

Press Release

Issuer of Real Estate Investment Trust Securities

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## **Notice of the Approval of Merger Agreement and Revision of Certificate of Incorporation**

**Tokyo, December 22, 2022**— MORI TRUST Sogo Reit, Inc. (“MTR”) hereby announces that at a meeting held today, its Board of Directors passed a resolution to propose the following details of the approval for a merger agreement and revision of the Certificate of Incorporation at the 16th Investors' Meeting of MTR (the “Investors' Meeting”) to be held on February 1, 2023.

The items below will become effective upon approval at the Investors' Meeting.

### **1. Approval for the merger agreement with MORI TRUST Hotel Reit, Inc.**

As announced in the Notice Concerning Execution of the Merger Agreement by and between MORI TRUST Sogo Reit, Inc. and MORI TRUST Hotel Reit, Inc. dated November 22, 2022, MTR and MORI TRUST Hotel Reit, Inc. (“MTH”) agreed to carry out an absorption-type merger (the “Merger”), in which MTR is a surviving corporation and MTH is a dissolving corporation, that would enter into force on March 1, 2023, and concluded a merger agreement (the “Merger Agreement”) dated November 22, 2022.

MTR requests that its unitholders support the purport of the Merger and approve the conclusion thereof.

### **2. Partial revision of the Certificate of Incorporation**

The revision will be made for the following reasons.

(The numbering of the clauses in this section represents the numbering of the clauses in the current Certificate of Incorporation unless otherwise notified.)

- (1) As a result of the Merger, changes necessary for the change of the trade name of MTR to MORI TRUST REIT, Inc. as of the effective date of the Merger will be made. (Notes to Article 1 of the Certificate of Incorporation)

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- (2) MTR plans to implement a two-for-one split of investment units of MTR for the purpose of issuing at least one investment unit of MTR to all unitholders of MTH due to the Merger. The total number of authorized investment units of MTR is raised to 20,000,000 in advance in response to an increase in the total number of investment units outstanding as a result of the investment unit split. (Notes to Item 1, Article 5 of the Certificate of Incorporation)
- (3) Changes necessary for the timing of the convocation of Investors' Meetings will be made in line with the change of accounting period as described later (paragraph (8)) as a result of the Merger. (Notes to Item 1, Article 9 of the Certificate of Incorporation)
- (4) The revised provisions (including revision of Investment Trust Act, etc. relate to this) specified in Article 3 of the Supplementary Provisions of the Act Prescribing Adjustments to the Relevant Acts to Coordinate with the Enforcement of the Act Partially Amending the Companies Act (Act. No. 71, 2019) took effect on September 1, 2022, and, on the same day, the supply of information materials for Investors' Meetings in a digital format was introduced. Accordingly, changes necessary for the introduction of digital documents will be made and a provision to allow the omission of all or part of matters to be provided in a digital format from written documents issued at the request of unitholders will be added. (Notes to Item 5, Article 9 of the Certificate of Incorporation)
- (5) With the implementation of the Merger, MTR's core investment targets will expand to include real estate used as lodging facilities in addition to the conventional office buildings, and the necessary provisions for the target regions, etc. of the newly added lodging facilities will be added. (Notes to Items (1) and (4), Article 26 of the Certificate of Incorporation)
- (6) Corrections necessary to add other specified assets that will be newly excluded from "other securities" will be made. (Notes to Item (3), Article 26 of the Certificate of Incorporation)
- (7) Due to the application of the Accounting Standard for Financial Instruments (Accounting Standards Board of Japan Statement No. 10) revised on July 4, 2019 (including related accounting standards and application guidelines which were newly established or revised), a partial correction will be made to make necessary changes to asset evaluation methods. (Notes to Items (2) and (4), Paragraph 1, Article 27 of the Certificate of Incorporation)
- (8) Changes necessary to change MTR's accounting periods from March 31 and September 30 of each year to the last day of February and to August 31 of each year will be made as a result of the Merger. Due to this change, the record date for distribution for the 42nd period will be changed from March 31, 2023, to February 28, 2023. (Notes to Article 28 of the Certificate of Incorporation)
- (9) The upper limit of the amount of compensation for accounting auditors will be raised from 15 million yen to 20 million yen to allow the adjustment of compensation for accounting auditors to levels appropriate for the audit duties requested of them in preparation for an increase in audit operations due to the expansion of working assets as a result of the Merger, while the roles and responsibility of accounting auditors continue to grow (related to Article 32 of the Certificate of Incorporation).

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- (10) The timing of payment of Management Fee will be corrected in line with the change of accounting period as a result of the Merger. Management Fee 2 will be changed to remuneration linked to earnings per unit for the purpose of strengthening the linkage between unitholders' profit and asset management fees. (Notes to Items (1) and (2), Article 33 of the Certificate of Incorporation)
- (11) The fact that the above changes (1), (2), (3), (5), (6), (8), (9), and (10) in the Certificate of Incorporation will take effect on the condition that the Merger comes into effect is provided for in the Supplementary Provisions. (Notes to Item (1), Article 38 of the Certificate of Incorporation)
- (12) To the appraisal value of assets as of February 28, 2023, which becomes the basis of the calculation of MTR's Management Fee 1, the amount of MTH's specified assets as of February 28, 2023 will be added, for the consistent calculation of MTR's Management Fee 1 due to the comprehensive transfer of MTH's assets to MTR through the Merger, and this correction will be provided for in the Supplementary Provisions. (Notes to Item (2), Article 38 of the Certificate of Incorporation)

### **3. Schedule for Investors' Meeting**

December 22, 2022: Meeting of the Board of Directors to approve proposals submitted to the Investors' Meeting

January 13, 2023 : Dispatch of notice of convocation of the Investors' Meeting (tentative)

February 1, 2023 : Investors' Meeting will be held. (tentative)

Note: MTR will promptly complete the procedures such as the reporting required by applicable laws and regulations after the approval and resolution at the Investors' Meeting.

\*MTR's website: <https://www.mt-reit.jp/en/index.html>

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