

May 22, 2001

Mitsui Fudosan Co., Ltd.

Office Building Fund of Japan Incorporated Commences Full-scale Operations

Status of Mitsui Fudosan's office building fund

- Mitsui Fudosan Co., Ltd. has actively promoted establishment of an office building fund. To this end, on May 10, 2001, Office Building Fund of Japan Incorporated completed procedures with the Finance Agency for the registration as an investment corporation under the Law for Investment Trusts and Investment Companies. The investment corporation will commence full-scale operations on May 23, 2001, upon acquiring all 22 office buildings currently held under a limited partnership.
- The management company of Office Building Fund of Japan is MF Asset Management Co., Ltd. (MFAM), a wholly owned subsidiary of Mitsui Fudosan. MFAM is authorized as an investment trust management company (investment corporation fund manager) under the aforementioned law. In this capacity, MFAM will focus on executing its business in a faithful and appropriate manner for the benefit of investors in Office Building Fund of Japan. Also, in order to promote recognition of Office Building Fund of Japan, MFAM will change its name to Office Building Fund Management Japan, Ltd. (OBFMJ),.
- In the future, OBFMJ will accept investments from various financial institutions, notably Sumitomo Life Insurance Company, with which it has maintained a cooperative relationship since its inception. Yet, OBFMJ will remain one of Mitsui Fudosan's consolidated subsidiaries and play an important strategic roll in Mitsui Fudosan's non-asset business.
- Mitsui Fudosan's office building fund started managing assets amounting to around ¥60 billion in March 2000. It is commencing operations as an investment corporation, acquiring top-quality office buildings; its portfolio has grown to around ¥200 billion during the past year. The investment corporation, Office Building Fund of Japan Inc., is to be listed on the Tokyo Stock Exchange (TSE) in the future.

Our position on entering the real estate investment market

- In recent years, we have noted the ongoing paradigm shift in the real estate industry, where conventional business models need to be changed. To maximize the value of real estate assets, we have implemented strategies that improve return on assets. At the same time, we have worked to seize lucrative business

opportunities and raise profits with our new non-asset business concepts.

- As a result, we have embraced methods such as real estate securitization to develop a multitude of joint investment models in collaboration with institutional investors and other entities in Japan and overseas. With specialist knowledge and skills in real estate, we are producing steady results by seizing opportunities for new earnings and providing the direct link between high-quality real estate and capital market.
- Mitsui Fudosan envisages that new real estate investment market in directly linking real estate and capital market will expand with the introduction of publicly listed real estate investment trusts (J-REITs) as a major opportunity. For this reason, we worked to quickly start up Office Building Fund of Japan in line with the establishment of various frameworks, such as the revision in the Law for Investment Trusts and Investment Companies and the creation of the new market by the TSE.
- OBFMJ, the fund manager, will specialize in undertaking business independently to foster growth of the Fund. Mitsui Fudosan will supply its distinctive real estate expertise in brokerage of high-quality office buildings and in providing office management services. In these ways, we hope to contribute significantly to the healthy growth of Office Building Fund of Japan, and to the development of the new real estate investment market.
- The Mitsui Fudosan Group will work aggressively to secure business opportunities in the new real estate investment market. To this end, we place high importance on earning the confidence of customers and investors while performing our business in a fair and just manner. In April 2001, we established a compliance framework that incorporates changes to our organization. The Compliance Committee has already started taking specific actions, including hosting regular meetings and undertaking extensive workshops at various levels.
- In order to fully utilize its comprehensive expertise and avoid conflict of interest, Mitsui Fudosan established NBF Office Management Co., Ltd., a wholly owned subsidiary, upon of the registration of Office Building Fund of Japan. NBF Office Management will undertake “Office Management” (see Note below) of buildings owned by the Fund on a full-time basis.

Note: “Office Management” refers to the comprehensive building management services of the Mitsui Fudosan Group, which is committed to providing top-level services to customers from all perspectives. “Office Management” includes all duties related to management of buildings, such as leasing management, property management, and life cycle cost management (repair and refurbishment), which are crucial to maintaining and raising the asset value and return from buildings.

[Attached: Overview of relevant companies]

Overview of Relevant Companies

1. Office Building Fund of Japan Incorporated

- (1) Established: March 16, 2001
- (2) Head office: 7-2 Yaesu 2-chome, Chuo-ku, Tokyo
- (3) Founders: MF Asset Management Co., Ltd. (as of May 22, 2001)
Chuo Mitsui Trust & Banking Co., Ltd.
Mitsui Fudosan Co., Ltd.
- (4) Representative: Toshihiko Fukase (Executive director)
- (5) Investments outstanding: ¥100 million (as of May 22, 2001)
- (6) Main business: Investment in and management of specified assets

2. MF Asset Management Co., Ltd.

- (1) Established: September 19, 2000
- (2) Head office: 7-2 Yaesu 2-chome, Chuo-ku, Tokyo
- (3) Representative: Koichi Nishiyama (president)
- (4) Capitalization: ¥198 million (as of May 22, 2001)
- (5) Main business: Fund management of the investment corporation
- (6) Note: The company's name will be changed to Office Building Fund Management Japan, Ltd., on May 23, 2001.

3. NBF Office Management Co., Ltd.

- (1) Established: March 2, 2001
- (2) Head office: (Mitsui Honkan Bldg.) 1-1 Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo
- (3) Representative: Eiji Kurihara (president)
- (4) Capitalization: ¥10 million (as of May 22, 2001)
- (5) Main business: Office Management; Advisory services for real estate acquisition