

Business Briefing

– International Business/Australia Business –

Mar. 25. 2024

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International Business Group

Mitsubishi Estate
Executive Officer, General Manager of International Business
Planning Department

Masanori Iwase

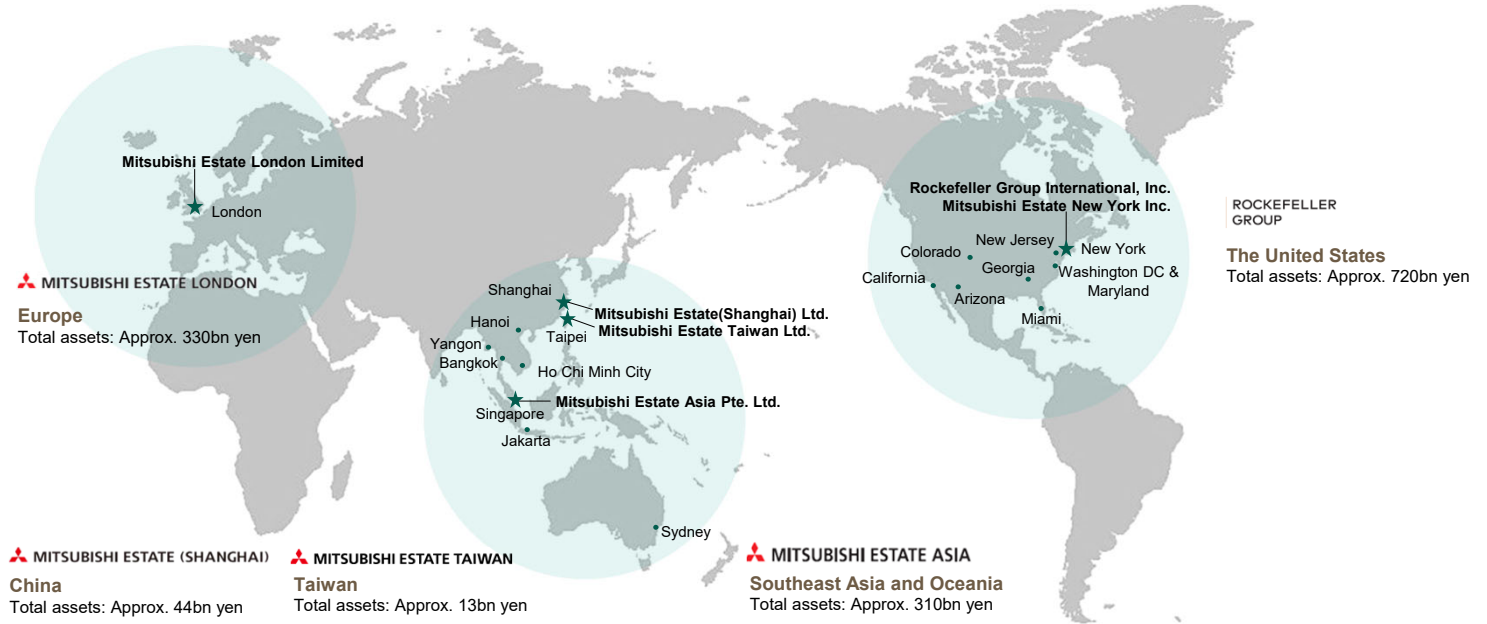
Mitsubishi Estate Asia Pte. Ltd. Australia Branch
Executive Director, Head of Australia branch

Yuzo Nishiyama

International Business Overview

1. Overview of International Business Development

- Promoting international business at five bases in the US, Europe, and Asia. Total assets are approx. 1.4tn yen (FY2022)
- In Southeast Asia and Oceania, in addition to Singapore, we have bases in Indonesia, Vietnam, Australia, Thailand.

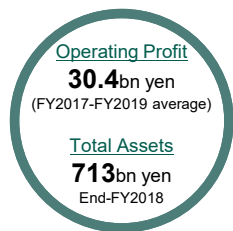


2. KPI Targets

- Aiming to achieve the PL targets earlier than FY2030 due to the progress of selected and quality investments

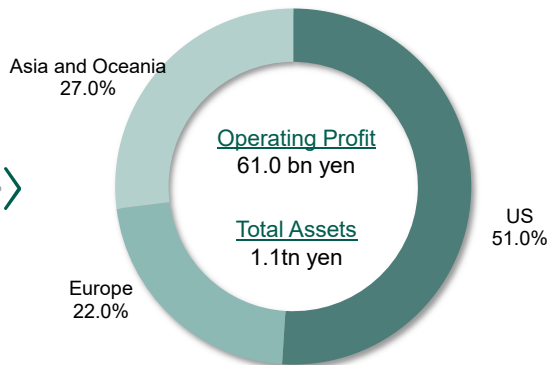
BS / PL Outline

As of the release of Long-Term Management Plan

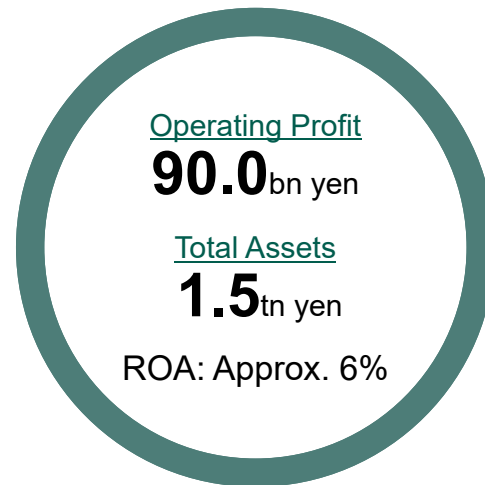


Results over last 3 years

(FY2020-FY2022 average)



Late 2020's



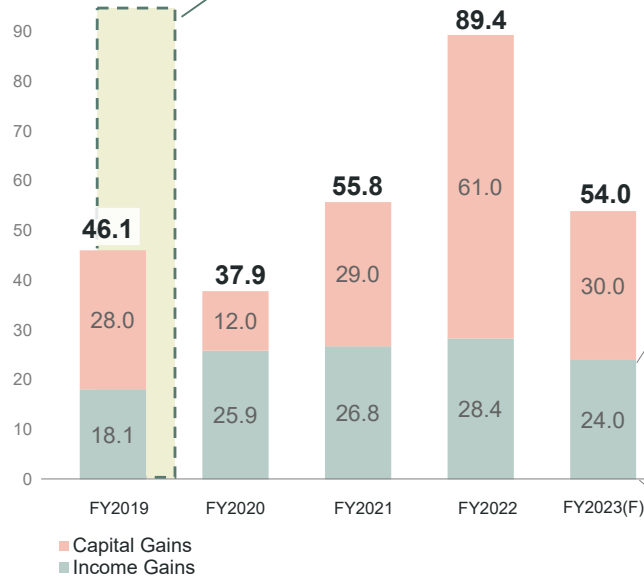
Breakdown of Total Assets

Aiming to reach long-term target ahead of schedule

3. Operating Profit Trend and Breakdown

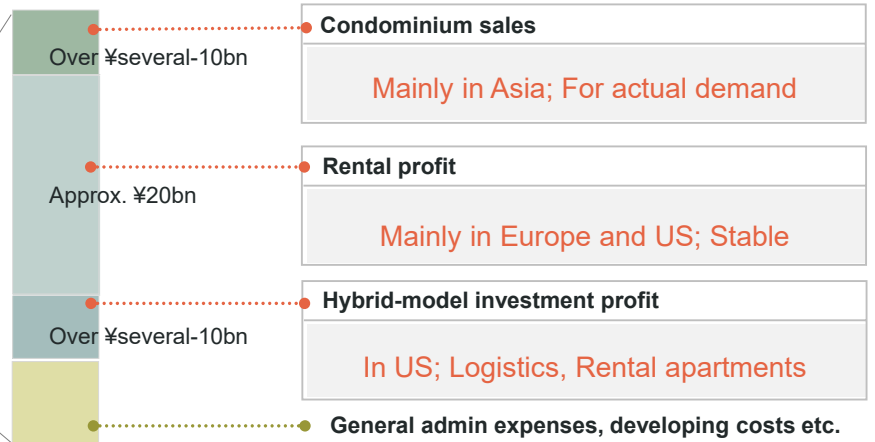
Operating Profit

(Billions of yen) Long-term target for 2030 **+50.0bn yen**



Capital Gains

US	Europe	Asia and Oceania
Logistics, Rental apartments Size of 20bn yen per year	Offices Rental apartments	Focus on investment efficiency



4. Area Strategies

Area	Investment Policy		Expected Return from Investment
Developed countries (US, Europe, Australia, etc.)	Active	<ul style="list-style-type: none"> • Expand capital recycling assets to ensure constant gains on sales • Actively invests in growing areas and new assets • Earns revenue through Hybrid Model Investment mainly in the US 	IRR 8-10%

Area	Basic Strategies	Business Models	Execution Structure
US	<ul style="list-style-type: none"> • Strengthen capital recycling business that utilizing RGII know-how • Promote joint ventures with local partners 	<ul style="list-style-type: none"> • Office leasing business in New York • JV-type development business for logistics, rental apartment, data centers, offices, etc. • Hybrid model investment business in major U.S. Cities 	<ul style="list-style-type: none"> • Hands-on development by local staff at RGII • At MENY, expatriates collaborate with TA Realty
Europe	<ul style="list-style-type: none"> • Investment and return that focus on the balance between stable earnings and higher capital efficiency • Promote development business mainly concluded large-scale development projects 	<ul style="list-style-type: none"> • Office development business in central London • Rental apartment development business in the Greater London Area and gateway cities outside of London 	<ul style="list-style-type: none"> • Efficient use of local external resources, mainly expatriate staff, for development projects in London
Australia	<ul style="list-style-type: none"> • Promoting capital recycling business with carefully selected and leading local partners • Building a balanced portfolio by expanding of asset types 	<ul style="list-style-type: none"> • Extensive residential development business in Sydney, Melbourne and Brisbane, including luxury residential condominiums, rental apartments, and senior housing • Office development business in Sydney CBD, etc. 	<ul style="list-style-type: none"> • Collaborative for each asset type utilizing knowledgeable partners

5. Project Lineup

Category	Name (Including tentative) ¹	Size ²	FY2021	FY2022	FY2023	FY2024	FY2025	2030	Forecast NOI (Under Stable Operation)	Forecast Investment Amount
Asia	Trinity Tower (Indonesia · Office, Retail)	143,200m ²	●						Approx. ¥45 bn	Approx. ¥550~660 bn
	Hangzhou ALPHA PARK (China · Office)	233,600m ²	●							
	CapitaSpring (Singapore · Mixed use)	93,400m ²	●							
	180 George Street (Australia · Office, Retail)	³ 55,000m ²			★					
	One City Centre (Thailand · Office, Retail)	116,000m ²			●					
	The Grand Outlet (Indonesia · Outlet Mall)	49,000m ²		★						
	Parkline Place (Australia · Office, Commercial)	65,900m ²		★						
	³ 240,000m ²									
	Suzhou ALPHA PARK (China · Office)	220,400m ²			★					
	Crystal Brige (Shanghai · Mixed Use)	246,300m ²			★					
One Circular Quay (Australia · Hotel etc.)	86,800m ²			★						
Oasis Central Sudirman (Indonesia · Mixed use)	307,000m ²			★						
Europe	Warwick Court (London · Large-scale Renovation)	29,000m ²				●				
	8 Bishopsgate (London · Office, Commercial)	85,000m ²				●				
	The Blossoms (London · Rental Apartment)	338units				●				
	dMoura1 (Spain · Office)	³ 11,000m ²				●				
	Grace (Sweden · Large-scale Renovation)	³ 7,800m ²		★						
	60-72 Upper Ground (London · Office, Commercial)	⁴ 10,400m ²						●		
	Stataline 77 Building1/2 (South Carolina · Logistics)	³ 93,600m ²								
	55 Paradise (New York · Logistics)	³ 16,700m ²		★						
	Virginia Data Center (Building1 · Data Center)	⁵ 51,000m ²			★					
	Virginia Data Center (Building2 · Data Center)				★					
US	sol38 (Arizona · Rental Apartment)	360units	★							
	PATTEN GRAY (Colorado · Rental Apartment)	250units		★						
	1072 West Peachtree (Georgia · Mixed Use)	³ 49,300m ²			★					
	600 Fifth Street NW (Washington D.C. · Office)	³ 37,000m ²			★					
	Heritage, Chula Vista (California · Logistics)	60,800m ²		★						
	Spotswood (New Jersey · Logistics)	28,200m ²		★						
	Paradigm RiNo (Colorado · Office)	28,200m ²		★						
	10 Constitution Ave (New Jersey · Logistics)	13,600m ²			★					
	Spartanburg 221 (South Carolina · Logistics)	94,600m ²				★				
	Nellis Logistics Center (Nevada · Logistics)	12,600m ²				★				
3102 N Lamb (Nevada · Logistics)	13,500m ²				★					
16 Dupont (New York · Rental Apartment)	43,100m ²			★						
Vista (Alabama · Rental Apartment)	23,000m ²			★						
E 2nd Martin (Colorado · Rental Apartment)	23,600m ²				★					

█ ...Project announces after the Long-term Management Plan ★ ...Start Construction ● ...Completion

¹Includes properties expected to be sold by 2030

²Total floor area unless otherwise noted.

³Leasable Area

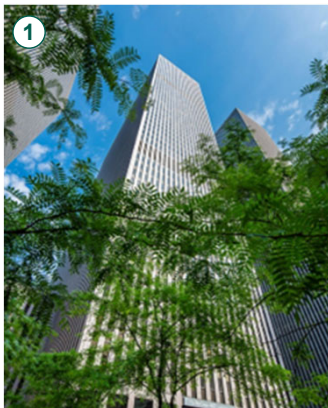
⁴Site Area

⁵Total of two buildings

the US



1. Stable Income from High Occupancy Rates & Long-Term Contracts



Rental profit from two flagship buildings in NY

Average remaining lease period

Approx. 20.0bn yen

Over 10 years

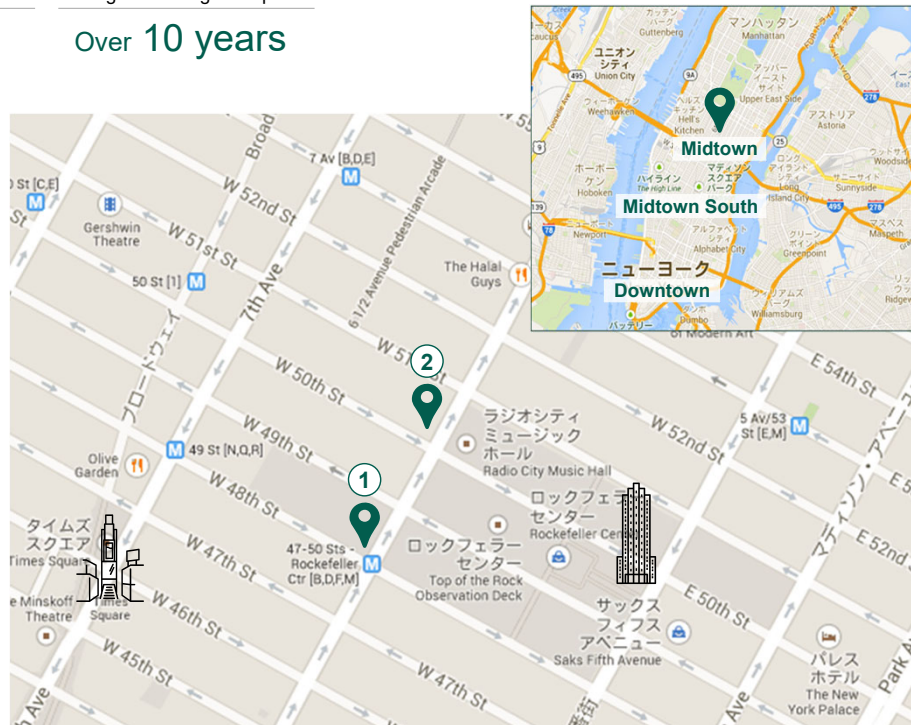
1221 Avenue of the Americas

Completion	1972
Number of floors	50 floors and 5 underground floors 244,000 m ² (contract area)
Occupancy rate	Office: 98.9%
Major tenants	White and Case, NBCU, Morgan Stanley, MUFG American Holdings



1271 Avenue of the Americas

Completion	Completion: 1959 Renovation: 2019
Number of floors	48 floors and 3 underground floors 195,000 m ² (contract area)
Occupancy rate	Office: 100%
Major tenants	Latham and Watkins, AIG, MLB, Mizuho



* As of End of March 2023

2. Rockefeller Group Development Performance

Development track record expanding across the US



1 Liv North Valley
Arizona
Total floor area: 45,500 m²
Rental apartment (385 units)
Construction completed in 2018



2 Val Verde Logistics Center
California
Total floor area: 27,000 m²
Construction completed in 2021



3 Liv Crossroads
Arizona
Total floor area: 29,000 m²
Construction completed in 2022



4 Lakemont
South Carolina
Total floor area: 34,000 m²
Construction completed in 2019



5 Lehigh Valley
Pennsylvania
Total floor area: 121,000 m²
Construction completed in 2020



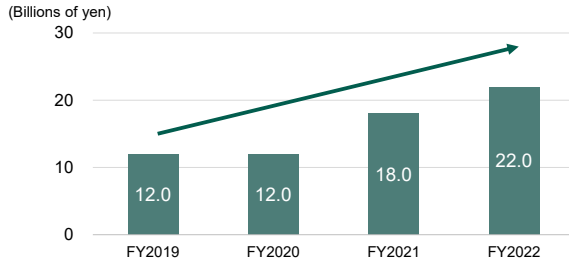
6 Edison
New Jersey
Total floor area: 84,000 m²
Construction completed in 2019

List of slated projects

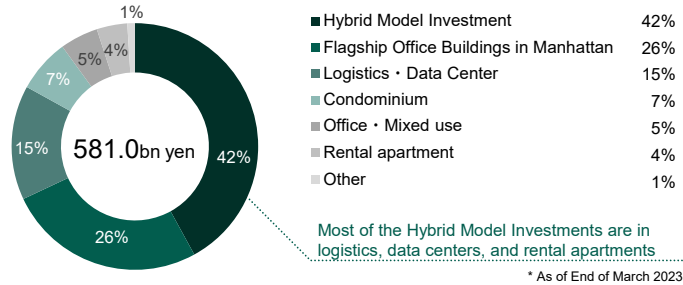
Project	Asset Type	Location	Size	Completion
Rose Hill (East 29 th St.)	Condominium	New York	230ksf	2021
200 East 83 rd St.	Condominium	New York	269ksf	2023
Greenpoint Landing	Rental apartment	New York	326ksf	2025
Bay Shore (55 Paradise)	Logistics	New York	173ksf	2023
Crossways (Woodbury)	Logistics	New York	145ksf	2024
Spotswood	Logistics	New Jersey	655ksf	2024
Carneys Point	Logistics	New Jersey	1.1msf	2025
40 West 12th	Condominium	Georgia	154ksf	2021
1072 West Peachtree	Mixed use (Rental apartment/Office)	Georgia	552ksf	2025
Braselton 85	Logistics	Georgia	428ksf	2023
Stateline 77	Logistics	South Carolina	1msf	2022
Spartanburg	Logistics	South Carolina	1msf	2024
Vista Square	Rental apartment	Alabama	248ksf	2024
600 Fifth St. NW	Office	Washington, D.C.	400ksf	2025
Paradigm RiNo	Office	Colorado	200ksf	2024
Patten Grey	Rental apartment	Colorado	309ksf	2024
Fowler Lane	Rental apartment	Montana	236ksf	2025
Heritage Industrial	Logistics	California	201ksf	2023
Patterson Commerce Ctr	Logistics	California	256ksf	2024
Nellis Logistics Ctr	Logistics	Las Vegas	136ksf	2024

3. High Returns on Capital Gains

Capital Gains Results



US/Asset Balance



FY2020 Results



LIV North Valley

Location	Arizona
Main use	Rental apartment
Number of units	385 units

EIRR Over 30%



Edison

Location	New Jersey
Main use	Logistics
Total floor area	83,600 m ²

EIRR Over 50%

FY2021 Results



Harvill

Location	California
Main use	Logistics
Total floor area	31,000 m ²

EIRR Over 100%

FY2022 Results



Val Verde

Location	California
Main use	Logistics
Total floor area	26,900 m ²

EIRR Approx. 100%



Hanover

Location	Pennsylvania
Main use	Logistics
Total floor area	42,100 m ²

EIRR Approx. 100%



Liv Crossroads

Location	Arizona
Main use	Rental apartment
Number of units	356 units

EIRR Approx. 30%

Europe

1. Continued Large-scale Development and Achieving Development Profits

Past achievements

1 **Clive House** In operation

2 **Central Saint Giles** Sold

3 **Paternoster Square** Sold

4 **Bow Bells House** Sold

5 **8 Finsbury Circus** Sold

6 **245 Hammersmith Road** In operation

7 **1 Victoria Street** In operation

8 **The Lark** Sold

9 **72 Upper Ground** Under development

10 **8 Bishopsgate** In operation

London Borough of Croydon

Under development

Morello North & South

Rental apartment

Rental apartment

Achievement of high development profits

2 **Central Saint Giles**

FY2022

39.0bn yen

Total floor area	66,000 m ²
Completion	2010

5 **8 Finsbury Circus**

FY2019

16.0bn yen

Total floor area	23,000 m ²
Completion	2016

2. Recent Development Projects

Even in an uncertain market, demand for office space in prime locations remains brisk.

Warwick Court

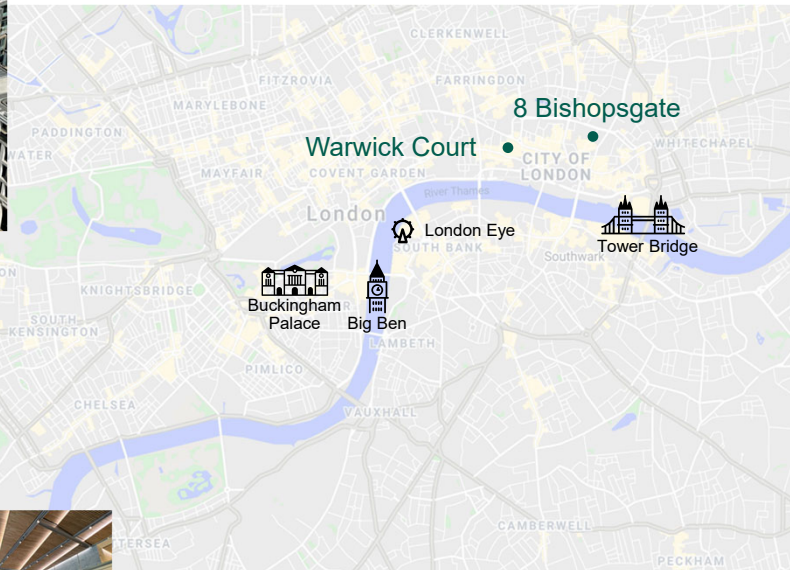
Construction completed in 2003
Renovation completed in July 2022

Project features

- UK's first large-scale renovation project
- Revenue increase by renovation of existing building
- Nearly fully leased (Major tenant: T Rowe Price)

Project summary

Location	London, UK
Total floor area	29,000 m ²
Number of floors	8 floors and 2 underground floors



8 Bishopsgate

Construction completed in June 2023

Project features

- Development of a skyscraper office building in the City of London
- Achieved a 2.8-fold increase in leasable area
- Leasing completed over 85% as of Jan. 2024.

Project summary

Location	London, UK
Total floor area	85,000 m ²
Number of floors	51 floors (height: 204m) and 3 underground floors, 1 penthouse floor



Australia



1. Business Overview

Milestones to date and structure

2016	<p>Entered the Australian real estate business Participated in Melbourne Quarter</p> <p>Entered the office business Participated in 180 George Street (Salesforce Tower)</p>
2020	<p>Entered the luxury condominium business Participated in One Sydney Harbour Residences One * Participated in Residences Two the following year</p>
2021	<p>Branch office opened</p> <p>Entered the office business directly connected to Metro stations Participated in Parkline Place</p>
2022	<p>Entered Land Lease Community business Participated in SRRP</p> <p>the first major share in the Australian business Participated in One Circular Quay</p> <p>180 George Street (Salesforce Tower) completed</p>
2023	<p>Entered rental apartment (BTR) business Participated in LIV</p> <p>Entered Master Plan Community business Participated in Lyra</p> <p>Entered the boutique condominium business Participating in Putney</p>
2024	<p>Scheduled completion of One Sydney Harbour Residences One and Two</p> <p>Scheduled completion of Parkline Place</p>

Mitsubishi Estate Asia Australia Branch



Currently 10 people


 At the time of
 branch opening
2 people

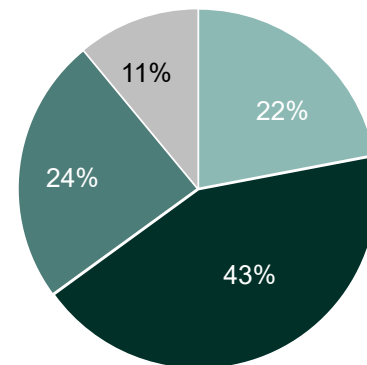
2. Business Overview

Accumulated asset/Asset type

- Accumulated investment (cash out) is approx. A\$1.5bn (approx. 140bn yen) (Accumulated investment after the opening of the branch in 2021 is approx. A\$1.2bn)
- Grow into a position to strategically select quality investments as a “partner of choice”

Investment sector	<div style="display: flex; justify-content: space-around; background-color: #2e8b57; color: white; padding: 5px;"> 1. Fly-in-Fly-Out Market entry 2. Boots-on-the-Ground Expansion of track record 3. Buying Window Market leadership </div>		
	2015 – 2020	2021 (branch established) – 2022	2023 & beyond
Office	●	●	●
BTS (Build-to-sell; condominium)	●	●	●
LLC (Land Lease Community; housing with land leasehold right)	○	●	●
Hotel	○	●	●
BTR (Build-to-rent; rental apartment)	○	○	●
Master plan community	○	○	●
Logistics	○	○	○ Opportunity
Retail outlet	○	○	○ Opportunity
Others (DC, student housing, SA, etc.)	○	○	○ Opportunity

Investment balance allocation



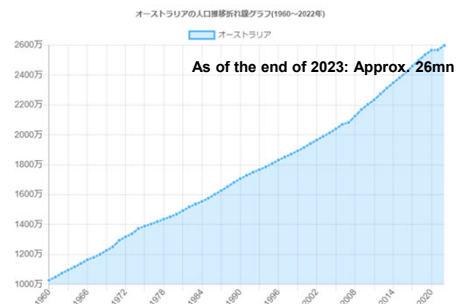
- Office
- Condominium · Hotel
- Rental apartment (BTR)
- Other residential assets (LLC, MPC)

3. Real Estate Market

Attractiveness as a real estate market

Continued population growth due to increased immigration

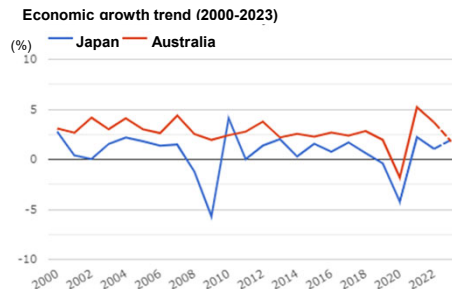
The population is expected to continue to grow and reach 30mn by 2033.



Source: graphtochart.com

Political and economic stability

Real estate prices are rising amid economic growth supported by population growth and continued inflation.



Source: IMF – World Economic Outlook Databases

Transparency of real estate transactions

High transparency in terms of legislation, management structure, brokerage business, etc.

2022 Global Real Estate Transparency Index: Rankings

Rank	Country	Total point	2020
1	UK	1.25	UK
2	US	1.34	US
3	France	1.34	Australia
4	Australia	1.38	France
5	Canada	1.44	Canada
6	Netherlands	1.54	New Zealand
7	Ireland	1.69	Netherlands
8	Sweden	1.76	Ireland
9	Germany	1.76	Sweden
10	New Zealand	1.77	Germany

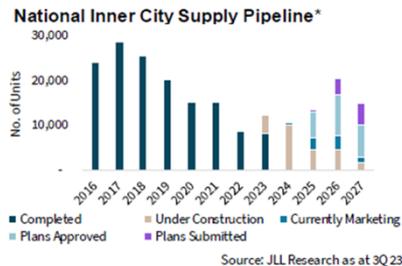
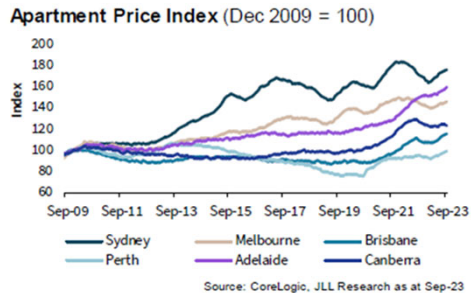
Source: JLL

4. Real Estate Market

Market data

Housing New supply and price trends

- Policy interest rates are rising, but housing prices continue to climb steadily due to a chronic shortage of supply.
- Prices for ultra-luxury properties, where most are cash buyers unaffected by interest rates, rose in particular.



Market data

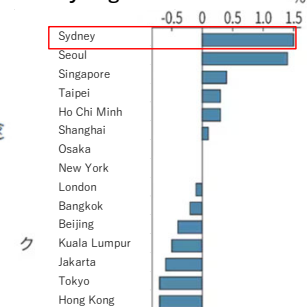
Office Rent and vacancy rate (Sydney)

- Rents for prime office space rose as the “Flight to Quality” progressed.
- The vacancy rate for the overall market is over 10%, but there are clear winners and losers depending on the property.
- The pandemic impact is relatively minor when compared from a global perspective.

PRIME GROSS EFFECTIVE RENT, OVERALL VACANCY (6 MONTHLY)



Clarity in global office rents %



Notes : As of April Compared to October 2021

Source : Japan Real Estate Institute

5. Mitsubishi Estate's Strengths

Closing and project promotion skills based on accumulated development and JV experience in Australia

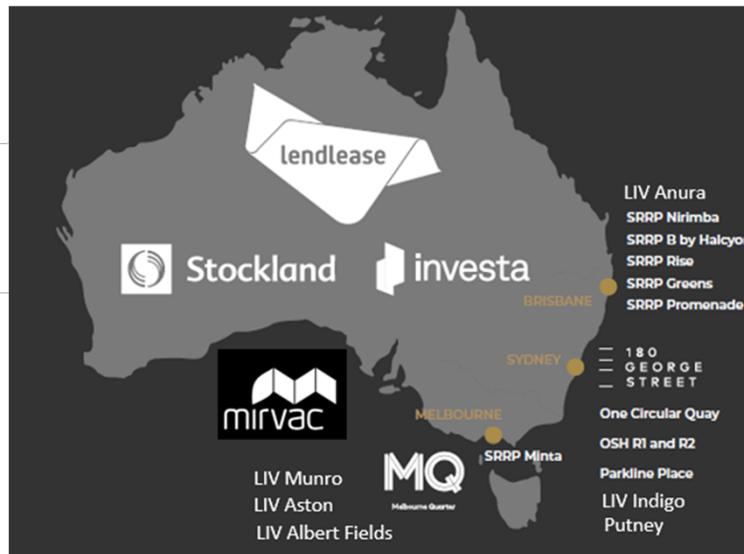
Number of investment assets

10 projects

Total investment

Approx. A\$1.5bn (140bn yen)

* BTR and LLC, which are portfolio-type investments, are each counted as a single case.



6. Mitsubishi Estate's Strengths

Maximizing upfront and development profits through financing capabilities from a sound financial position



One Circular Quay



- A super luxury residential development (59 floors, 161 units) and a five-star hotel (26 floors, 220 rooms)
- The Waldorf Astoria, Hilton's premier brand is opening in Australia for the first time
- Large-scale investment project with approx. 285 billion yen in sales
- Our ownership share: 66.7%

Mitsubishi Estate's Credit Ratings

Credit rating agency	Long-term credit rating
MOODY's	A2
Standard and Poor's (S&P)	A+
Rating and Investment Information (R&I)	AA- (Positive)
Japan Credit Rating Agency (JCR)	AA+

From October 23, 2023

7. Business Management System

Selecting Australian market leaders/leading companies in each sector as joint venture partners



(Office / Condominium)



Stockland

(Land Lease Community
/Master Plan Community)



(Rental apartment (BTR))



(Office)



(Condominium)

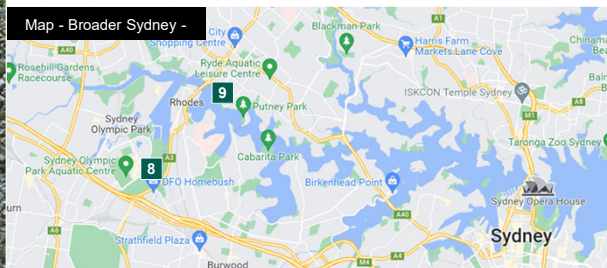


8. Development Projects

Develop and hold a balanced portfolio in Sydney CBD and suburbs



- | | | | |
|------------------------|----------|-----------------------------------|--|
| Under development | 1 | One Sydney Harbour Residences One | |
| Under development | 2 | One Sydney Harbour Residences Two | |
| Under development | 3 | One Circular Quay | |
| Construction completed | 4 | 180 George Street | |
| Property held by fund | 5 | 60 Margaret Street | |
| Property held by fund | 6 | 130 Pitt Street | Construction completed 8 LIV Indigo |
| Under development | 7 | Parkline Place | Under development 9 Putney Waterfront Redevelopment |



9. Development Projects

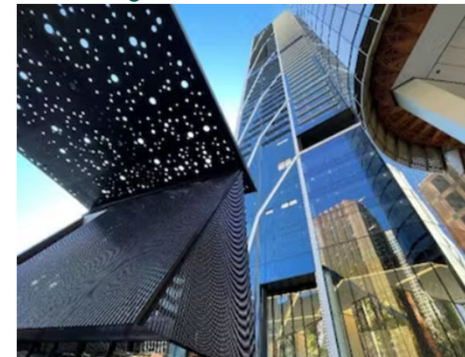
Developing a series of flagship assets in a prime locations in the Sydney CBD



180 George Street (Office)

Location/Use	Sydney/Office (55 floors, 263m)
Total floor area	62,828 m ²
Schedule	Construction began in 2018, completed in 2022
Mitsubishi Estate's investment	Approx. 16bn yen (Share: 30%)
Overview	99% contract offers

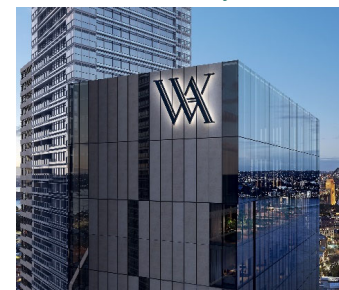
180 George Street



One Circular Quay (Condominium / Hotel)

Location/Use	Sydney/Residential (59 floors)/Hotel (26 floors)
Total floor area	86,800 m ²
Schedule	Construction began in 2023, to be completed in 2026
Mitsubishi Estate's investment (including planned)	Approx. 75bn yen (Share: 66.7%)
Overview	Over 70% of condominiums contracted and hotel sold

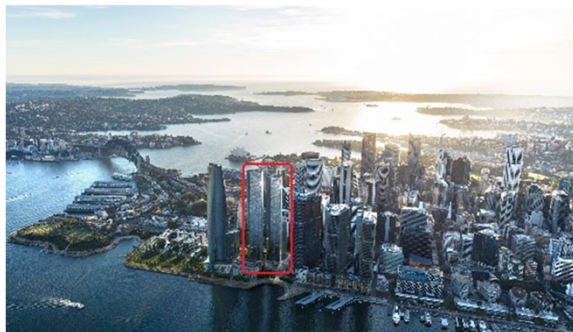
One Circular Quay(Image)



10. Development Projects

One Sydney Harbour (Condominium)

Location/Use	Sydney	One	72 stories, 315 units
		Two	68 stories, 322 units
Schedule	One	Construction began in 2020, to be completed in 2024	
	Two	Construction began in 2021, to be completed in 2024	
Mitsubishi Estate's investment	Approx. 21bn yen (Total One, Two, Share: 25%)		
Overview	Over 90% contracted The penthouse was contracted at A\$140mn (approx. 13bn yen), a record price in Australia		





11. Development Projects

Build to Rent (rental apartments)

- Rental apartments supply is of great significance for addressing the social issues of housing shortages and price hikes caused by population growth.
- Rent increase of over 7% in the last year
- NOI yields also remained high

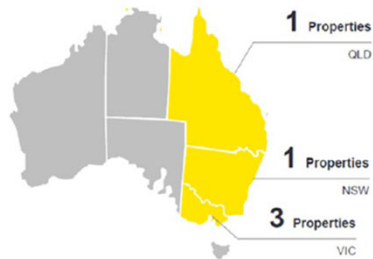
Investment (including planned)

Approx. 45bn yen

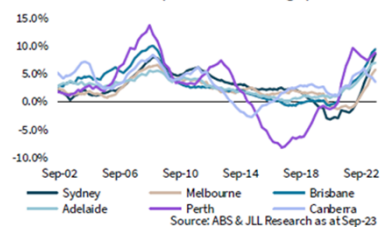
Asset count

(of which, assets in operation)

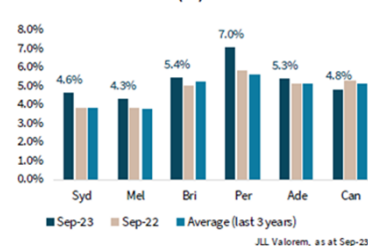
5 projects (2 projects)



CPI Rental Growth (Annual % change)



Gross Rental Yields (%)



12. Development Projects

Land Lease Community (housing with land leasehold right)

- The target population of active seniors aged 50+ is expected to grow in the future
- Enjoy stable cash flow from a combination of housing sales and land lease income
- Since land lease income is linked to commodity prices, income can be expected to increase even after construction is completed

Investment (including planned)

Approx. 13bn yen

Asset count

6 projects



13. Summary

Aiming for further business expansion in high-potential markets by effectively utilizing our resources

Market Potential

Macro Environment

- Continuous economic growth, rare in developed countries, with a population growth of 1-2% per year, driven primarily by immigration
- Recent inflation and interest rate spikes are forecast to soften after 2025

Real Estate Market

- “Time to buy” conditions in the real estate market
- Tight supply/demand for residential assets across a wide range of price bands against a backdrop of chronically short supply
- Scope for continued demand growth in logistics and other asset types

Mitsubishi Estate's Capabilities

- A strong presence and ability to promote business in Australia through diverse asset development experience
- Strategic selection of quality projects through good relationships with multiple local blue-chip developers
- Accelerating investment in Australia as the Company shifts investment to developed countries and investment in Australia can play a key role in APAC region earnings
- Potential for further investment opportunities and expanded investment scale via collaboration with other capital partners

Playing a pivotal role in the International Business expansion as stipulated in the long-term management plan 2030

Contact Information

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<https://www.mec.co.jp/en/>

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