

For Immediate Release

Real Estate Investment Trust Securities Issuer

MORI TRUST REIT, Inc.

Representative: Masayuki Yagi, Executive Director  
(Securities Code: 8961)

Asset Management Company

MORI TRUST Asset Management Co., Ltd.

Representative: Hiroshi Naito,  
President and Representative Director

Contact: Nobuyuki Aizawa,  
Director, General Manager,  
Strategic Management Department  
(TEL: +81-3-6435-7011)

Notice Concerning Determination of Management Status and Money Delivered Due to Merger for Fiscal Period Ended February 2023 (Final Fiscal Period) of MORI TRUST Hotel Reit, Inc.

MORI TRUST REIT, Inc. (“MTR”) hereby announces today the determination of management status and the money delivered due to the Merger for the fiscal period ended February 2023 (final fiscal period) of MORI TRUST Hotel Reit, Inc. (“MTH”), the dissolving corporation in the absorption-type merger (the “Merger”) with MTH effective on March 1, 2023, as follows.

Details

1. Management Status and Money Delivered Due to Merger for Fiscal Period Ended February 2023 (September 1, 2022 to February 28, 2023) of MTH

	Operating Revenue million yen	Operating Income million yen	Ordinary Income million yen	Net Income million yen	Money Delivered Due to Merger per Unit yen
Fiscal Period Ended February 2023 (Final Fiscal Period)	1,730	932	710	709	1,419

(Reference)

Fiscal period ended February 2023

Number of investment units issued and outstanding at end of period: 500,000 units

Net income per unit: 1,418 yen

(Note 1) As the money equivalent to cash distribution (distribution of profit) for MTH's final business period, MTR will pay a cash amount matching the amount of cash distribution during the final business period (the amount calculated by dividing the amount of distributable profits of MTH as of February 28, 2023, by the number of investment units issued and outstanding of MTH as of the same day (rounded down to the nearest yen)) to MTH's unitholders stated or registered in MTH's final unitholders' registry on February 28, 2023, the day before the effective date of the Merger, as the money delivered due to the Merger.

(Note 2) Figures are rounded down to the nearest specified unit.

Disclaimer: This document has been translated from the Japanese-language original for reference purposes only. While this English translation is believed to be generally accurate, it is subject to, and qualified by, in its entirety, the Japanese-language original. Such Japanese-language original shall be the controlling document for all purposes.

(Reference)

Results for the fiscal period ended February 2022 of MTH

	Operating Revenue million yen	Operating Income million yen	Ordinary Income million yen	Net Income million yen	Distributions per Unit (excluding distributions in excess of earnings) yen	Distributions in Excess of Earnings per Unit yen
(Reference) Results for the fiscal period ended February 2022	1,423	644	531	530	1,061	—

2. Scheduled Date of Commencement of Payment of the Money Delivered Due to the Merger

May 22, 2023

\* MORI TRUST REIT's website: <https://www.mt-reit.jp/en/>

[Attachment]

(Reference) Information of the Grounds of the Money Delivered Due to the Merger of MTH

(Reference)

Information of the Grounds of the Money Delivered Due to the Merger of MTH

(1) Balance Sheets

	(Thousands of yen)
	Current fiscal period (as of February 28, 2023)
<b>Assets</b>	
Current assets	
Cash and deposits	4,136,939
Cash and deposits in trust	1,526,821
Operating accounts receivable	-
Consumption taxes receivable	1,011
Prepaid expenses	24,683
Total current assets	5,689,456
Non-current assets	
Property and equipment	
Machinery and equipment	17,168
Accumulated depreciation	(4,465)
Machinery and equipment, net	12,703
Vehicles	216
Accumulated depreciation	(40)
Vehicles, net	176
Tools, furniture and fixtures	78,609
Accumulated depreciation	(21,836)
Tools, furniture and fixtures, net	56,772
Buildings in trust	20,593,673
Accumulated depreciation	(4,384,293)
Buildings in trust, net	16,209,379
Structures in trust	35,722
Accumulated depreciation	(6,735)
Structures in trust, net	28,987
Machinery and equipment in trust	5,034
Accumulated depreciation	(1,777)
Machinery and equipment in trust, net	3,257
Tools, furniture and fixtures in trust	32,931
Accumulated depreciation	(12,179)
Tools, furniture and fixtures in trust, net	20,751
Land in trust	87,778,332
Total property and equipment	104,110,360
Intangible assets	
Software	2,495
Total intangible assets	2,495
Investments and other assets	
Guarantee deposits	10,000
Long-term prepaid expenses	41,034
Deferred tax assets	7
Total investments and other assets	51,042
Total non-current assets	104,163,899
Total assets	109,853,355

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(Thousands of yen)

Current fiscal period  
(as of February 28, 2023)

<b>Liabilities</b>	
Current liabilities	
Operating accounts payable	10,570
Short-term loans payable	5,475,000
Current portion of long-term loans payable	14,500,000
Accounts payable	198,744
Accrued expenses	34,455
Distribution payable	2,150
Income taxes payable	763
Accrued consumption taxes	-
Advances received	407,009
Deposits received	214
<b>Total current liabilities</b>	<b>20,628,909</b>
Non-current liabilities	
Long-term loans payable	34,000,000
Tenant leasehold and security deposits	4,514,823
Other non-current liabilities	18
<b>Total non-current liabilities</b>	<b>38,514,841</b>
<b>Total liabilities</b>	<b>59,143,750</b>
Net assets	
Unitholders' equity	
Unitholders' capital	50,000,000
Surplus	
Unappropriated retained earnings	709,604
<b>Total surplus</b>	<b>709,604</b>
<b>Total unitholders' equity</b>	<b>50,709,604</b>
<b>Total net assets</b>	<b>50,709,604</b>
<b>Total liabilities and net assets</b>	<b>109,853,355</b>

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(2) Statements of Income

(Thousands of yen)

	Current fiscal period (September 1, 2022 – February 28, 2023)
Operating revenues	
Rental revenues	1,727,444
Other rental revenues	3,311
Gain on sale of real estate properties	-
Total operating revenues	<u>1,730,755</u>
Operating expenses	
Rental expenses	668,487
Asset management fee	89,254
Asset custody and administrative service fees	11,894
Directors' compensations	3,600
Other operating expenses	24,561
Total operating expenses	<u>797,798</u>
Operating income	<u>932,957</u>
Non-operating income	
Interest income	28
Reversal of distributions payable	255
Interest on refund	-
Subsidy income	-
Gain on insurance claims	39
Total non-operating income	<u>323</u>
Non-operating expenses	
Interest expenses	126,523
Merger expenses	96,640
Other	67
Total non-operating expenses	<u>223,230</u>
Ordinary income	<u>710,050</u>
Income before income taxes	<u>710,050</u>
Income taxes - current	767
Income taxes - deferred	9
Total income taxes	<u>777</u>
Net income	<u>709,272</u>
Retained earnings brought forward	332
Unappropriated retained earnings	<u>709,604</u>

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(3) Statements of Changes in Net Assets

Current fiscal period (September 1, 2022 - February 28, 2023)

(Thousands of yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings	Total surplus		
Balance at beginning of current period	50,000,000	1,144,832	1,144,832	51,144,832	51,144,832
Changes of items during period					
Distribution of retained earnings		(1,144,500)	(1,144,500)	(1,144,500)	(1,144,500)
Net income		709,272	709,272	709,272	709,272
Total changes of items during period	—	(435,227)	(435,227)	(435,227)	(435,227)
Balance at end of current period	50,000,000	709,604	709,604	50,709,604	50,709,604

(4) Statements of Cash Distributions

(Yen)

	Current fiscal period (September 1, 2022 – February 28, 2023)
I. Unappropriated retained earnings	709,604,810
II. Distributions (Distributions per unit)	709,500,000 (1,419)
III. Retained earnings brought forward	104,810
Calculation method of distribution amount	<p>Based on the merger agreement concluded between MTH and MTR on November 22, 2022, the amount calculated by dividing the amount of distributable profits of MTH as of the day before March 1, 2023, the effective date of the merger, by the number of investment units issued and outstanding of MTH as of the same day (rounded down to the nearest yen) shall be the money delivered due to the Merger per unit, which will be paid to the unitholders stated or registered in MTH's final unitholders' registry on the same day.</p> <p>In consideration of this policy, MTR will pay the money delivered due to the Merger of profits at the total amount of ¥709,500,000, which is the amount that does not exceed the unappropriated retained earnings of ¥709,604,810 and is the greatest value among integral multiples of 500,000, which is the number of investment units issued and outstanding.</p>

(Note) The distributions are read as the money delivered due to the Merger.