

November 1, 2023

Press Release

Mitsubishi Estate Co., Ltd.

**First Japanese Real Estate Management Company to Establish a Value-Added Fund in Australia
Acquired “60 Margaret Street,” a Large-Scale Mixed-Use Property in Sydney**

Mitsubishi Estate Co., Ltd., through its Singapore based investment management subsidiary MEC Global Partners Asia (“MECGPAsia”), has launched a value-added^{*1} fund together with Ashe Morgan Investments, an Australian real estate management company.

The asset acquired by the fund is 60 Margaret Street (the “Asset”), a large-scale mixed-use property in Sydney. The Asset is expected to generate stable rental revenue, and the fund will conduct various initiatives to further enhance the value of the property.

This is the first time a Japanese real estate management company has raised a large-scale value-added fund with multiple equity investors in Australia.^{*2}

【Features of the Fund】

- The first large-scale value-added fund by a Japanese real estate management company in Australia
- A hybrid model-based approach that leverages multiple investors and our capital
- The fund plans to achieve stable income and significant value enhancement going forward

The Asset was completed in 1980, and is a large-scale office and retail complex located in the heart of Sydney. Facing George Street, the main corridor running north to south, the Asset boasts direct underground access to Wynyard Station, a suburban railway terminal, and is located in an area home to major corporates and flagship retail stores. In addition to acquiring stable rental revenue, the fund envisions to further enhance property value by repositioning the retail podium of the Asset, creating additional lettable area, and renovating the office lobby as well as other tenant exclusive areas.

In November 2022, MECGPAsia launched a core-type^{*3} open-ended fund investing in properties located in the Asia Oceania region (focusing mainly on stable operating assets such as office, retail, residential, and logistics properties, in major cities in Australia, Singapore, Japan, etc.). Having a different risk/return profile compared to the core-type fund, this newly launched product in the value-add sector is a new area of focus in the Group’s medium- to long-term growth strategy.

The Mitsubishi Estate Group has identified the non-asset business as one of the growth drivers in its Long-Term Management Plan 2030. It has achieved its AUM target of 5 trillion yen in the mid-2020s ahead of schedule, with a new AUM target of 10 trillion yen for the end of fiscal 2030.

Going forward, the Mitsubishi Estate Group will continue to accelerate the growth of its investment management business by offering even more enhanced products and services to meet the diverse investment needs of both Japanese and global institutional investors.

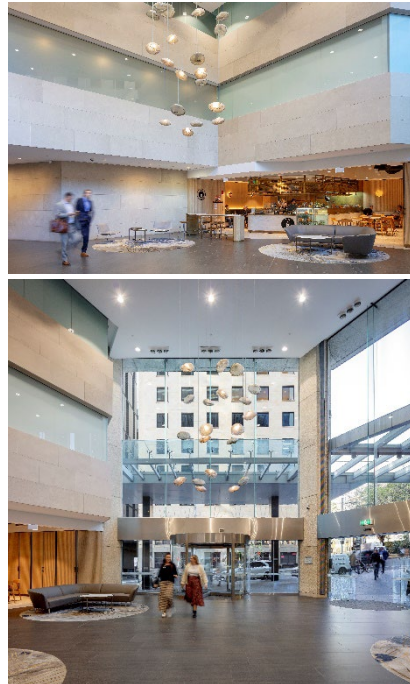
*1 “Value-added” products refer to those whose main source of expected return consists of the income from real estate rentals and capital returns from increasing the profitability and value of real estate acquired at an undervalued price.

*2 According to our research

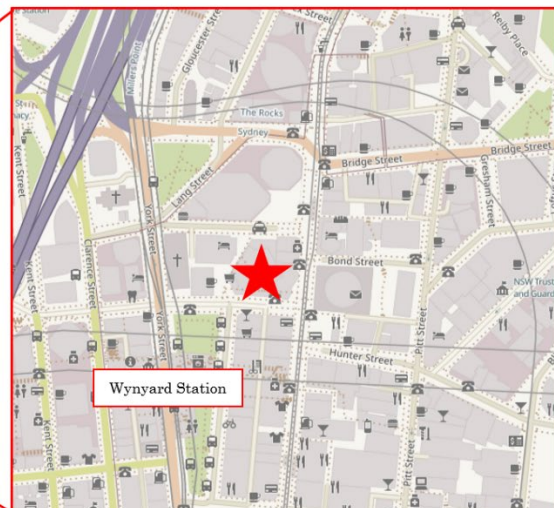
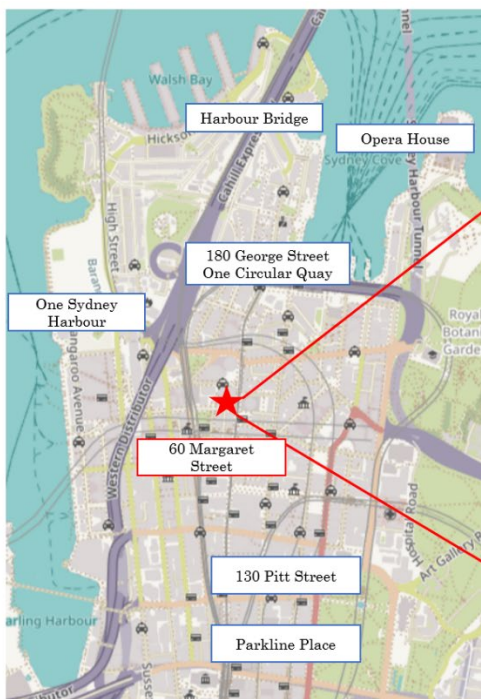
*3 “Core type” products are those designed to generate stable income from real estate rentals as the main source of expected return.

■ Summary of the acquired Asset

Location	60 Margaret Street, Sydney, New South Wales
Site Area	Approx. 4,464 m ²
Leasable Area	Approx. 47,179 m ² in total (office: approx. 40,772 m ² , retail: approx. 6,407 m ²)
Floors	36 floors
Completion	1980
Third-Party Investors (in alphabetical order)	Hankyu Hanshin Properties Corp., JR West Real Estate & Development Company, Kintetsu Real Estate Co., Ltd. MUFG Bank, Ltd., Nishimatsu Construction Co., Ltd., Odakyu Electric Railway Co., Ltd., and others



▲ Building exterior and interior of 60 Margaret Street

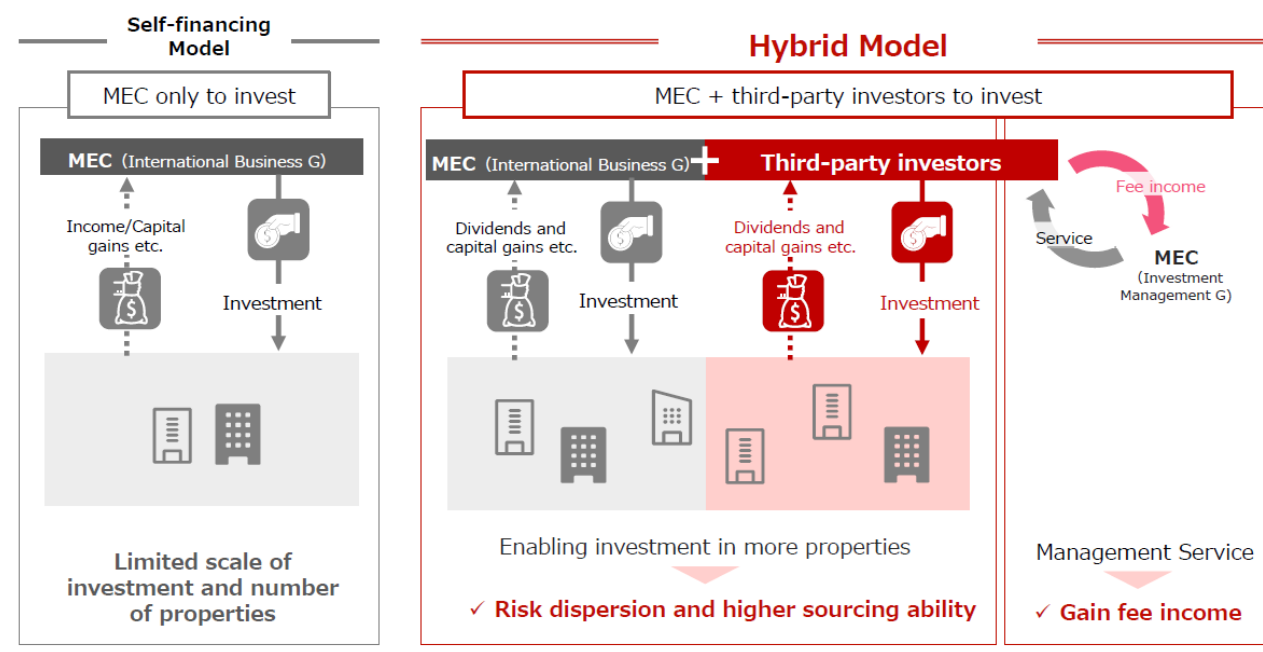


©OpenStreetMap contributors

▲ Large area map / narrow area map

■ Hybrid Model Investment

A business model that combines the strength of the Investment Management Business Group as a fund manager with that of the International Business Group as a self-investing entity



■ Overview of MEC Global Partners Asia Pte. Ltd.

Established in 2017 as a Pan-Asian real estate fund management company, and renamed to MEC Global Partners Asia in 2021. Based in Singapore, MEC Global Partners Asia Pte Ltd. is engaged in establishing and managing property funds. Currently manages office, retail, residential and logistics properties, located in Australia, Singapore, and Japan.

MEC
GLOBAL
PARTNERS
ASIA

This release is intended to provide information on the Group's business development and is not intended as a solicitation for investment.