

**U.S.-based MBK Real Estate LLC
to Acquire Senior Living Properties**



MITSUI & CO.

May 23, 2018

Mitsui & Co., Ltd.

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1. Project Overview

MBK Real Estate LLC (“MRE”), a wholly owned subsidiary of Mitsui & Co. Ltd., has agreed to acquire senior living properties and their operations from West Living LLC.



Properties Overview

Seller	West Living LLC
Properties	9 Properties / approx. 1,200 units
Location	California, Washington, and Arizona
NOI	US\$21 million (9 Properties, forward 12 months)
Acquisition Cost	US\$382 million
Closing	Late June, 2018

Property Locations



2. Mitsui's Real Estate Business in the U.S.

MRE, a wholly owned subsidiary of Mitsui & Co., develops and operates properties for ① senior living, ② multi-family, and ③ industrial purposes. Senior living business is strategically the most prioritized of all business for Mitsui's real estate business in the U.S.



Mitsui & Co.

100%

Investment Vehicle

100%



**MBK Real Estate LLC
(MRE)**



100%

MBK Senior Living LLC

Senior housing

100%

MBK Homes LLC

Multi-family homes
development

100%

MBK Industrial Properties
LLC

Logistics facility
development

3. Mitsui's Senior Living Business in the U.S. (1) Overview

As an owner and operator, MRE operates 25 senior living properties (approx. 2,600 units) in the Western United States. MRE's performance in senior living business has always been outstanding throughout its 27 years history.

Senior Living Business Overview

<Senior Living Business>

- Business Overview: Owns and operates senior living properties
- Started in 1990
- Operating Company: MBK Senior Living
- Approx. 1,400 employees
- 25 properties operated by MRE (approx. 2,600 units)
- 16 properties owned by MRE
- Area: Western United States



<Number (average) >*

- Monthly Rent: \$4,500
- Occupancy: 94.5%
- Age of residents: 85



Property Images



Oakmont Gardens (California)



Chancellor Gardens at Clearfield (Utah)

3. Mitsui's Senior Living Business in the U.S. (2) Services

MRE offers hands-on services such as "independent living", which provides services such as meals and housekeeping, and "assisted living", which includes daily living assistance and health management services.



Senior Care in the U.S. and MRE's Services

Low

•Care Level •Rent •Regulation

High

Senior Apartment

Independent Living

-Assisted Living
-Memory Care

Nursing Home

Hospital

- No service provided

- Meals
- Housekeeping
- Activities, etc.

- Daily support
- Health check
- Memory care, etc.

- Nursing services
- Medical services

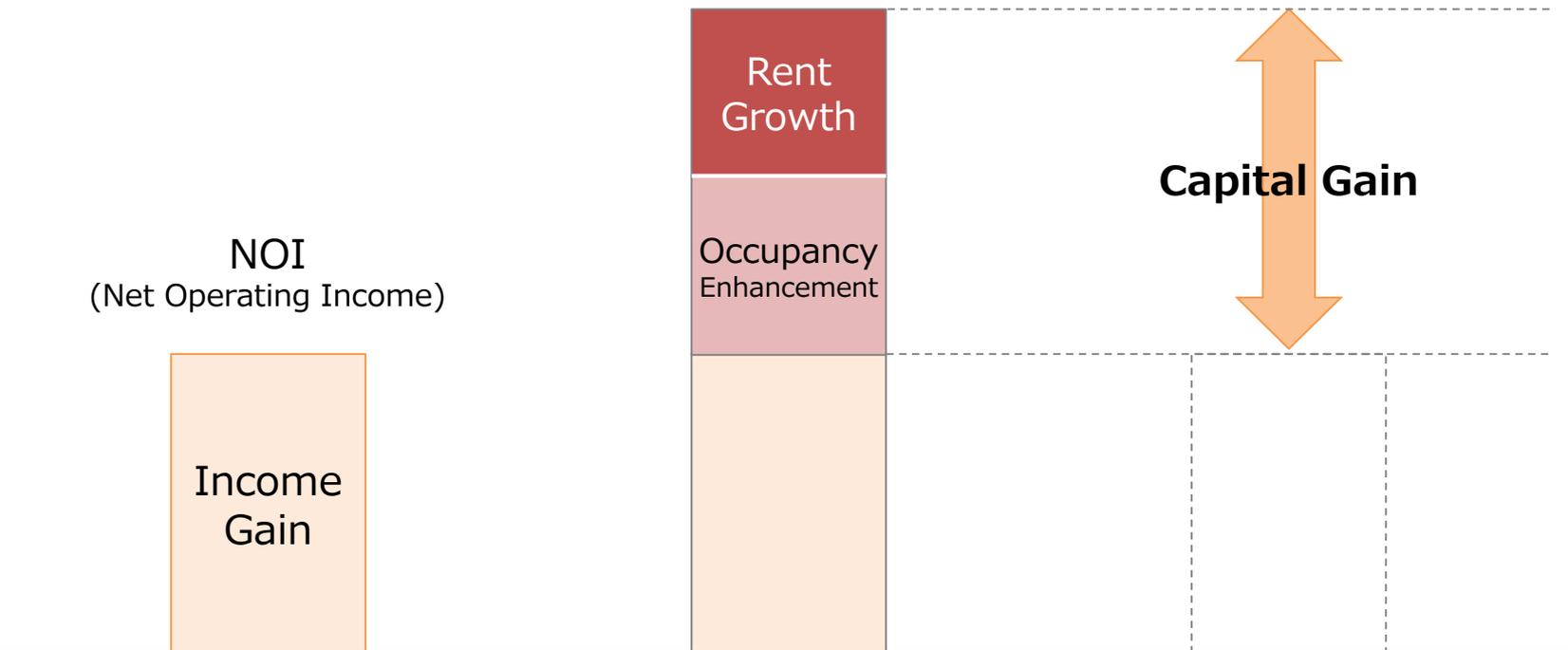
- Medical care

Services offered by MRE



3. Mitsui's Senior Living Business in the U.S. (3) Business Model

After acquiring existing properties, MRE increases the value of the assets by injecting in-house know-how and implementing project risk management. This business model produces both income gain and capital gain.

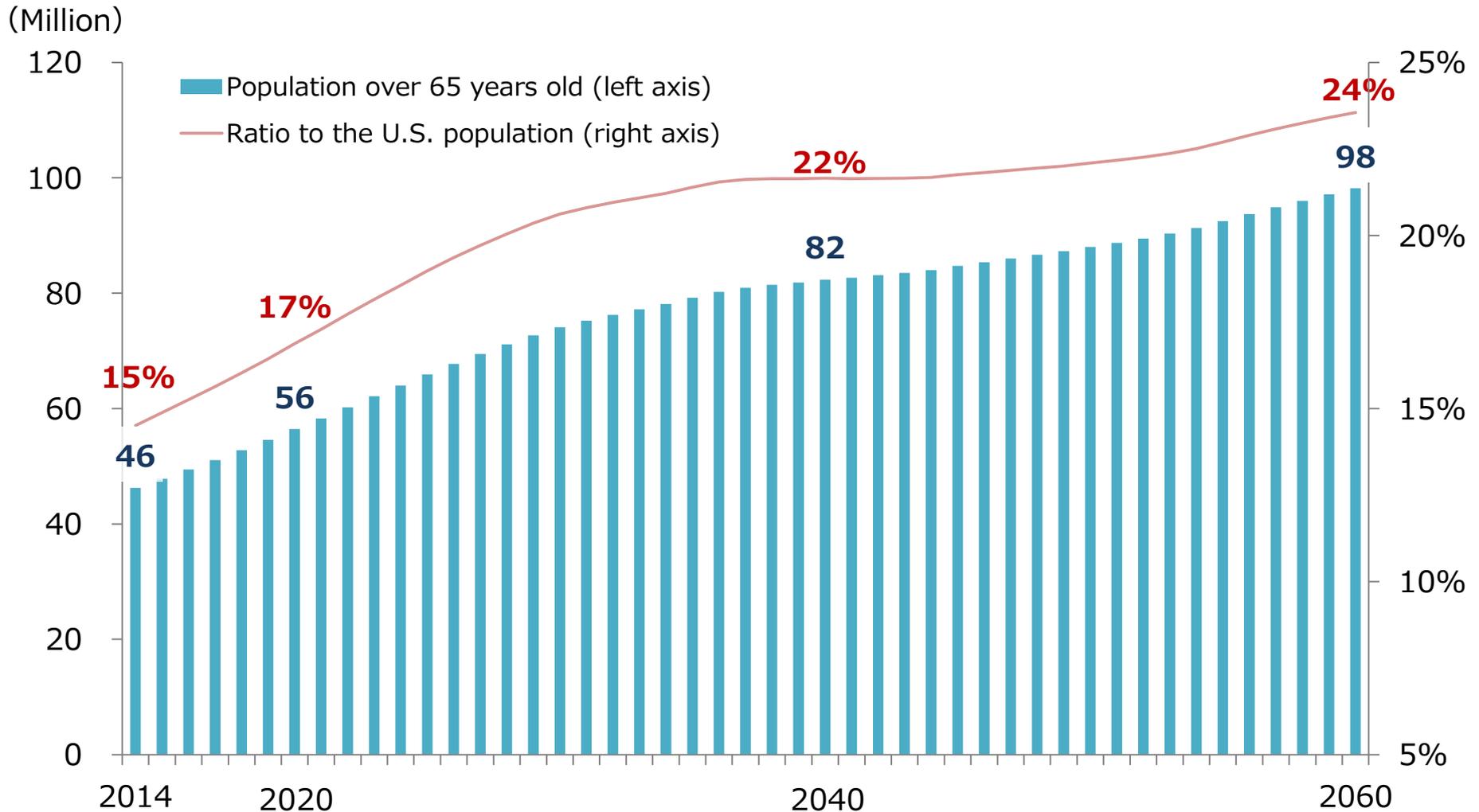


4. Project Objectives (1) Rapid Increase in Elderly Population

In the United States, as in Japan, the elderly population is projected to grow, which will continue to drive demand for services.



Forecast of population over 65 years old in the U.S. (2014 – 2060)

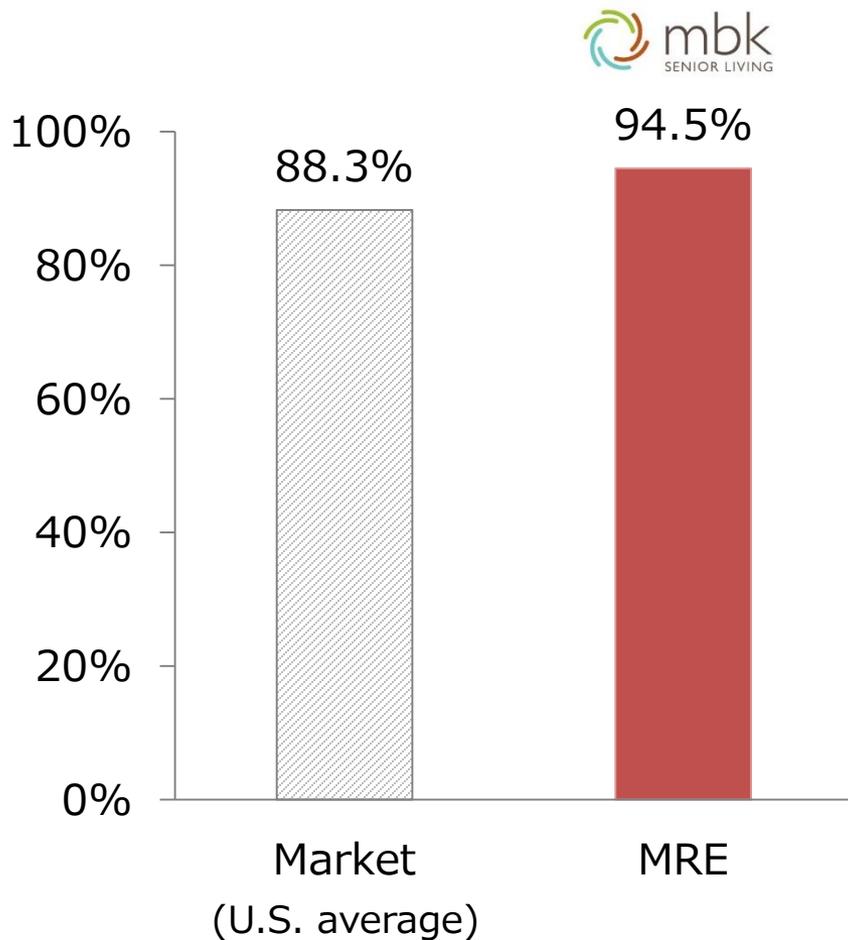


4. Project Objectives (2) MRE's Outstanding Performance in Senior Living Business

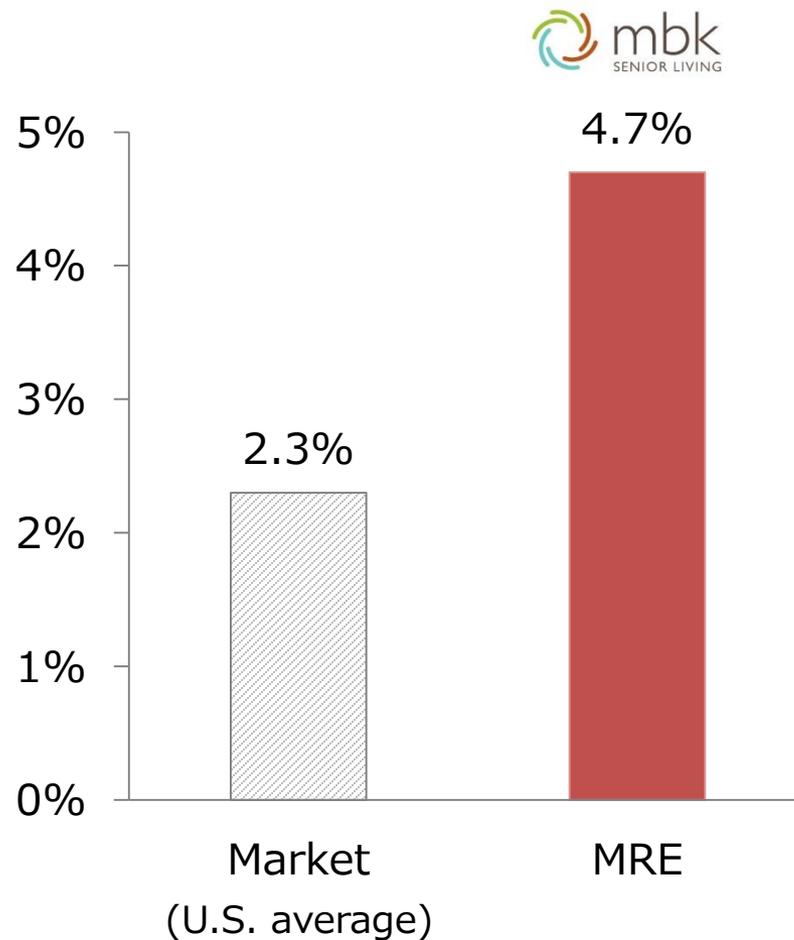
Compared to the U.S. average, MRE's senior living properties achieve higher occupancy rate and rent growth.



Occupancy Rate (as of March 2018)



Rent Growth* (as of March 2018)

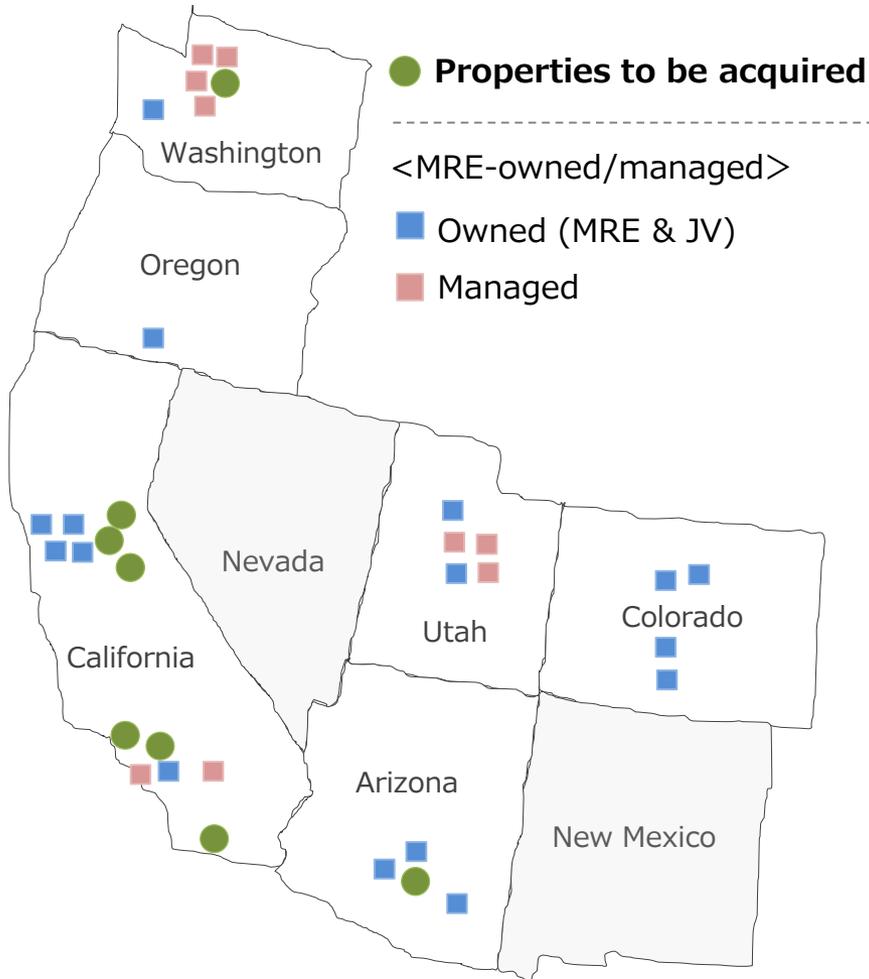


4. Project Objectives (3) Prime Locations and Reinforcement of the Business

All properties are located in prime areas and are close to the locations of currently owned/managed properties, allowing MRE to execute an efficient operation by expanding its business to approximately 3,800 units.

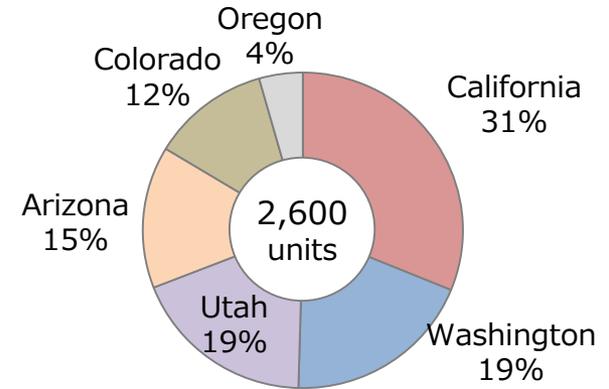


Locations of Properties

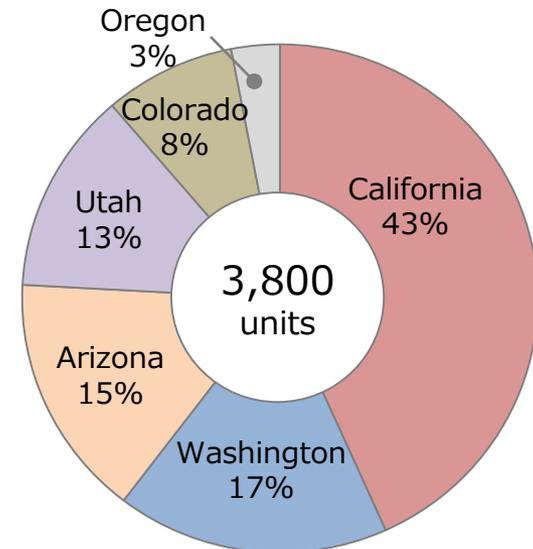


Number of Units, Operation

Actual



After Acquisition



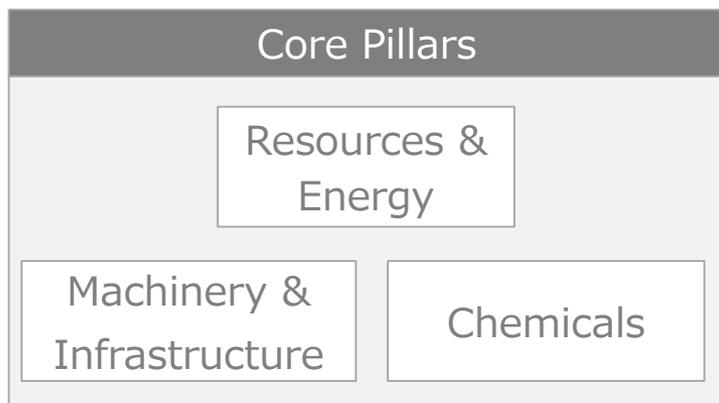
5. Future Strategy

“Healthcare” and “Retail Services” are defined as part of Mitsui & Co.’s strategic growth areas. Acquiring properties is consistent with this strategic plan and addresses the increasing demand for U.S. senior housing.



Mitsui & Co. Medium-term Management Plan*

Driving Value Creation



Strategy of MRE’s Senior Living Business in the U.S.

1

By reinforcing property sourcing skills and operations, MRE aims to sustainably provide properties and services to address the increasing demand for U.S. senior housing.

2

By inviting third-party investors, MRE aims to expand the scale of its AUM (assets under management) and improve capital efficiency.

3

By following its investment criteria and solidifying management system, MRE aims to enhance its stable and profitable platform so that it is immune to economic fluctuation.

360° business innovation.



MITSUI & CO.