

September 13, 2017

To Press:

Mitsubishi Corporation
Mitsubishi Corporation Urban Development

Mitsubishi Corporation Takes on Brand New Venture Renovating and Developing
Large-Scale Industrial Facilities

~ Joins up with subsidiary to support companies' CRE strategies ~

Mitsubishi Corporation (MC) and its wholly owned subsidiary Mitsubishi Corporation Urban Development (MCUD) are pleased to announce their joint entry into a new business segment focused on the renovation and development of large-scale industrial facilities for leasing. MCUD's recent acquisition and development of two facilities located in Ichikawa City in Chiba Prefecture, Japan signaled their first move. The facilities were primarily used as temperature controlled warehouses and processing centers which, upon renovation, are leased to companies engaged in operations that need such facilities. The total cost for developing the two facilities (including investments tenants made in equipment and internal structures as required for their operations) is around 10 billion yen. Projects involving the development of large-scale industrial facilities for specific purposes such as temperature controlled warehouses and processing centers is a first for MC and also a unique business proposition within the real estate industry.

MCUD was able to acquire the first facility, an old industrial complex that was constructed more than 25 years ago, although the owner at the time was initially reluctant, and managed to upgrade the equipment and renovate the complex without interrupting the tenant's operations, while ultimately facilitating improved operational efficiency and reducing operational costs. The second facility was only over 15 years old, but came with less flexibility in term of layout. However, MCUD was able to successfully attract a new tenant by making major interior and layout changes that would cater adequately to the tenant's needs after renovation.

Operational facilities run by companies from a range of industries currently account for around 430 trillion yen, or 20%, of Japan's 2.52 quadrillion yen domestic real estate market*. However, an increasing number of these companies are turning to a corporate real estate (CRE) management strategy due to changes in the business environment such as the spread of ROA/ROE based management, and basic restructuring needs caused by industry consolidation and streamlining of operations.

※Referred by "Action Plans for the Real Estate Investment's Market Growth"

by MLIT June 21, 2017

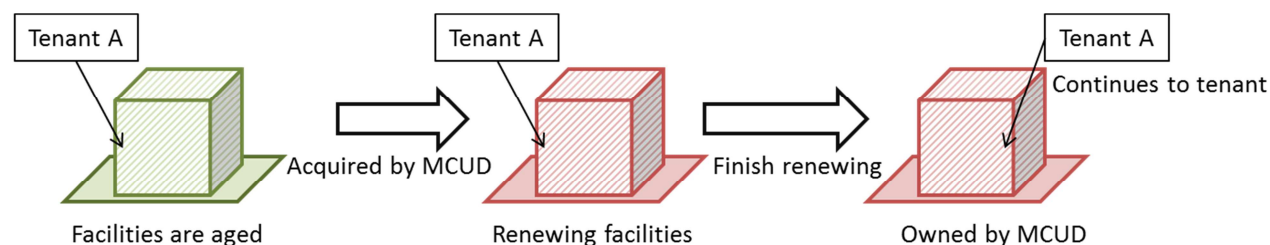
MC and MCUD are seeking to actively support the CRE strategies of companies who need these kinds of facilities for their operations with the aim of providing optimal solutions to the challenges they faced in the owning or leasing of real estate. MC is in a particularly good position to provide this kind of support by drawing on its broad networks across a variety of industries, project management skills, expertise in construction and engineering, and real estate consultation capabilities. MC has in the past completed real estate development projects for a wide range of assets including retail facilities, logistics facilities, and condominiums. MC intends to further expand its real estate business by providing support for the CRE strategies of other companies as one of its core businesses, while leveraging its strengths as a global integrated business enterprise.

【Outline of the Renovated Facilities】

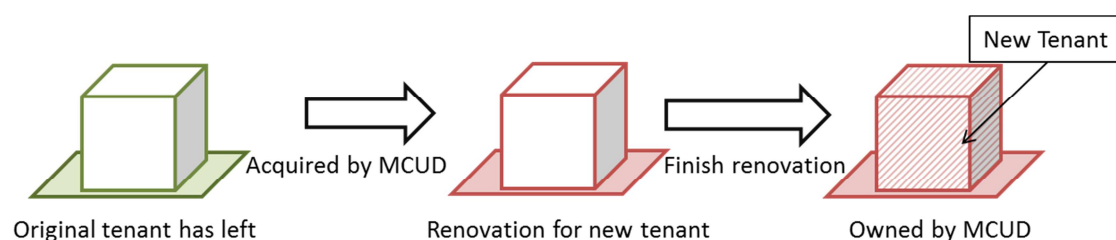
	【Facility 1】	【Facility 2】
Location	Ichikawa, Chiba, Japan	Ichikawa, Chiba, Japan
Site Area	17,300 m ²	3,300 m ²
Total Floor Space	27,600 m ²	5,100 m ²
Main Applications	Temperature Controlled Warehouse Processing Center	Temperature Controlled Warehouse Processing Center

【Scheme Outline】

Project 1 (Leasing Continued by Original Tenant)



Project 2 (Renovation for New Tenant)



【Company Overview】

1. Mitsubishi Corporation

- (1) Head Office: 3-1, Marunouchi 2-Chome, Chiyoda-ku, Tokyo, Japan
- (2) Date Established: July 1, 1954
- (3) Business Activities: MC is a global integrated business enterprise that develops and operates businesses across virtually every industry through seven groups: Global Environmental & Infrastructure Business; Industrial Finance, Logistics & Development; Energy Business; Metals; Machinery; Chemicals; and Living Essentials.
- (4) Representative: Takehiko Takeuchi, President and Chief Executive Officer

2. Mitsubishi Corporation Urban Development

- (1) Head Office: Yurakucho Denki Building North, 1-7-1 Yurakucho, Chiyoda-ku, Tokyo, Japan
- (2) Date Established: September 2002 (Company name changed to Mitsubishi Corporation Urban Development, Inc. in May 2007)
- (3) Business Activities: Development of real estates including commercial and logistics facilities
- (4) Representative: Koichi Murata, President and CEO