



# URBAN DEVELOPMENT GROUP

## > OUR VISION

Our mission is to establish high value-added, large-scale businesses by combining urban and infrastructure development, asset finance and other businesses to meet societal and environmental needs, such as urbanization and being environmentally friendly. We will create long-term community value through engagement in long-term town management and proactive participation in large-scale, multi-use development projects.

### Mitsumasa Icho

Executive Vice President  
Group CEO, Urban Development Group



### Urban Development Group Organization



## Risks and Opportunities in Light of Changes in the External Environment

| Risks                                                                                                                                                                                                                                                                                                                          | Opportunities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Negative effects on existing businesses associated with demographic trends and progress of urbanization</li> <li>Rising costs due to increasing traffic, air pollution, etc.</li> <li>Increase in costs to meet growing needs for products that are environmentally friendly</li> </ul> | <ul style="list-style-type: none"> <li>Increase in worldwide urban development needs driven by the progress of urbanization worldwide</li> <li>Rise in infrastructure and peripheral service demands due to high population growth rates and economic development, especially in emerging countries</li> <li>Shift to provide new services and contents through digital technologies</li> <li>Increased demand for urban development and management to solve social and environmental issues due to the shift toward low-carbon/decarbonized societies and the diversification of consumer needs</li> </ul> |

### Strengths of the Urban Development Group

- Project management based on real estate knowledge, and business know-how grounded in proven track records in development
- A finance business that leverages assets and knowledge gained through trading and business investment
- Urban infrastructure development and management based on an industry network and knowledge built up over many years in infrastructure fields
- Long-standing relationships of trust and networks with leading developers and companies in many regions, especially in ASEAN countries

### Elements of the Midterm Corporate Strategy 2021

Going beyond single-use, real estate development projects centered on logistics facilities and retail properties, we will focus on large-scale, multi-use developments. Specifically, we will realize the development of retail properties, offices, residences, and hospitals in order to create a highly functional and compelling urban community, mainly in the growing ASEAN countries and Japan.

### Progress for the fiscal year ended March 31, 2021

- We are taking part in a large-scale urban development project on a plot of land over 100 hectares in BSD City, in suburban Jakarta, Indonesia. We are strategically introducing town management and implementing smart and digital solutions, to increase the value of the project area and BSD City overall (approximately 6,000 hectares).
- In April 2021, we invested in unerry Inc., which owns one of Japan's largest platforms for managing behavioral big data. In partnership with the company, we will actively pursue smart-city developments in Japan and ASEAN countries.

## > EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

|                                                  | Ownership (%) | 2017/3 | 2018/3 | 2019/3 | 2020/3 | 2021/3 |
|--------------------------------------------------|---------------|--------|--------|--------|--------|--------|
| 1 Mitsubishi UFJ Lease & Finance Company Ltd.*1  | 24.98         | 10.7   | 12.6   | 12.1   | 15.1   | 10.8   |
| 2 DIAMOND REALTY INVESTMENTS, INC. (USA)         | 100.00        | 1.5    | 3.4    | 5.5    | 6.7    | 4.5    |
| 3 MC Aviation Partners Inc.                      | 100.00        | 4.5    | 4.4    | 1.8    | 1.5    | -2.5   |
| 4 Mitsubishi Corporation Urban Development, Inc. | 100.00        | 7.4    | 3.8    | 3.6    | 9.1    | 9.7    |
| 5 Fund related business companies*2,3            | —             | 4.1    | 6.7    | 3.7    | 6.8    | 9.0    |

\*1 On April 1, 2021, Mitsubishi UFJ Lease & Finance Company Ltd. merged with Hitachi Capital Corporation and changed the business name to Mitsubishi HC Capital Inc.

\*2 From the fiscal year ended March 31, 2019, figures have been adjusted to include certain tax effects accounted for by the parent company and certain consolidated adjustments implemented by the Company (major transactions during the cut-off period reflected in financial results of individual businesses).

\*3 From the disclosure of the fiscal year ended March 31, 2021, the scope of this category is partially changed. The figure of the fiscal year ended March 31, 2020 is also restated retroactively.

## > OVERVIEW OF URBAN DEVELOPMENT

### From Single Property Development to Area Development



### Concepts

- Large scale
- Long term
- Multi use
- Multi-phase development

### Project Overview: Smart, Sustainable, Transit-Oriented Developments (TODs) in BSD City, Greater Jakarta, Indonesia

Mitbana Pte Ltd, a joint venture company between MC and Surbana Jurong Private Limited (a wholly owned subsidiary of Temasek Holdings, a government-affiliated investment company in Singapore), has formed a partnership with leading Indonesian property developer Sinarmas Land Ltd. to advance a large-scale urban development project in BSD City. Over 100 hectares of greenfield land will be transformed into Indonesia's first TOD\* smart city, comprising residential units, commercial properties, living amenities, and public transport hubs. This project also tries to alleviate traffic congestion, a social issue in the country, by adopting digital technologies, and seeks to contribute to solve social and/or environmental issues.

\*Urban development founded around public transportation, aiming to create a society that is not dependent on automobiles



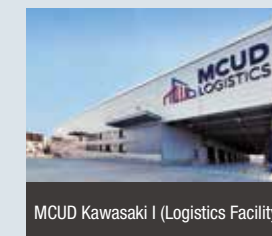
### MC aims to develop high quality urban areas and enhance sustainable urban value.

- Promote and participate in highly functional and attractive urban development from the initial phase of development
- Create sustainable value by taking a hands-on approach in developing and managing urban areas
- Maximize use of extensive MC Group expertise and networks to enhance urban services and content

## > MAIN BUSINESSES

### Real Estate Development and Asset Management Business

MC engages in various real estate development businesses for retail properties, logistics facilities, residential properties, and other uses in Japan, Asia, and North America. MC is also involved in real estate fund management businesses in Japan and North America.



MCUD Kawasaki I (Logistics Facility)

### Airport Operation Business

MC has been participating in the business of airport operation since 2015, following the privatization trend of airport operations. Since airports are the entrances to countries and regions, participation in the operation of airports helps resolve issues directly faced by each region and contributes to economic and societal growth.



New Ulaanbaatar International Airport operation business

### Data Center Operation Business

MC Digital Realty, Inc. was established as a joint venture in 2017 with Digital Realty Trust, Inc., the world's largest business operator of data centers. This company aims to leverage the demand for data centers in Japan to become one of the country's top business operators for data centers.



Osaka Data Center Campus (KIX11)

### Leasing Business

As leasing demand continues to grow globally, MC takes advantage of access and networks to a broad range of industrial fields unique to a general trading company through alliances and cooperation with influential partners to expand the leasing business.



Comprehensive Leasing Business