



Business Segment IR Meeting

Mitsubishi Corporation Industrial Finance, Logistics & Development Group



Agenda

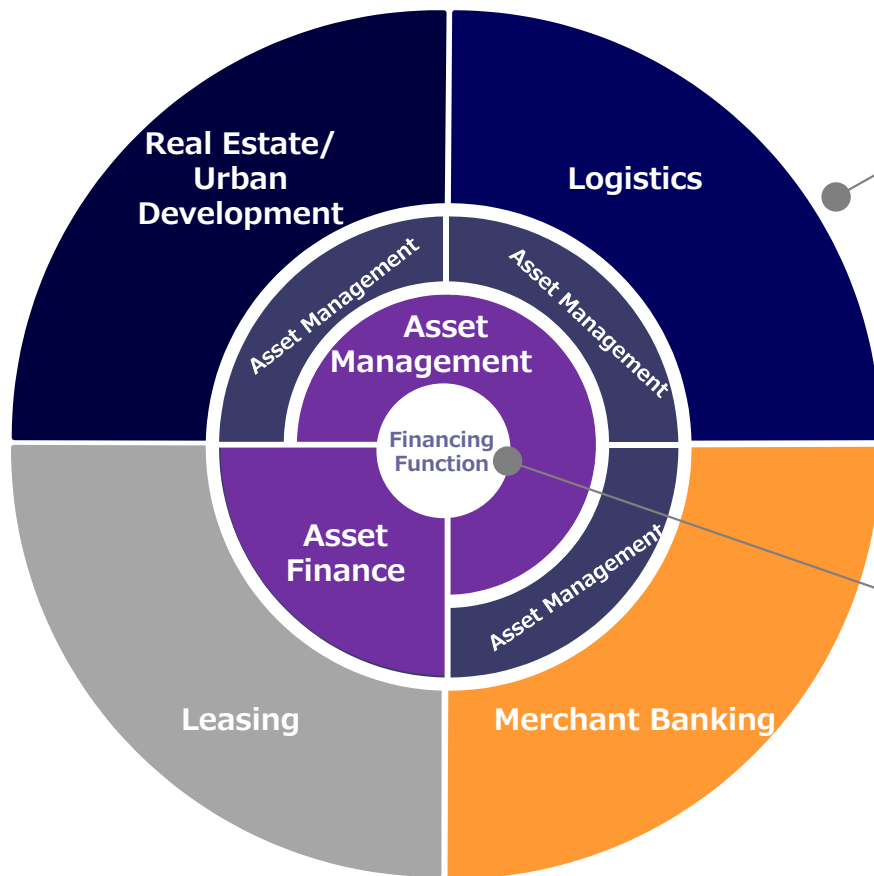
1. Group Overview
2. Organizational Structure
3. Segment Forecast and Cash Flows
4. Asset Portfolio
5. Initiatives in Each Domain
 - (1) Real Estate & Urban Development
 - (2) Logistics
 - (3) Leasing & Merchant Banking

[Appendix] Case examples of the Real Estate & Urban Development business

1. Overview of our initiatives
2. Initiatives of urban development business in emerging countries
3. Initiatives of residential development in Asian countries and China
4. Initiatives in developed countries

1. Group Overview

- ☑ The Industrial Finance, Logistics & Development Group creates business globally by harnessing 2 core financing functions in the 4 sectors of real estate/urban development, logistics, leasing, and merchant banking.



● 4 Business Sectors

- Real Estate/Urban Development
- Logistics
- Leasing
- Merchant Banking

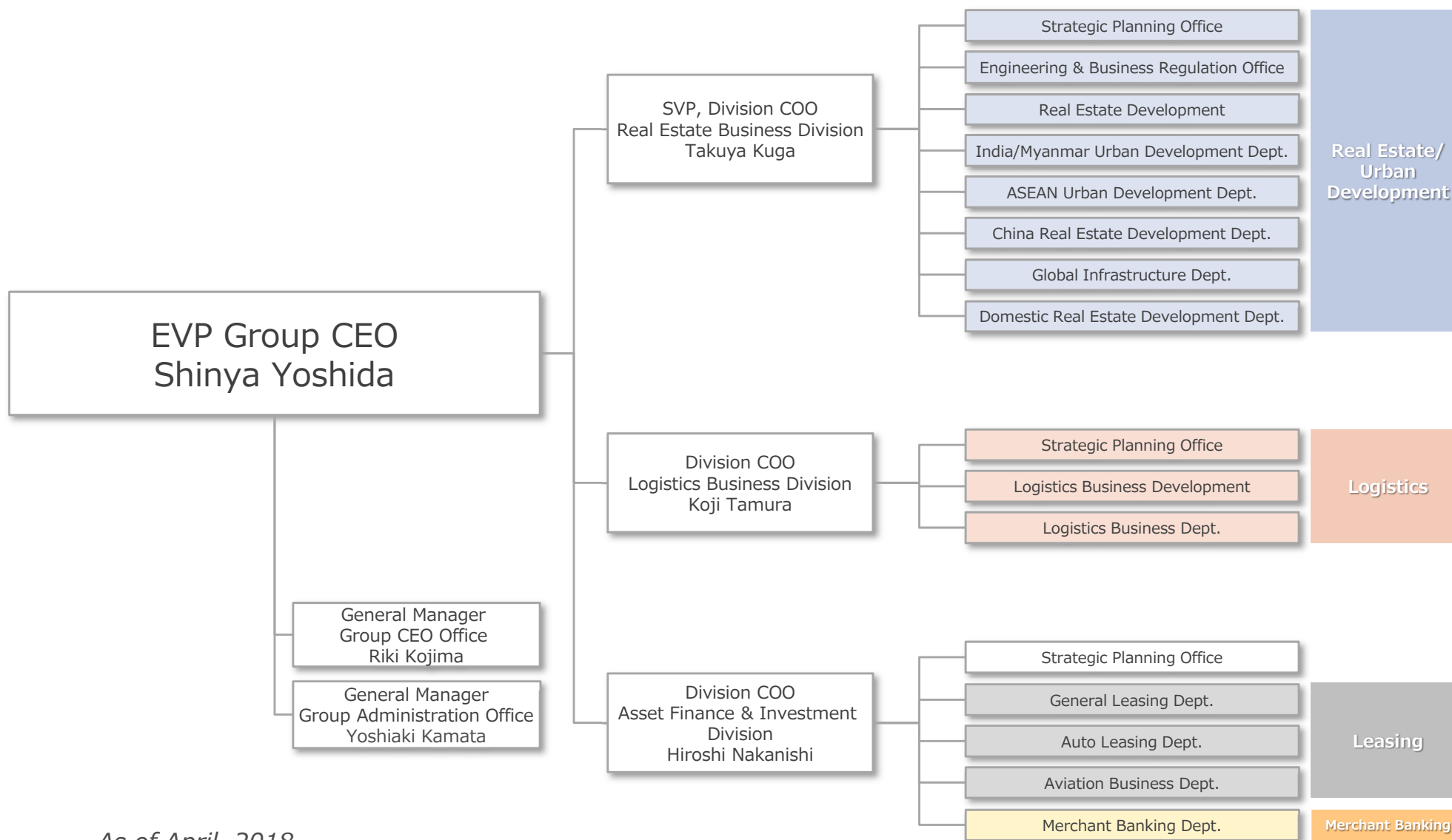
● 2 Core Financing Functions

- Asset Management Function*¹
- Asset Finance Function*²

*¹ Asset Management Function for investment assets entrusted by investors

*² Financing function backed up by collateral value of specific assets

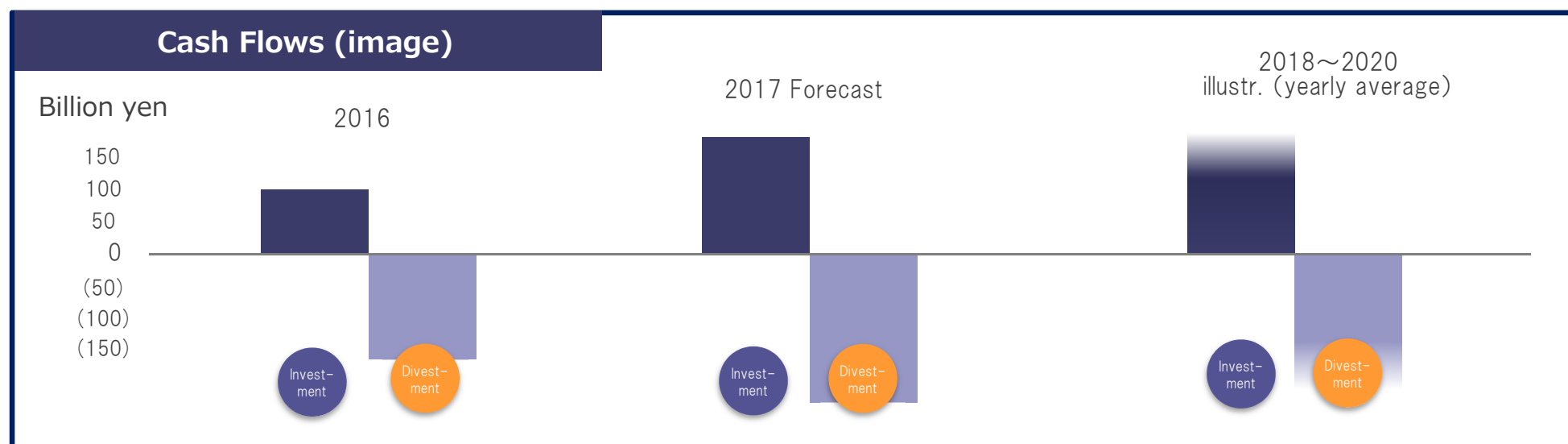
2. Organizational Structure



As of April, 2018

3. Segment Forecast and Cash Flows

- ☑ Aim to generate yearly profits of 50 billion yen in mid-long term.
- ☑ Maximize capital efficiency by managing cash flows adequately, following the overall policy of actively managing businesses and optimizing business life cycles



4. Asset Portfolio

- ☑ Conduct investments based on growth strategy
- ☑ By business field: Plan to increase Real Estate/Urban Development business assets
- ☑ By profit model: Pursue approximately equal ratio of assets by “Development” (capital gain model) and “Hold” (income gain model)

Image of asset structure by business field

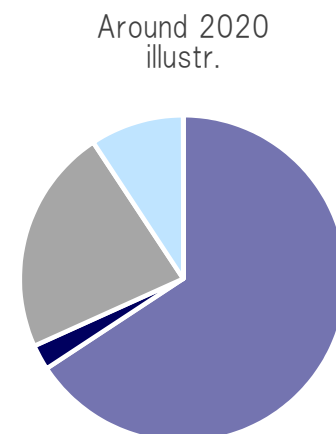
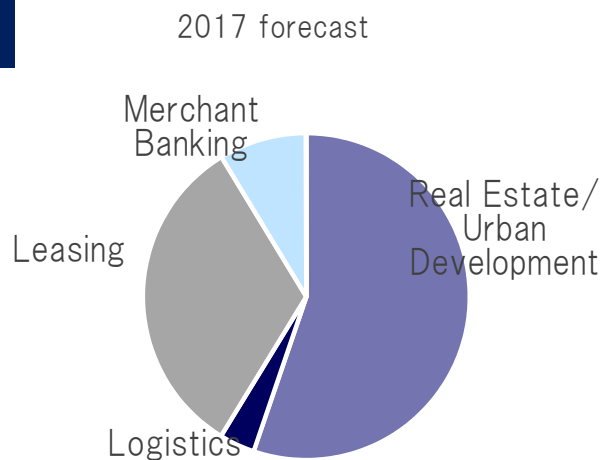
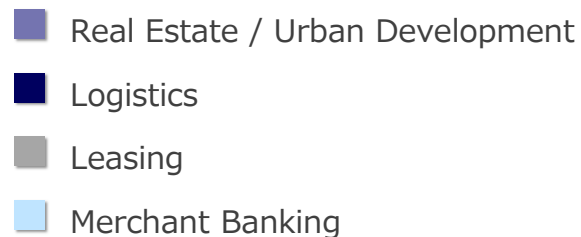
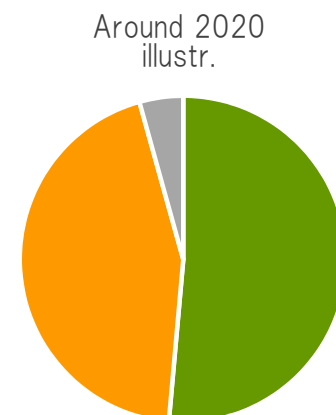
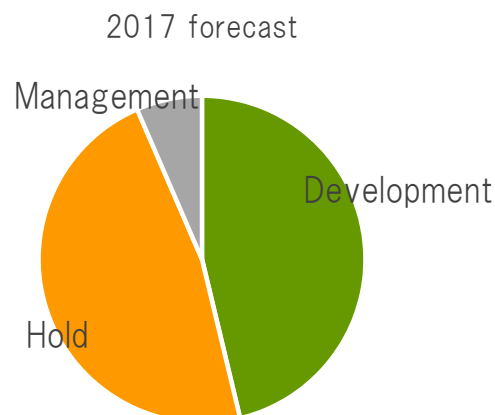
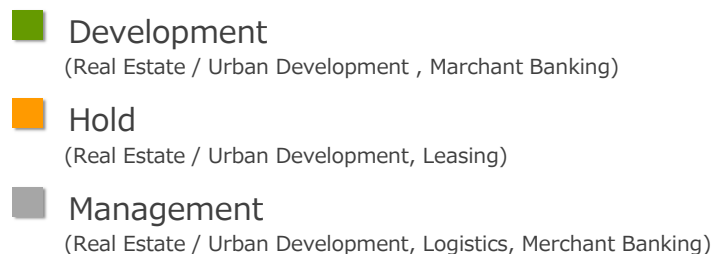


Image of asset structure by profit model



5. Initiatives in Each Domain (1) Real Estate/Urban Development

- ☑ Conduct a wide variety of real estate development projects including retail properties, logistics facilities, condominiums, and industrial parks in Japan, North America, China, and ASEAN countries. In addition, promote urban development projects that integrate infrastructure and real estate in emerging countries, with a focus on Myanmar.
- ☑ Expand the real estate and infrastructure asset management business, which mainly manages listed real estate investment trusts (REITs) and private funds.


Business Overview

Development

- Real estate development in Japan, Asia, and the US
- Urban development projects in emerging countries

Management

- Real estate asset management business in Japan (listed REITs, private funds)
- Infrastructure fund management business

 **Mitsubishi Corporation Urban Development**
Comprehensive developer that creates value and develops profitable real estate in Japan, such as retail properties and logistics facilities.

 **横浜赤レンガ倉庫** Yokohama Akarenga, Inc. is a subsidiary of MCUD.



Promotes investments in profitable real estate development projects mainly focused on multifamily housing, student housing, and logistics centers in North America.

 **MC-UBS GROUP**

Mitsubishi Corporation UBS Realty Group

Joint venture between MC and UBS manages J-REITs. It is the largest J-REIT operator in Japan, managing three listed REITs. MC holds 51% of its shares.



Diamond Realty Management, Inc.

Wholly owned private real estate fund management company manages various funds, such as mezzanine debt funds and private REITs, and funds specializing in retail properties and logistics facilities.

By Region



5. Initiatives in Each Domain (2) Logistics

- ☑ Provide logistics services with high added value to help customers build and improve their logistics capabilities, through partnerships with principal business investees, including Mitsubishi Corporation LT, Inc., and by leveraging Japanese domestic and overseas networks.
- ☑ Promote further development of logistics business with an eye toward new business opportunities following the spread of e-commerce and advances in robotics and the Internet of Things (IoT).

Business Overview

Logistics Business

- Comprehensive logistics services for products
- Reinsurance business
- Ocean transportation services for dry bulk cargoes

Logistics Development

Development of new business in the logistics industry, focusing on sharing, matching and automation

Mitsubishi Corporation LT, Inc.

Provides comprehensive logistics service by leveraging its global network across Japan, China, Asia, Europe, and the US, as well as MC's capabilities as a trading company.

MCLOGI



Car pool management



Warehouse management

DBC DIAMOND BULK CARRIERS

Provides ocean transportation services for dry bulk cargoes such as coal, grain, and coke to power utilities, steel mills and other general industrial companies, as well as MC and its group companies.

Mitsubishi Ore Transport Co., Ltd.

Ship owner, mainly focusing on bulk carriers, who is capable of providing their own high quality ship management to their fleet.

Worldwide activities

Mitsubishi Corporation International (Europe) Plc.

Europe

MC Logistics CIS LLC

Mitsubishi Corporation LT Europe GmbH

Mitsubishi Corporation LT (Shanghai) Co., Ltd.

MC Logistics India Private Limited

Asia

Mitsubishi Corporation LT, Inc.

Mitsubishi Ore Transport Co., Ltd.

Mitsubishi Corporation LT Taiwan Co., Ltd.

Mitsubishi Corporation LT (Thailand) Co., Ltd.

Mitsubishi Corporation LT Singapore Pte., Ltd.
Diamond Bulk Carriers

PT MCLOGI ARK Indonesia

Americas

Mitsubishi Corporation LT USA

New Century Insurance

Sincere Pisces

Diamond Car Carrier

5. Initiatives in Each Domain (3) Leasing & Merchant Banking

- ☑ Globally operate a comprehensive leasing business and asset finance business through our investee Mitsubishi UFJ Lease & Finance Co., Ltd., leveraging access to and networks in a wide variety of industries as a general trading company. Aim to further grow the aircraft and automobile leasing businesses in collaboration with partnering companies.
- ☑ Expand investment business mainly in Japan, Asia, and the US, helping companies resolve various challenges as their business partner and improve corporate value over the medium to long term.

Business Overview

Leasing

- Comprehensive asset finance business via investments in Mitsubishi UFJ Lease & Finance Co., Ltd.
- Aircraft leasing
- Auto leasing

Merchant banking

- Private equity fund management business in Japan, Asia, and the US



Mitsubishi UFJ Lease & Finance

Mitsubishi group's core leasing company, provides a comprehensive financing service spanning leases and sales of installments, loans, and investment products.

<Ownership ratio>

MC: 20%
Mitsubishi UFJ Financial Group: 13.4%
MUFG Bank, Ltd.: 6.1%



MC Aviation Partners Inc.

Aircraft leasing company that also provides globally the technical support and the remarketing services, which arrange the sale of aircraft under management.

<Ownership ratio>
MC: 100%



Joint venture between MC and Mitsubishi UFJ Lease & Finance Co., Ltd. that conducts multi-brand auto leasing.

<Ownership ratio>
MC: 50%
Mitsubishi UFJ Lease & Finance Co., Ltd.: 50%



Japan-based fund management company, established as a joint venture between MC and MUFG, provides solutions to companies with succession issues, carve-out situations, and other management issues. It manages buy-out funds that aim to realize long-term corporate values.



North America-based fund management company specializes in buyout investments by leveraging business knowledge and networks in industries. It manages funds mainly targeting medium-sized companies in North America.



Joint venture between MC and CIMB(Malaysia), AIGF focuses on providing growth capital to well-established companies in the ASEAN region. It manages funds that supports investee companies to enhance its long-term corporate values.

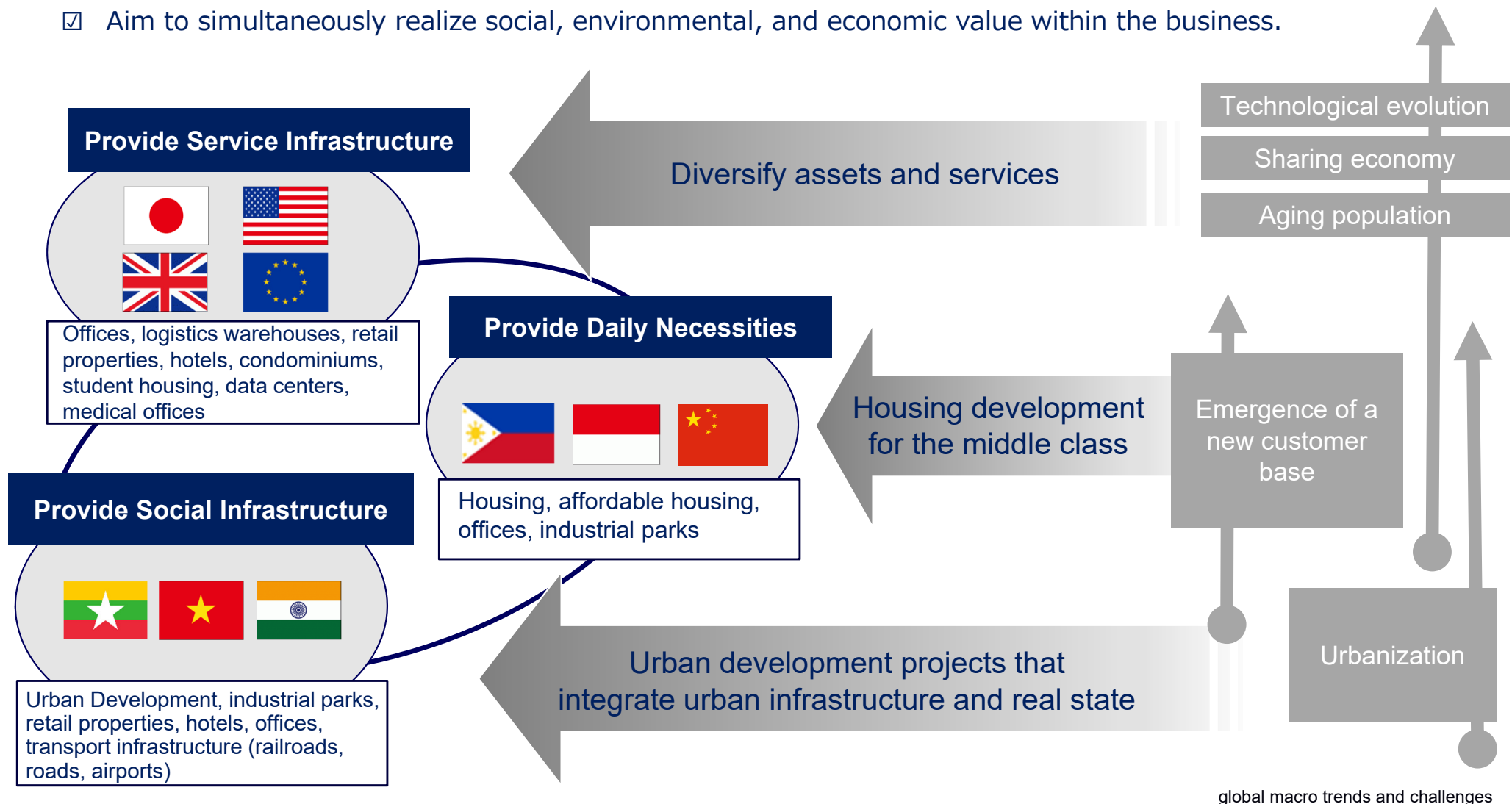


Founded by John Roos, a former US Ambassador to Japan, Ashvin Bachireddy, a former partner of Andreessen Horowitz and Mitsubishi Corp. It manages funds that provide growth capital to transformative technology companies in Silicon Valley.

【Appendix】 Case Examples of the Real Estate & Urban Development Business

1. Overview of Initiatives: Product Development in Response to Societal Demands

- ✓ Develop products and businesses in response to societal needs and challenges of each country and region, as well as to global macro trends.
- ✓ Aim to simultaneously realize social, environmental, and economic value within the business.



global macro trends and challenges

2. Initiatives of Urban Development Business in Emerging Countries

- ☑ Promote the urban development business in emerging markets including ASEAN countries where medium- to long-term economic growth is expected.
- ☑ Launching a large redevelopment project in downtown Yangon, Myanmar, where establishing societal infrastructure is becoming an increasingly important issue since its transition to democracy.
- ☑ Reached agreement to participate in a toll road operation business in India, being Asia's largest private infrastructure market.

Participating in the Landmark Project, a Large Mixed-Use Redevelopment Project

- ☑ In July 2016, MC established a joint venture with Mitsubishi Estate Co., Ltd. and Serge Pun & Associates Ltd., a major corporate group in Myanmar, to undertake this project.
(Commencement of construction : December 2017)
- ☑ This is a large mixed-use redevelopment project involving development and management of two office buildings, one condominium, one building combining a hotel and serviced apartments, with retail facilities installed in the lower floors of each building, across a total floor area of over 200,000sqm.



Cube Highways and Infrastructure (India-Based Company Operating Toll Roads and Highways)

- ☑ MC decided to invest in a toll road and highway operator established by I Squared Capital (a leading infrastructure fund) and International Finance Corporation, a member of the World Bank Group.
- ☑ This company owns and operates seven toll roads and highways between major cities (total length of 400km).
- ☑ The company aims to improve the operations and performance of the toll roads and to establish service areas in collaboration with East Nippon Expressway Company (NEXCO East).
- ☑ The company seeks synergy with urban development projects.



3. Initiatives of Housing Development Business in Asia (Including China)

- ☑ Undertaking condominium and affordable housing development projects targeting the rapidly expanding middle class to improve living environments in fast-growing Asian countries.
- ☑ Embarked on the development and sale of condominiums in metro Manila, Philippines; where rapid population inflows have led to housing shortages and soaring prices.
- ☑ Undertaking initiatives to develop condominiums in response to the rapid expansion of the middle class in many cities in China, where urbanization steadily continues.

Affordable Housing Development in the Philippines

- ☑ We established a project company in the Philippines with MC holding 40% and Century Properties Group, Inc. (a leading real estate developer) holding 60% of shares.
- ☑ The company plans a township development of approx. 4,000 housing units on 26ha of land procured in Tanza, Cavite.
- ☑ The company is developing urban infrastructure and living environments in ASEAN counties where the middle class is expected to grow over the medium to long term.



Illustration of completed Tanza project



Tanza project model house

Condominium Development in China

- ☑ The condominium market in China sees 14.5 million units sold yearly (total floor space of 1.45 billion sqm), a scale 200 times that of the Japanese market.
- ☑ MC has launched eight condominium development projects (total of 21,000 units) since 2011 through a joint venture with three companies, including Gemdale (a major real estate developer).



Illustration of completed Xuzhou project



Ningbo condominium

4. Initiatives in Developed Countries (1) US

- ☑ North America remains an attractive market due to its high growth potential and transparency, despite being a mature market and being of large scale in the global market.
- ☑ Launched a wide variety of real estate development projects including rental residential units, student housing, logistics facilities, and healthcare properties, and established North American Real Estate Development Funds to create investment opportunities to meet the demands of Japanese institutional investors for overseas real estate investment.

Profitable Real Estate Development Projects in the US

- ☑ Promote investments in profitable real estate development projects focusing on student housing and logistics warehouses through MC's wholly owned subsidiary, Diamond Realty Investments (DRI).
- ☑ Since its establishment in 1994, DRI has invested in more than 150 real estate development projects.

Investments



Student housing (Texas)



Logistics center (Illinois)

Fund Management Business in the US (US Real Estate Funds Aimed at Japanese Institutional Investors)

- ☑ Diamond Realty Management (DREAM), MC's wholly owned subsidiary, manages real estate funds.
- ☑ This company is an initiative that leverages Diamond Realty Investments' (MC's subsidiary) development performance in the US and DREAM's network of Japanese institutional investors.

Fund Overview (scheduled)

1st Fund: Established end-March 2017

2nd Fund: Established end-September 2017

Investment targets: Rental residential unit and logistics warehouse development projects in the US

Investment Targets



Rental residential unit (Georgia)



Rental residential unit (Virginia)

4. Initiatives in Developed Countries (2) Japan

- ☑ Amid a sharp increase in data volume following advances in AI / IoT and cloud usage, MC aims to lead the industry's transformation as an operator of large data centers.
- ☑ MC has established and begun managing Japan's first diversified infrastructure fund. This fund is established in response to demand from national and local governments with infrastructure businesses to reduce their financial burden by several hundred trillion yen, as well as to private-sector requirements to divest non-core infrastructure assets.

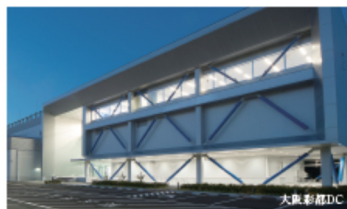
Established a Data Center Holding and Operating Company in Collaboration with US-based Digital Realty Trust, Inc.

- ☑ MC established a data center (DC) holding and operating company through a joint venture with a data center REIT, Digital Realty Trust (US).
- ☑ MC plans to expand operating assets to around 200 billion yen through development of new DCs and acquisition of existing DCs.

Company Overview Company: MC Digital Realty, Inc.
Established: October 2017
Partner: Digital Realty Trust (US)
Shareholding ratio: MC 50%



Mitaka Data Center



Saito Data Center (Osaka)

Japan's First Diversified Infrastructure Fund

- ☑ MC has established a wholly owned subsidiary, Marunouchi Infrastructure Inc., and launched an infrastructure fund management business in Japan.
- ☑ MC aims for the fund to reach 50 billion yen in the first half of 2018, and plans to accept investments from institutional investors in Japan with an upper limit of 100 billion yen.

Fund Overview (Scheduled) Fund size: Greater than 50 billion yen
Fund period: 12 years from the acceptance of last investment
Investment targets: Sea ports, airports, roads, power plants, heat supply facilities, communication facilities, and water supply and sewage infrastructure

Target Investments



Renewable Energy business



Airport operation business



Road operation business

(Forward-Looking Statements)

- This release contains forward-looking statements about Mitsubishi Corporation's future plans, strategies, beliefs and performance that are not historical facts. Such statements are based on the company's assumptions and beliefs in light of competitive, financial and economic data currently available and are subject to a number of risks, uncertainties and assumptions that, without limitation, relate to world economic conditions, exchange rates and commodity prices.
- Accordingly, Mitsubishi Corporation wishes to caution readers that actual results may differ materially from those projected in this release and that Mitsubishi Corporation bears no responsibility for any negative impact caused by the use of this release.