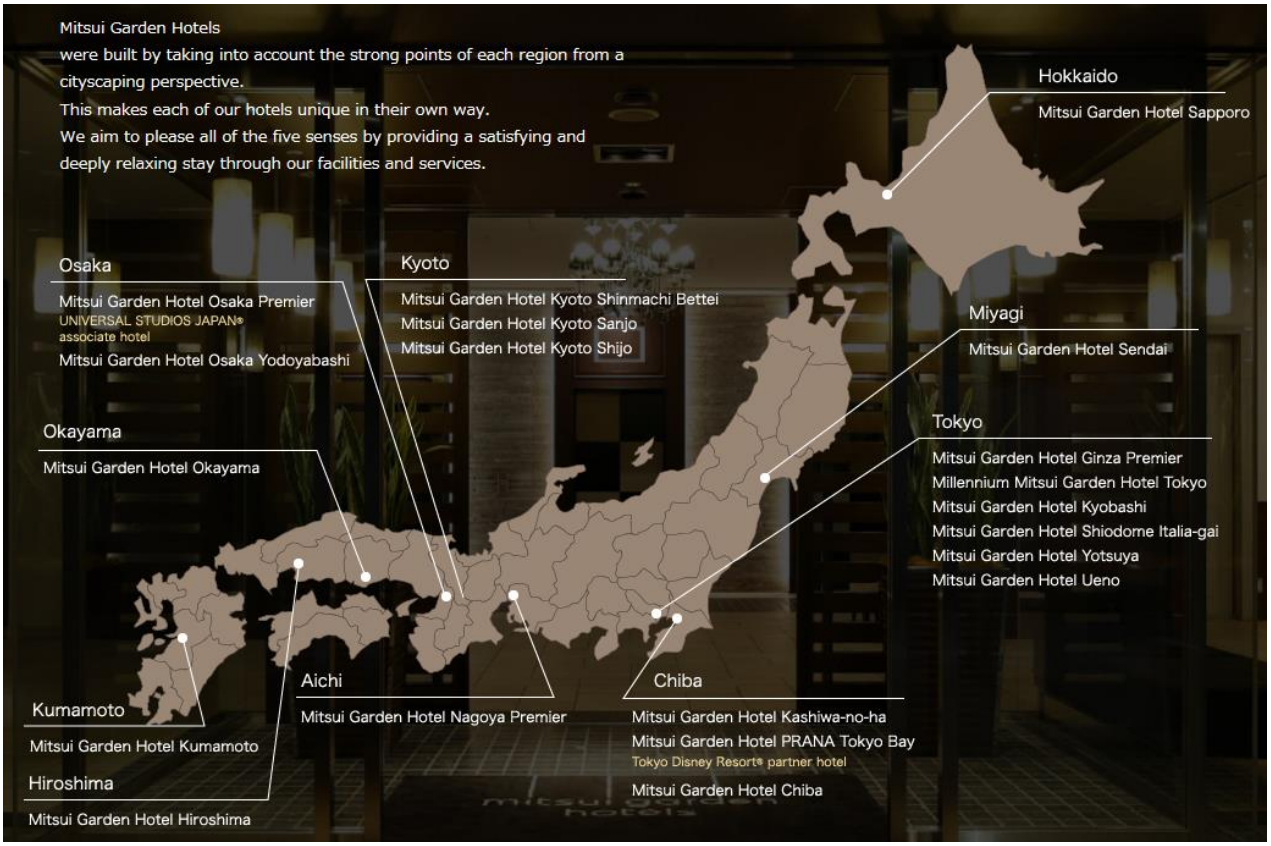
【Project Overview】(Scheduled)

Location	Land Serial No.1, 3rd Subsection, Gongyuan Section, Zhongzeng District, Taipei City, Taiwan
Access	Three minutes' walk from MRT Taipei Station
Site Area	Approx. 40,900 ft^2 (Approx. 3,800 m^2)
Total Floor Area Above Ground	Approx. 312,000 ft^2 (Approx. 29,000 m^2)
Scale	18 floors above ground and 5 below (The hotel occupies part of the 1st floor and the 6th to 18th floors)
Guestrooms	Approx. 350
Business Format	The Mitsui Fudosan Group will lease part of a building that will be developed by King Yu-Tai Co., Ltd. and manage it as a hotel.
Scheduled Opening	2022 (planned)

＜Attachment 1＞ Map

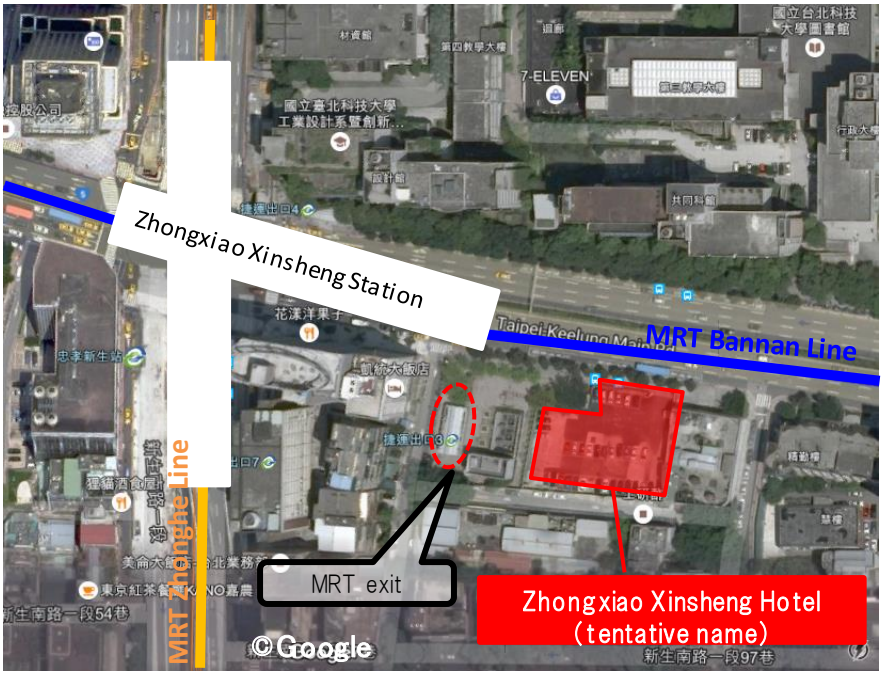


＜Attachment 2＞ Map of the Mitsui Fudosan Group's Hotels in Japan



Mitsui Garden Hotels http://www.gardenhotels.co.jp/eng/

＜Reference＞ The first hotel business in Taiwan (Scheduled)

■Zhongxiao Xinsheng Hotel (tentative name)

Location	Lane 10, Sec. 3 Zhongxiao East Road, Da'an District, Taipei City, Taiwan
Access	One minute walk from Zhongxiao Xinsheng Station (MRT Bannan Line, MRT Zhonghe Line) * Two stations from Taipei Main Station and four stations from Taipei City Hall Station 15 minutes by car from Taipei Songshan Airport
Site Area	Approximately 15,823 ft^2 (Approximately 1,470 m^2)
Above Ground Total Floor Area	Approximately 150,695 ft^2 (Approximately 14,000 m^2)
Structure	17 floors above ground and 5 below (Includes hotel from 1st to 17th floors, restaurant on 1st floor and parking on 1st to 5th basement floors)
Guestrooms	Approximately 300 (average floor area of 290 ft2 (27 m2) per room)
Business Format	The Mitsui Fudosan Group will lease a building that will be developed by Hung poo Real Estate.
Scheduled Opening	2020 (planned)