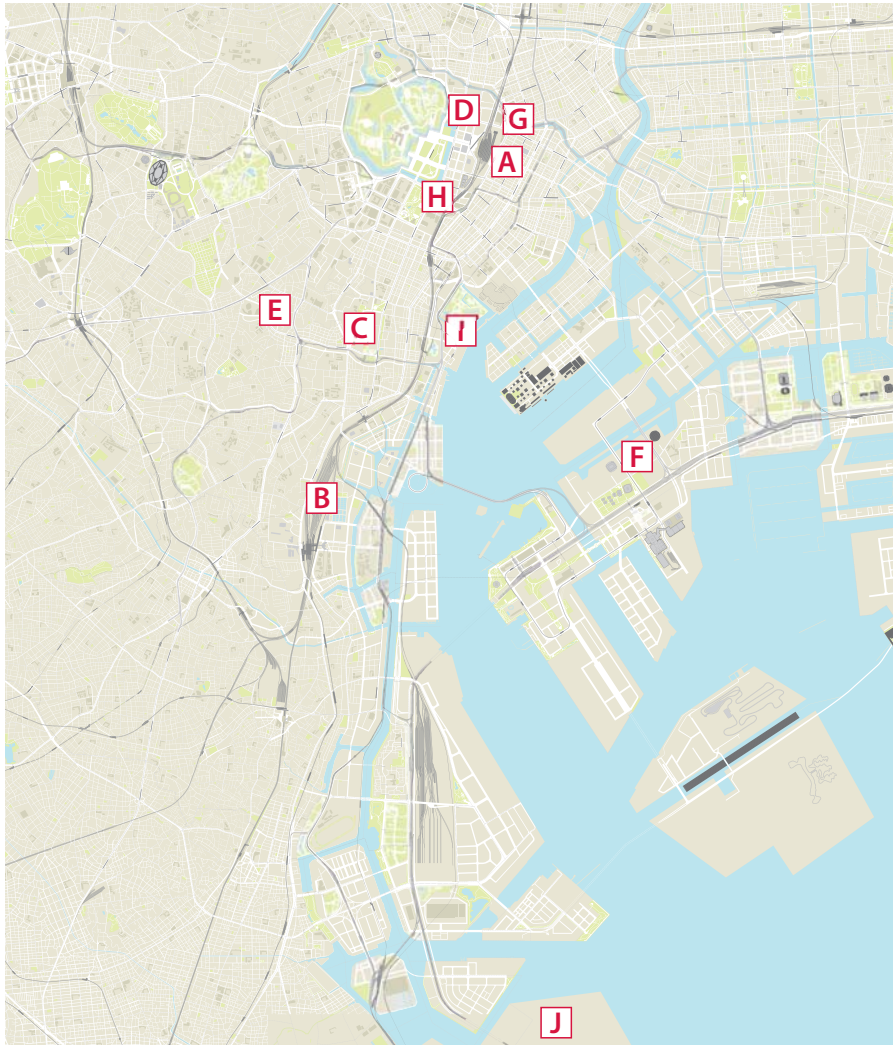


# Transforming Tokyo as a Global Business City

Tokyo, as Japan's economic engine, must succeed in an increasing global competition with other cities. By effectively utilizing its National Strategic Special Zones designation, Tokyo aims to improve the global business environment and create a hub for medical/pharmaceutical innovation.

## FIGURE : Major international business hub project



*Global business hub coupled with enhanced transport junction capabilities*

- A** Yaesu Area (Tokyo Station)
- B** Shinagawa Station
- C** Toranomon Area

*Enhanced MICE capabilities that accommodate increasing number of foreign visitors*

- D** Otemachi 1-chome Area
- E** Roppongi Area
- F** New Tokyo Waterfront Subcenter

*Diverse business transaction hub including global financing and contents services*

- G** Otemachi-Tokiwabashi Area
- H** Hibiya Area
- I** Takeshiba Area
- J** Haneda Airport Empty Lot



SOURCE: material provided by Mitsubishi Estate

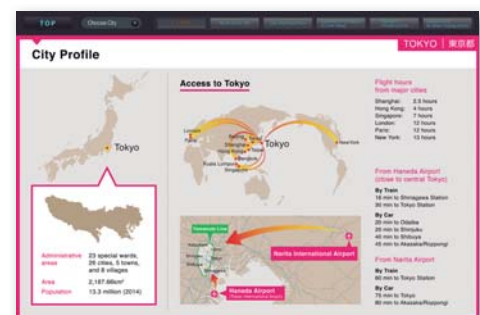
SOURCE: Tokyo Metropolitan Government / NOTE: Based on the assumption of acquiring permission by City Planning Act  
MAP: Nikkei Architecture January 10 2015



SOURCE: material provided by Mori Building

One example is Toranomon Hills, a public-private skyscraper project built in the Toranomon district (C) in May 2014. Employing a multi-level road system that allows use of space both above and beneath the road, building development and the construction of Loop Road No. 2, the artery that connects Shinbashi and Toranomon districts, proceeded in concert. The completion of this project is expected to contribute significantly to the dramatic transformation of Shinbashi/Toranomon districts as a global business hub that attracts diverse corporations and talents and to the creation of a new international urban center as the first step in a series of Tokyo revitalization initiatives for Olympic and Paralympic Games Tokyo 2020.

## Major projects for building global business bases



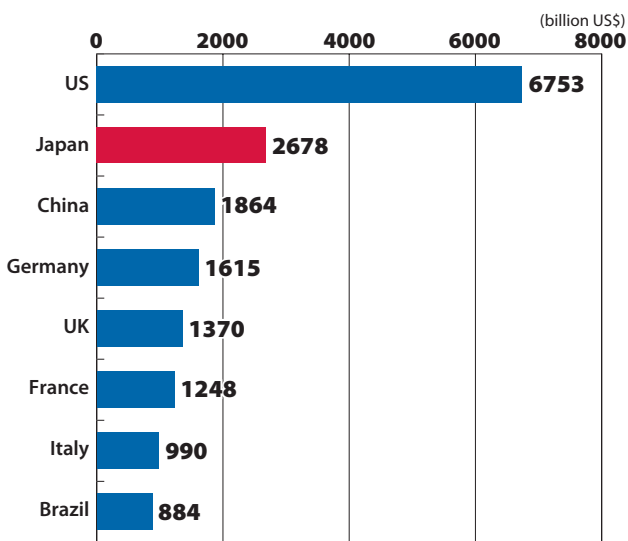
For the latest urban development projects, which are currently under way in Japan, information is also available at the following website:  
<http://urban-projects.jp/>

# Japanese real estate market is huge and stable

## World-class investment opportunities await in Japan

The market size of Japanese real estate investment is the second biggest in the world. There is still room for further expansion of the market. Even in the market cooling period following the Great Recession, the income from Japanese real estate was steady. In addition to being politically stable, Japan has no differences in system application between domestic and overseas investors in terms of real estate transactions.

**[Figure] Second-Biggest Real Estate Investment Market: Market Volume of Institutional-Grade Commercial Real Estate**



SOURCE: Prudential Real Estate Investors "A Bird's Eye View of Global Real Estate Markets: 2012 Update"

**[Figure] Restrictions on purchase of Japanese Real Estate**

- Can foreigners/foreign companies purchase real estate?

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- Can foreigners/foreign companies purchase real estate without restrictions despite the type of real estate?

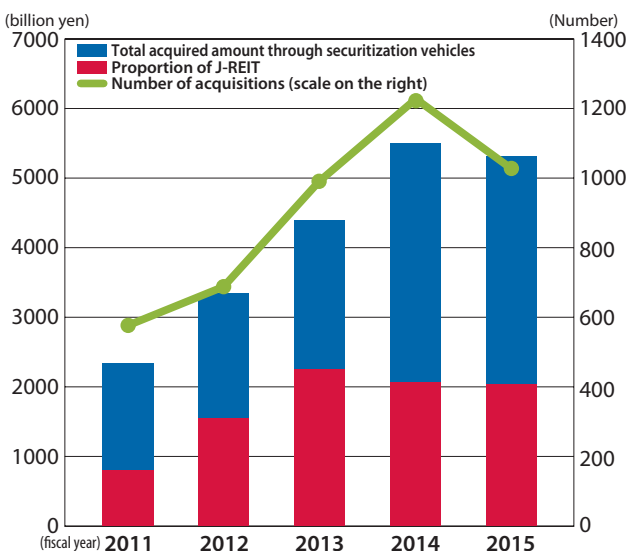
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- Can foreigners/foreign companies own real estate?

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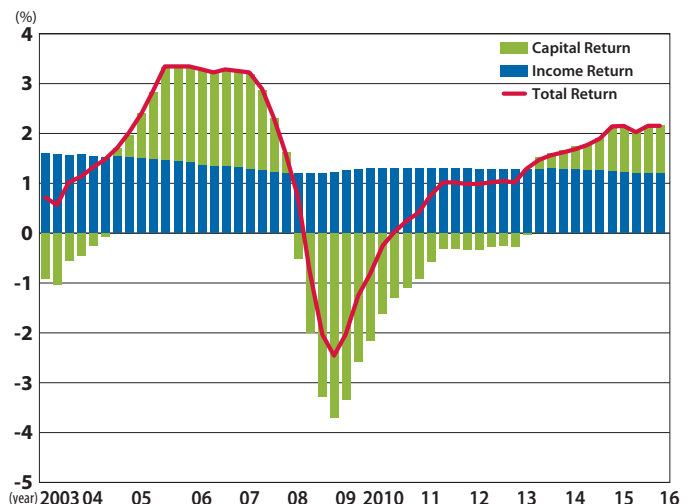
- Is it possible to trade real estate without the public notice of transactions, etc.?

**[Figure] Expansion of Real Estate Investment Market: Real Estate or Assets of Trust Beneficiary Right Acquired as Securitized Real Estate**



SOURCE: MLIT

**[Figure] Stable Income Return: Beginning Market Value-weighted Average Quarterly Return of the Properties**



SOURCE: The Association for Real Estate Securitization "ARES Japan Property Index"

# Continuing effort to popularize Japanese properties with excellent environmental performance

In Japan, there are an increasing number of buildings with high environmental performance regarding energy conservation and CO2 reduction, enabled by environmental technologies such as thermal insulation, highly efficient air conditioning and LED lighting. The performance indicators by rating tools to value these properties such as CASBEE and BELS are becoming very well organized, improving the data necessary for property selection. Green leases are also promoted. These measures heighten the property value and improve the quality of both new and existing buildings.



Kashiwa-no-ha Smart City, realizing energy efficiency through cooperation with communities

SOURCE: material provided by Mitsui Fudosan



Otemachi and Marunouchi business districts, with successive upgrading of the latest buildings

SOURCE: material provided by Nikkei Business Publications, Inc.

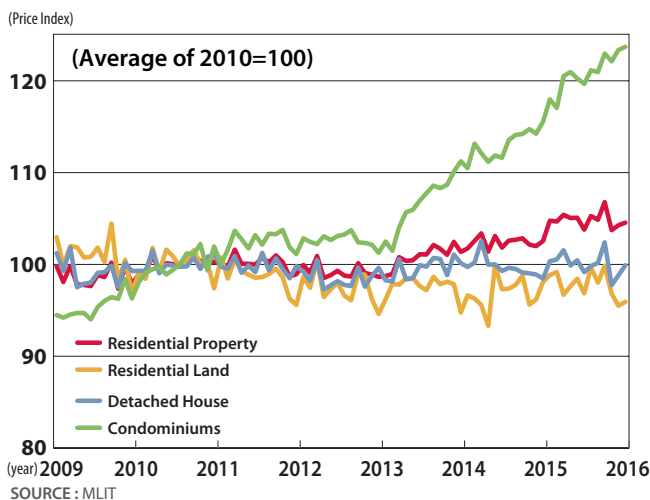
USEFUL WEBSITES 「Green Building Online Portal」 <http://tochi.mlit.go.jp/greenbuilding/kankyo/english/index.html>

# Improvement of transparency in Japanese real estate market

## Real estate price index based on international guidelines

The residential real estate price index on a transaction price basis has been made publicly available since 2012. Being based on international guidelines, it can be compared with other countries. The price index of commercial real estate such as offices is under trial operation. Improvement in the availability of relevant data will bring greater transparency to the Japanese real estate market.

### Japan Residential Property Price Index(National wide) Other data examples, provided by public institutions



- Posted land price and municipal land price survey
- Japan Residential Property Price Index
- Japan Commercial Property Price Index(Trial Operation)
- Information on real estate transaction prices
- Number of new housing starts and floor area

### Data by private sector is also extensive

- Urban land price index
- House price index according to repeat sales method
- Office rents and vacancy rate in major cities
- Condominium sales and contract rate
- Changes in shop lease prices in major business areas
- Capitalization rates for investors in major real estate markets...

SOURCE: Japan Real Estate Institute, Miki Shoji, and Real Estate Economic Institute Co., Ltd., etc.

USEFUL WEBSITES 「LAND AND PROPERTY IN JAPAN」 <http://tochi.mlit.go.jp/english/>  
 「e-Stat (Portal Site of Official Statistics of Japan)」 <http://www.e-stat.go.jp/SG1/estat/eStatTopPortalE.do>



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[Matters to note regarding this material]

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Questions about measures for internationalization of real estate, please contact us.  
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photo: Kazuhiro Kageyama

