

July 3, 2020

For immediate release

Mitsui Fudosan Co., Ltd.
MITSUI Designtec Co., Ltd.
Mitsui Fudosan Reform Co., Ltd.

To Strengthen Spatial Design, Remodeling, and Renewal Businesses

Business Integration of MITSUI Designtec Co., Ltd. and Mitsui Fudosan Reform Co., Ltd.

Rebirth of MITSUI Designtec Co., Ltd. on October 1, 2020

<Outline of the merger>

Tokyo, Japan, July 3, 2020 – The Mitsui Fudosan Group aims to bring affluence and comfort to urban living. Under this Group Statement, the Group is united in its endeavor to take the real estate business to a new level by delivering dreams and excitement for a new age, with the goal of building a sustainable society set out in VISION 2025.

With this in mind, we decided to merge MITSUI Designtec Co., Ltd. and Mitsui Fudosan Reform Co., Ltd., the two core companies of the Mitsui Fudosan Group responsible for spatial design, remodeling, and renewal supporting business styles and lifestyles. The merger takes effect on October 1, 2020. The new company will be called MITSUI Designtec Co., Ltd.

By further strengthening Group synergies with this business, the Group will continue to respond to the diversifying and fragmenting values of our customers and deliver business styles and lifestyles with a focus on people.

<Reasons for and effects of the merger>

Japan's social structure is undergoing quantitative change (population decline) as well as qualitative change (aging population with a low birth rate). Combined with advances in technology and the diversification and fragmentation of values, these shifts could drive major changes in industry structures and business models.

Furthermore, the spread of COVID-19 is forcing us to rethink traditional working styles and lifestyles, and we are required to become even more flexible in adapting to changing times.

In view of these changes in our operating environment, the Mitsui Fudosan Group believes that we must strengthen our spatial design capabilities across the organization and bolster our business structure in a way that utilizes existing real estate stocks.

The merger will combine the strengths of the two companies in both the fields of remodeling and renewal*¹ and new businesses*². Centralizing and utilizing resources allows us to deliver new value in response to the needs of these fast-changing times and our customers so that we can develop into a market leader.

We are also confident that, in addition to conceptual planning and proposals of residential interiors and product sales and interior work for offices and hotels, we can provide even better conceptual planning and proposal services for work in communal spaces and major renewal projects by harnessing the two companies' experience and know-how, improving our service capability, cost competitiveness, and design expertise through expansion of business areas and scale.

Building on our core design expertise, we will strive for further improvement of customer satisfaction, creating new markets and value, and delivering attractive spaces in all categories, including housing, offices and hotels.

*¹ Business targeting existing buildings

*² Business targeting new buildings

<Outline of the two companies>

■ MITSUI Designtec Co., Ltd.

- Location 2-18, Shiba 3-chome, Minato-ku, Tokyo
- Established April 1980
- Capital ¥500 million
- Shareholder Mitsui Fudosan Co., Ltd. (100%)
- Main businesses Spatial design business (conceptual planning, design, planning, construction, etc. of spaces and interiors of offices, hotels, etc.)
Interior design business (planning, proposals, and product sales of furniture and interiors, alteration work for new condominiums, design, planning, construction, etc. of communal spaces and condominium show homes)

MITSUMI Designtec 



(Residences)



(Offices)



(Hotels)

■ Mitsui Fudosan Reform Co., Ltd.

- Location 1-1, Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo
- Established April 1980
- Capital ¥300 million
- Shareholder Mitsui Fudosan Co., Ltd. (100%)
- Main businesses General remodeling business (design, planning, construction, etc. for remodeling of condominiums and detached houses)
Solutions business (design, planning, construction, etc. related to conversion and remodeling of condominiums, office buildings, etc.)




(Remodeling of condominium) (Remodeling of detached house) (Converting an office into a daycare center)


<New company name and logo>


■ New company name MITSUI Designtec Co., Ltd.

The new company's core value is design expertise, a common strength of MITSUI Designtec and Mitsui Fudosan Reform. We decided on MITSUI Designtec as the new company name to reaffirm our commitment to delivering even better value.

The name expresses the new company's commitment to delivering spaces with new value to customers while making design expertise its top priority and expanding into new business areas.

■ New company logo ([] mark)

The Mitsui Fudosan Group's [] mark was chosen as the new company's logo. This expresses the merged company's commitment to the mission of prioritizing and strengthening the remodeling and renewal business within the Mitsui Fudosan Group in a market where utilizing real estate stocks is becoming increasingly important.

We believe that with the philosophy symbolized by the [] mark, the new company will play a key role in contributing to society by bringing affluence and comfort to urban living.

[New company's logo]



<New company's organization and businesses>

The new company, which takes over the businesses of MITSUI Designtec and Mitsui Fudosan Reform, will operate three core businesses units (spatial design, interior design, and remodeling). The organization will adopt a structure of business units corresponding to each business to ensure smooth business execution and strengthened governance. It will also apply and utilize trends and designs in each business throughout the organization with the goal of enhancing customer satisfaction.

■ Spatial design business

Conceptual planning, design, planning, construction, etc. of spaces and interiors of offices, hotels, etc.

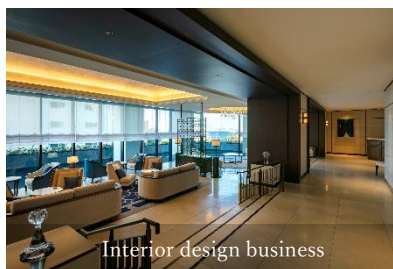
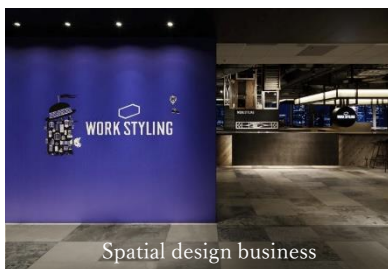
Design, planning, construction, etc. related to conversion and renewal of condominiums, office buildings, etc.

■ Interior design business

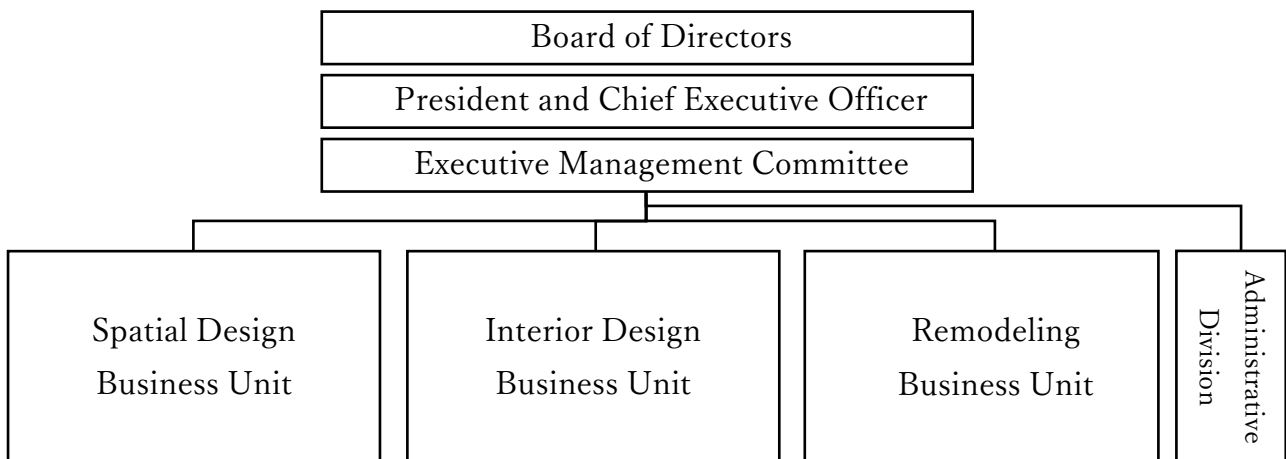
Conceptual planning, proposals, and product sales of furniture and interiors; design alteration work for new condominiums; and design, planning, construction, etc. of communal spaces and condominium showrooms

■ Remodeling business

Design, planning, construction, etc. for remodeling of condominiums and detached houses, mainly for individual clients



[Organization chart] * Business department names are tentative



<Strengths of the new company>

■ Design expertise across all business areas

We believe that applying and utilizing design expertise (a strength shared by the two companies) across all fields, including housing, offices and hotels, will enable us to strengthen planning, proposals, and implementation of projects based on outside-the-box ideas. The merger will be an opportunity to enhance this design expertise to help deliver affluent business styles and lifestyles focusing on people.

■ Create and deliver value that adapts to changing times to all customers

The new company can provide a service to a broad range of clients (from individuals to companies) dealing with all facility types, including housing, offices and hotels. It will create and deliver value that adapts to changing times over the longer term from new construction to remodeling and renewal.

■ One-stop service

It will also aim to provide a one-stop service for spaces through proposals that combine interior design and decorating to add value. By harnessing synergy effects, we can provide services that give even greater customer satisfaction by expanding and deepening the scope of our business.

<Outline of the merged company>

Trade Name	MITSUI Designtec Co., Ltd.
Head Office	NBF Shiba Kouen Bldg, 2-18, Shiba 3-chome, Minato-ku, Tokyo
Main Executive Officers	Chairman of the Board Toru Inoue President and Chief Executive Officer Atsushi Hinokida
Capital	¥500 million
Number of Employees	793 (as of April 1, 2020)
Sales	¥54.7 billion in the fiscal year ended March 2020 (MITSUI Designtec Co., Ltd. ¥40.2 billion; Mitsui Fudosan Reform Co., Ltd. ¥14.5 billion)
Major shareholder	Mitsui Fudosan Co., Ltd. (100%)
Business	<ul style="list-style-type: none">■ Spatial and interior conceptual planning, design, planning, construction, etc. of offices, hotels, etc.■ Design, planning, construction, etc. related to conversions and remodeling of condominiums, offices, etc.■ Conceptual planning, proposals, and product sales of furniture and interiors; alteration work for new condominiums; and design, planning, construction, etc. of communal spaces and condominium showrooms■ Design, planning, construction, etc. for remodeling of condominiums and detached houses

* Details in each category for the new company will be finalized after all administrative processes of the two companies and new company are completed.

<Contribution of Mitsui Fudosan Group's SDGs>

https://www.mitsuifudosan.co.jp/corporate/esg_csr/?id=global

The Mitsui Fudosan Group aims to create a society that enriches both people and the planet by putting into action the principles of coexisting in harmony with society, linking diverse values, and achieving a sustainable society. To this end, Mitsui Fudosan operates its business with Environment (E), Society (S), and Governance (G) in mind (ESG management). We believe we can make a substantial contribution toward making the Japanese government's Society 5.0 vision a reality and attaining the United Nations' Sustainable Development Goals by accelerating the Group's ESG management.

* The initiative in this press release is contributing to two of the UN's Sustainable Development Goals.

Goal 11 Sustainable Cities and Communities Goal 12 Responsible Consumption and Production
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SUSTAINABLE DEVELOPMENT GOALS

Information contained in this press release is current as of its date of announcement. Be aware that information contained herein is subject to change without notice.