



Investor Presentation for Financial Results

Fiscal Period Ended February 2023
(42nd Fiscal Period)

Security Code : 8961

Asset Management Company



MORI
TRUST GROUP

MORI TRUST Asset Management Co., Ltd.



MORI
TRUST REIT

MORI TRUST REIT, Inc.

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Scheme of the Merger and Characteristics of MORI TRUST REIT, Inc. (New MTR)



Fundamental Principles and Characteristics of New MTR

MTR, investing mostly in office buildings that generate a stable cash flow, and MTH, investing in hotels with growth potential, merge together to create a new MTR.

MORI TRUST Sogo Reit, Inc. (MTR)



MORI TRUST Hotel Reit, Inc. (MTH)



MORI TRUST REIT, Inc. (New MTR)



Creation of a comprehensive REIT with offices and hotels as its core assets, which is truly equipped with asset potential, stability and growth potential

The new MTR will be operated guided by the principles of stability, growth, continuity, trust, social responsibility and sharing rewards shared among the Mori Trust Group companies.

Stability

Growth

Build a portfolio that has both qualities.

Continuity

Trust

Earn the trust of investors through continuous investment.

Social responsibility

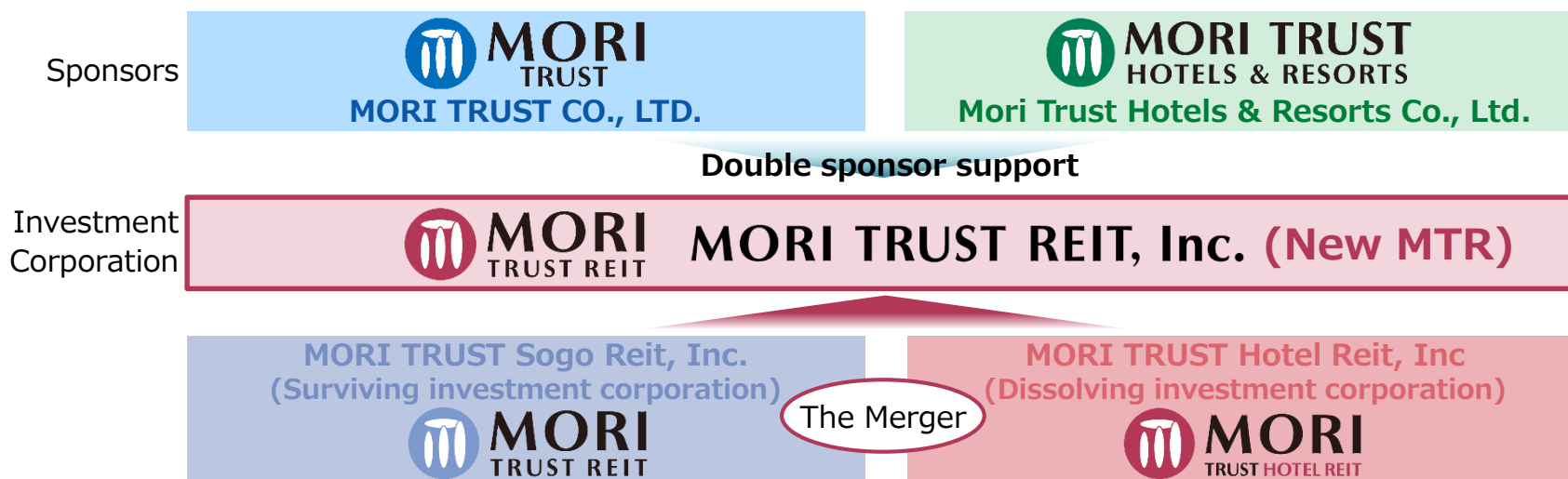
Sharing rewards

Maximize unitholder value associated with governance.

Scheme of the Merger

MORI TRUST Sogo Reit, Inc. and MORI TRUST Hotel Reit, Inc. signed a merger agreement on November 22, 2022, with the goal of increasing unitholder value and following approval at general meeting of unitholders for both investment corporations, merged on March 1, 2023.

Method of the Merger	<ul style="list-style-type: none"> Absorption-type merger Surviving investment corporation: MORI TRUST Sogo Reit, Inc. (MTR) →The trade name was changed to MORI TRUST REIT, Inc. (New MTR). Dissolving investment corporation: MORI TRUST Hotel Reit, Inc. (MTH)
Merger ratio	<ul style="list-style-type: none"> MTR:MTH = 1:1.84 (Conversion before division MTR:MTH=1:0.92) (MTR's 1.84 investment units after division are allotted to each investment unit of MTH.)
Investment unit split	<ul style="list-style-type: none"> MTR conducted a one-to-two investment unit split to ensure the allotment of one or more investment units of MTR to the unitholders of MTH.
Resolution of the general meeting of unitholders	<ul style="list-style-type: none"> Approval (special resolution) for the proposal for the merger agreement at each of MTR's and MTH's general meeting of unitholder was approved.



Investment Policy and Portfolio Summary of New MTR

- Pursue Asset Potential, Stability and Growth Potential with Offices and Hotels as Core Assets
- Increase in portfolio stability and growth potential through the diversification of use and expansion of property scale

Investment Policy of New MTR

Use of investment		
Core Assets	Office buildings	40 - 80%
	Hotels	20 - 55%
Other (Retail facilities, Residential)		Up to 30%
Area of investment		
Office buildings	Central Tokyo	60% or more
	Other (metropolitan area, ordinance-designated cities, etc.)	Up to 40%
Hotels	Major cities across Japan	
	Famous tourist sites	

*Chiyoda-ku, Chuo-ku, Minato-ku, Shinagawa-ku, Shibuya-ku and Shinjuku-ku

*No investment ratio for hotels are set for the individual investment areas.

Portfolio Summary of New MTR

	New MTR	MTR	MTH
Ratio by asset class			
Regional ratios			
Ratio of top 5 properties			
Acquisition price	470,889 million yen	323,972 million yen	123,217 million yen
Number of properties	22 properties	17 properties	5 properties

(Note) The acquisition price at MTR as of the end of February 2023 is on an acquisition price basis, and the acquisition price at MTH is on an appraisal value basis as of the end of February 2023. The acquisition price for the new MTR after the Merger will be calculated, assuming the property holdings at MTH are acquired at the appraisal value as of the end of February 2023. Ratio by asset class, Regional ratios, Ratio of top 5 properties, Size per property are calculated by acquisition price. (Those for the MTH and the new MTR after the Merger will be calculated, assuming the property holdings at MTH are acquired at the appraisal value as of the end of February 2023.) The numeric values for the new MTR include property acquisitions and dispositions that have already been announced

Overview of the Settlement for 42nd FP Ended February 2023 of MORI TRUST REIT, Inc. (Former MORI TRUST Sogo Reit, Inc.)



Fiscal Period Ended February 2023 (42nd FP) Settlement Highlights

Distribution per Unit

2,545 yen (up 83 yen vs. forecast)

Of which, distribution excluding temporary factors is 1,839 yen (up 97 yen from forecast)

* The 42nd fiscal period (ending February 28, 2023) is an irregular length of five months due to the merger with MORI TRUST Hotel Reit, Inc. (dated March 1, 2023).

* Temporary factors: appropriation from internal reserves, factors related to gain on sale of real estate properties, etc.

As of February 28, 2023 (change from the previous fiscal period in parentheses)

Asset

Number of property: 17 properties (up 1 property)

Asset size: 323.9 billion yen (down 0.8 billion yen) (Note 1)

Occupancy rate: 97.6% (up 1.1pt)

* **Sublease basis 93.1%** (up 1.5pt) (Note 2)

Appraisal values of portfolio properties at the fiscal period end: 348.8 billion yen (down 1.2 billion yen)
Unrealized profit: 43.9 billion yen (down 0.1 billion yen) (Note 3)

Investment ratio:

[by area] **Tokyo metropolitan area 78.5%** (down 1.7pt)

[by use] **Office building 73.0%** (up 1.8pt)

Debt

Balance of interest-bearing debt: 152.5 billion yen
 (down 3.5 billion yen)

Average interest rate for borrowings during fiscal period: 0.49% (up 0.01pt)

LTV : 47.3% (down 0.6pt)

Long-term rating of issuers: AA (stable)
 / Japan Credit Rating Agency, Ltd.

Equity

Number of units issued: 1,320,000 units (-)

NAV per unit: 150,976 yen (up 0.1%)
 (Note 4)

*Starting from the fiscal period under review, calculated based on NAV after deduction of total distributions

Investment unit price: 151,600 yen
 / closing price on February 28, 2023)

Overview of the Settlement for the Fiscal Period Ended February 2023 (42nd FP)

Distribution Per Unit

2,545 yen (up 83 yen vs. forecast)

- Operating revenues exceeded the forecast by 90 million yen due to factors such as progress with leasing.
- Operating income was 187 million yen more than forecast, as brokerage fees, utilities expenses, and repair expenses were lower than forecast.
- Distribution per unit excluding temporary factors exceeded the forecast by 97 yen to become 1,839 yen.

(Unit : Million yen)

Main factors in change

vs. forecast

Operating revenues

<Property-related revenues>

- Increase in rent 37 mn yen
- Increase in other lease business revenues 11 mn yen
- Increase in gain on sale of real estate (Shinbashi Ekimae MTR Building) 41 mn yen

Operating expenses

<Property-related expenses>

- Decrease in brokerage fee - 24 mn yen
- Decrease in utilities expenses - 25 mn yen
- Decrease in repair expenses - 24 mn yen
- Decrease in other expenses - 10 mn yen

Balance of internal reserves

(Unit: Million yen)

41st FP (Ended Sep.2022) Actual	42nd FP (Ended Feb.2023) Actual	Change from Previous FP (*)
1,636	2,008	371

	41st FP (Ended Sep. 2022) Actual	42nd FP (Ended Feb. 2023) Forecast (Five Months)	42nd FP (Ended Feb. 2023) Actual (Five Months)	Change from Forecast
	(A)	(B)	(C)	(C-B)
Operating revenues	6,902	7,168	7,258	90
Rental revenues (a)	6,902	5,779	5,828	48
Gain on sale of real estate	-	1,389	1,430	41
Operating expenses	3,474	3,297	3,200	-97
Property-related expenses (b)	3,057	2,794	2,710	-83
Property and other taxes	881	879	879	-0
Overhead expenses	1,060	1,004	916	-88
Depreciation (c)	1,116	910	914	4
Selling, general and administrative expenses	416	503	490	-13
Profits and losses from real estate rental business (d)=(a)-(b)	3,844	2,985	3,117	132
Earnings before depreciation and amortization (NOI) (d)+(c)	4,960	3,895	4,032	136
Operating income	3,428	3,870	4,057	187
Non-operating revenues	0	0	0	0
Non-operating expenses	385	327	326	-0
Ordinary income	3,043	3,543	3,731	188
Profit	3,331	3,450	3,614	163
Total distribution	3,960	3,249	3,359	109
Distribution per unit (yen)	3,000	2,462	2,545	83
Distribution per unit excluding temporary factors (yen) (*)	2,305	1,742	1,839	97
Total number of outstanding investment units	1,320,000	1,320,000	1,320,000	-

* Temporary factors: appropriation from internal reserves, factors related to gain on sale of real estate properties, etc.

*Income taxes deferred + net increase/decrease of reserve for reduction entry

Overview of the Settlement for 14th FP Ended February 2023 of MORI TRUST Hotel Reit, Inc.



Operational Highlights of MORI TRUST Hotel Reit, Inc.

Money Delivered Due to Merger per Unit

Results for the 14th FP
ended February 2023
1,419 yen
(+12 yen from forecast)

Operating revenues	1,730 mn yen (+0 yen from forecast)
Real estate rental income	1,062 mn yen (+0 yen from forecast)
NOI	1,433 mn yen (+0 yen from forecast)
Net income	709 mn yen (+5 mn yen from forecast)

Assets

Debt

Equity

No. of properties	5 properties	Interest-bearing debt	53.9 bn yen	NAV	(Note 6)	69.1 bn yen
Asset size	(Note 1) 107.6 bn yen	LTV	(Note 5) 49.1 %	NAV per unit	(Note 7)	138,208 yen
Appraisal value	123.2 bn yen	Fixed-rate debt ratio	89.9 %	Market capitalization	(Note 8)	66.9 bn yen
Unrealized gain	(Note 2) 19.1 bn yen	Average interest rate	0.50 %	Investment units outstanding		500,000 units
NOI yield	(Note 3) 2.7 %	Average remaining maturity of debt	1.7 years	Mori Trust Group's holding ratio	(Note 9)	36.8 %
Yield after depreciation	(Note 4) 2.0 %					
No. of guestrooms	1,469 rooms					

(Note 1) Total acquisition price

(Note 2) Unrealized gain = Appraisal value at end of period – Book value at end of period

(Note 3) NOI yield = NOI for the 14th FP (annualized) / Total acquisition price

(Note 4) Yield after depreciation = Real estate rental income after depreciation for the 14th FP (annualized) / Total acquisition price

(Note 5) LTV = Interest-bearing debt at end of period / Total assets at end of period

(Note 6) NAV = Net assets at end of period – Total distributions + Unrealized gain

(Note 7) NAV per unit = NAV / Investment units issued and outstanding

(Note 8) Market capitalization = Investment unit price (closing price on February 24, 2023) × Investment units issued and outstanding

(Note 9) Represents the ratio based on the number of investment units held by Mori Trust Group as of the end of the 14th FP

Summary of the 14th FP Results of MORI TRUST Hotel Reit, Inc.

Money Delivered Due to Merger per Unit (Actual) : 1,419 yen (+12 yen from Forecast)

(Unit: Million yen)

Item□	14th FP (Ended Feb. 2023) Actual	14th FP (Ended Feb. 2023) Forecast	Difference	12th FP (Ended Feb. 2022) Actual	Difference
Operating revenues	1,730	1,730	0	1,423	306
Real estate rental revenues (i)	1,730	1,730	0	1,423	306
Shangri-La	562	562	-	533	29
Hilton Odawara	187	187	0	170	17
CY Tokyo	169	169	-	25	144
CY Shin-Osaka	157	157	-	41	116
Sunroute	653	653	-	653	-
Operating expenses	797	800	-2	779	18
Real estate rental expenses (ii)	668	669	-0	652	16
(Depreciation) (iii)	370	371	-0	364	6
Other operating expenses	129	131	-1	127	1
Real estate rental income (iv)=(i)-(ii)	1,062	1,061	0	771	290
NOI (iv)+(iii)	1,433	1,432	0	1,135	297
Operating income	932	930	2	644	288
Ordinary income	710	704	5	531	178
Net income	709	703	5	530	178
Total cash distributions	709	703	6	530	179
Investment units outstanding (units)	500,000	500,000	-	500,000	-
Distribution per unit (yen)	1,419	1,407	12	1,061	358

Major factors of change

(from 14th FP forecast)

■ Operating revenues	
Real estate rental revenues	+0 mn yen
Shangri-La	No change
Hilton Odawara	+0 mn yen
CY Tokyo	No change
CY Shin-Osaka	No change
Sunroute	No change
■ Operating expenses	
Real estate rental expenses	- 1 mn yen
Other operating expenses	- 2 mn yen

(from 12th FP actual : YoY comparison)

■ Operating revenues	
Real estate rental revenues	+306 mn yen
Shangri-La	+29 mn yen
Hilton Odawara	+17 mn yen
CY Tokyo	+144 mn yen
CY Shin-Osaka	+116 mn yen
■ Operating expenses	
Real estate rental expenses	+16 mn yen
Increase in repairs and maintenance expenses	+4 mn yen
Increase in tax and public dues	+5 mn yen
Increase in depreciation	+7 mn yen
Other operating expenses	+2 mn yen
■ Non-operating expenses	
Decrease in expenses for the Merger	- 3 mn yen

14th FP Operating Results by Property (Year-on-Year Comparison)

Shangri-La Tokyo (SL)

Base month for rent
Rent recording month
Rent (million yen)
Difference from the minimum guaranteed rent (million yen)

12th FP (Operating period: Sep. 1, 2021 to Feb. 28, 2022)

2021							12th FP total
May	Jun.	Jul.	Aug.	Sep.	Oct.		
2021				2022			
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.		
53	47	59	124	180	67	533	
-							-

Hilton Odawara Resort & Spa (HO)

Base period for calculation of rent
Rent recording month
Rent (million yen)

12th FP (Operating period: Sep. 1, 2021 to Feb. 28, 2022)

Jul. 2020 to Jun. 2021							12th FP total
2021				2022			
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.		
27	27	27	27	27	27	170	

*Total includes rent revenues and other revenues.

Courtyard by Marriott Tokyo Station (CYT)

Base month for rent
Occupancy rate (%)
Average daily rate (ADR) (yen)
RevPAR (yen)
Rent recording month
Rent (million yen)
Difference from the minimum guaranteed rent (million yen)

12th FP (Operating period: Sep. 1, 2021 to Feb. 28, 2022)

2021							12th FP avg.
Jun.	Jul.	Aug.	Sep.	Oct.	Nov.		
25.0%	24.2%	22.8%	29.4%	41.0%	44.7%	31.2%	
12,919	13,832	13,154	12,621	12,892	13,136	13,095	
3,224	3,346	3,001	3,705	5,284	5,870	4,068	
2021				2022		12th FP total	
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.		
0	0	0	0	2	0	2	
22							22

Courtyard by Marriott Shin-Osaka Station (CYO)

Base month for rent
Occupancy rate (%)
Average daily rate (ADR) (yen)
RevPAR (yen)
Rent recording month
Rent (million yen)
Difference from the minimum guaranteed rent (million yen)

12th FP (Operating period: Sep. 1, 2021 to Feb. 28, 2022)

2021							12th FP avg.
Jun.	Jul.	Aug.	Sep.	Oct.	Nov.		
19.5%	24.4%	19.1%	22.4%	28.8%	38.0%	25.3%	
15,376	15,541	15,725	15,020	15,058	15,061	15,299	
2,998	3,796	3,010	3,364	4,338	5,718	3,868	
2021				2022		12th FP total	
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.		
0	0	0	0	0	5	6	
35							35

14th FP (Operating period: Sep. 1, 2022 to Feb. 28, 2023)

2022							14th FP total
May	Jun.	Jul.	Aug.	Sep.	Oct.		
2022				2023			
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.		
90	80	84	77	103	126	562	
-							-

14th FP (Operating period: Sep. 1, 2022 to Feb. 28, 2023)

Jul. 2021 to Jun. 2022							14th FP total
2022				2023			
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.		
30	30	30	30	30	30	187	

*Total includes rent revenues and other revenues.

14th FP (Operating period: Sep. 1, 2022 to Feb. 28, 2023)

2022							14th FP avg.
Jun.	Jul.	Aug.	Sep.	Oct.	Nov.		
73.6%	71.2%	61.5%	71.6%	82.4%	86.6%	74.4%	
17,709	19,240	19,133	20,515	23,729	25,754	21,261	
13,038	13,700	11,776	14,684	19,544	22,303	15,827	
2022				2023		14th FP total	
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.		
15	19	11	19	40	42	148	
21							21

14th FP (Operating period: Sep. 1, 2022 to Feb. 28, 2023)

2022							14th FP avg.
Jun.	Jul.	Aug.	Sep.	Oct.	Nov.		
49.6%	49.5%	43.6%	52.8%	67.7%	89.7%	58.7%	
15,048	15,971	15,893	16,017	17,316	18,242	16,672	
7,457	7,898	6,931	8,453	11,715	16,363	9,787	
2022				2023		14th FP total	
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.		
11	10	6	11	31	51	123	
34							34

14th FP Operating Results by Property (Period-on-Period Comparison)

Shangri-La Tokyo (SL)

Base month for rent
Rent recording month
Rent (million yen)
Difference from the minimum guaranteed rent (million yen)

13th FP (Operating period: Mar. 1, 2022 to Aug. 31, 2022)

2021		2022				13th FP total
Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
2022						
Mar.	Apr.	May	Jun.	Jul.	Aug.	
147	109	66	50	70	86	530
-						-

Hilton Odawara Resort & Spa (HO)

Base period for calculation of rent
Rent recording month
Rent (million yen)

13th FP (Operating period: Mar. 1, 2022 to Aug. 31, 2022)

Jan. 2021 to Dec. 2021							13th FP total
2022							
Mar.	Apr.	May	Jun.	Jul.	Aug.		
26	26	26	26	26	26	26	161

*Total includes rent revenues and other revenues.

Courtyard by Marriott Tokyo Station (CYT)

Base month for rent
Occupancy rate (%)
Average daily rate (ADR) (yen)
RevPAR (yen)
Rent recording month
Rent (million yen)
Difference from the minimum guaranteed rent (million yen)

13th FP (Operating period: Mar. 1, 2022 to Aug. 31, 2022)

2021	2022					13th FP avg.
Dec.	Jan.	Feb.	Mar.	Apr.	May	
49.0%	38.7%	41.4%	49.3%	54.0%	57.6%	48.4%
13,869	12,477	13,409	14,254	16,421	16,254	14,443
6,794	4,827	5,552	7,023	8,860	9,359	7,071
2022						13th FP total
Mar.	Apr.	May	Jun.	Jul.	Aug.	
1	0	0	3	1	9	15
237						237

Courtyard by Marriott Shin-Osaka Station (CYO)

Base month for rent
Occupancy rate (%)
Average daily rate (ADR) (yen)
RevPAR (yen)
Rent recording month
Rent (million yen)
Difference from the minimum guaranteed rent (million yen)

13th FP (Operating period: Mar. 1, 2022 to Aug. 31, 2022)

2021	2022					13th FP avg.
Dec.	Jan.	Feb.	Mar.	Apr.	May	
46.4%	29.5%	33.1%	38.0%	40.2%	42.8%	38.5%
15,510	14,420	14,473	14,904	15,320	15,434	15,020
7,192	4,252	4,797	5,666	6,160	6,603	5,800
2022						13th FP total
Mar.	Apr.	May	Jun.	Jul.	Aug.	
11	0	0	5	4	8	29
378						378

14th FP (Operating period: Sep. 1, 2022 to Feb. 28, 2023)

2022						14th FP total
May	Jun.	Jul.	Aug.	Sep.	Oct.	
2022						
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	
90	80	84	77	103	126	562
-						-

14th FP (Operating period: Sep. 1, 2022 to Feb. 28, 2023)

Jul. 2021 to Jun. 2022						14th FP total
2022						
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	
30	30	30	30	30	30	187

*Total includes rent revenues and other revenues.

14th FP (Operating period: Sep. 1, 2022 to Feb. 28, 2023)

2022						14th FP avg.
Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	
73.6%	71.2%	61.5%	71.6%	82.4%	86.6%	74.4%
17,709	19,240	19,133	20,515	23,729	25,754	21,261
13,038	13,700	11,776	14,684	19,544	22,303	15,827
2022						2023
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	
15	19	11	19	40	42	148
21						21

14th FP (Operating period: Sep. 1, 2022 to Feb. 28, 2023)

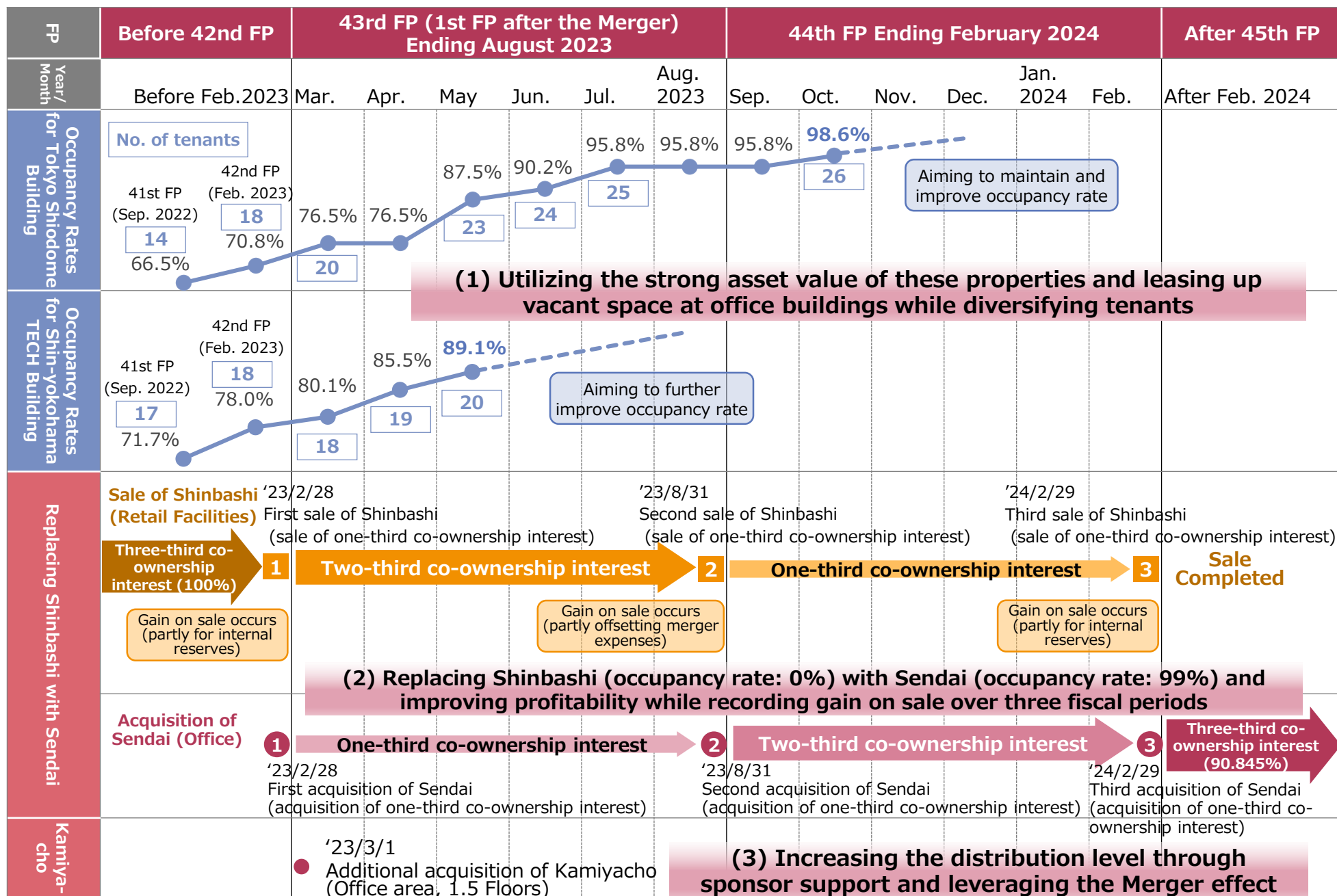
2022						14th FP avg.
Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	
49.6%	49.5%	43.6%	52.8%	67.7%	89.7%	58.7%
15,048	15,971	15,893	16,017	17,316	18,242	16,672
7,457	7,898	6,931	8,453	11,715	16,363	9,787
2022						2023
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	
11	10	6	11	31	51	123
34						34

Forecasts for the Fiscal Period Ending August 2023 (43rd FP) and February 2024 (44th FP)



Future Outlook Aimed at Growth in Distribution per Unit

Realizing profitability recovery through improvement of Shiodome and Shin-Yokohama occupancy rates and replacement of Shinbashi and Sendai and external growth through additional acquisition of Kamiyacho



Summary of Forecasts for the Fiscal Period Ending August 2023 (43rd FP) and February 2024 (44th FP)

Forecast Distribution per Unit for the Fiscal Period Ending August 2023 (43rd FP)

1,584 yen (+65 yen (+4.3%) from previous forecast)

Distribution per unit excluding temporary factors

1,367 yen (+57 yen (+4.4%) from previous forecast)

Forecast Distribution per Unit for the Fiscal Period Ending February 2024 (44th FP)

1,600 yen (+16 yen (+1.0%) from 43rd FP forecast)

Distribution per unit excluding temporary factors

1,371 yen (+4 yen (+0.3%) from 43rd FP forecast)

Item(Million yen)	43rd FP (Ending Aug. 2023) Previous Forecast (as of Nov. 2022)	43rd FP (Ending Aug. 2023) Revised Forecast (as of Apr. 2023)	Change from Previous Forecast B-A	44th FP (Ending Feb. 2024) Forecast (as of Apr. 2023)	Change from 43rd FP Revised Forecast C-B
	A	B	B-A	C	C-B
Operating revenues	11,338	11,609	270	11,652	42
Rental revenues (a)	9,940	10,180	240	10,290	109
Gain on sale of real estate	1,398	1,428	30	1,361	-66
Operating expenses	5,286	5,297	11	4,739	-558
Property-related expenses (b)	4,048	4,057	8	4,110	53
Property and other taxes	1,228	1,227	-0	1,214	-12
Overhead expenses	1,282	1,288	6	1,366	77
Depreciation (c)	1,537	1,541	3	1,529	-11
administrative expenses	1,237	1,240	2	628	-611
Profits and losses from real estate rental business (d)=(a)-(b)	5,891	6,123	231	6,180	56
Earnings before depreciation and amortization (NOI) (d)+(c)	7,429	7,664	234	7,709	45
Operating income	6,052	6,311	259	6,913	601
Non-operating expenses	642	664	22	715	51
Ordinary income	5,410	5,647	237	6,197	550
Profit	5,409	5,637	228	6,032	395
Balance of internal reserves	1,929	2,005	76	2,496	491
Distribution per unit (yen)	1,519	1,584	65	1,600	16
Distribution per unit excluding temporary factors (yen)	1,310	1,367	57	1,371	4
Total number of outstanding investment units	3,560,000	3,560,000	-	3,560,000	-

Main factors in change (Million yen)

Forecast for 43rd FP Ending Aug. 2023 (vs. previous forecast : B-A)

- Operating revenues
 - Increase in rent of office etc. +155
 - Increase in rent of hotel +89
 - Increase in gain on sale of real estate (Shinbashi) +30
- Non-operating expenses
 - Increase in interest expenses +22

Forecast for 44th FP Ending Feb. 2024 (Change from 43rd FP forecast: C-B)

- Operating revenues
 - Increase in rent of office etc. (Increase in rent of Shiodome and Shin-Yokohama, acquisition of Sendai etc.) +176
 - Decrease in operating revenues due to seasonal fluctuations in hotel rents -67
 - Decrease in gain on sale of real estate (Shinbashi) -66
- Operating expenses
 - Increase in repairs +41
 - Increase in expenses due to acquisition of Sendai +85
 - Decrease in expenses due to sale of Sendai -37
 - Absence of merger-related expenses -596
- Non-operating expenses
 - Increase in interest expenses +51
- Balance of internal reserves
 - Partial internal reserves of gain on sale of Shinbashi +491

* Temporary factors: appropriation from internal reserves, factors related to gain on sale of real estate properties, etc.

Comparison with Previous Forecast for Fiscal Period Ending August 2023 (43rd FP) (as of November 2022)

The distribution forecast for the fiscal period ending August 2023 is higher than the previous forecast due to internal growth accompanying the recovery of the office and hotel markets

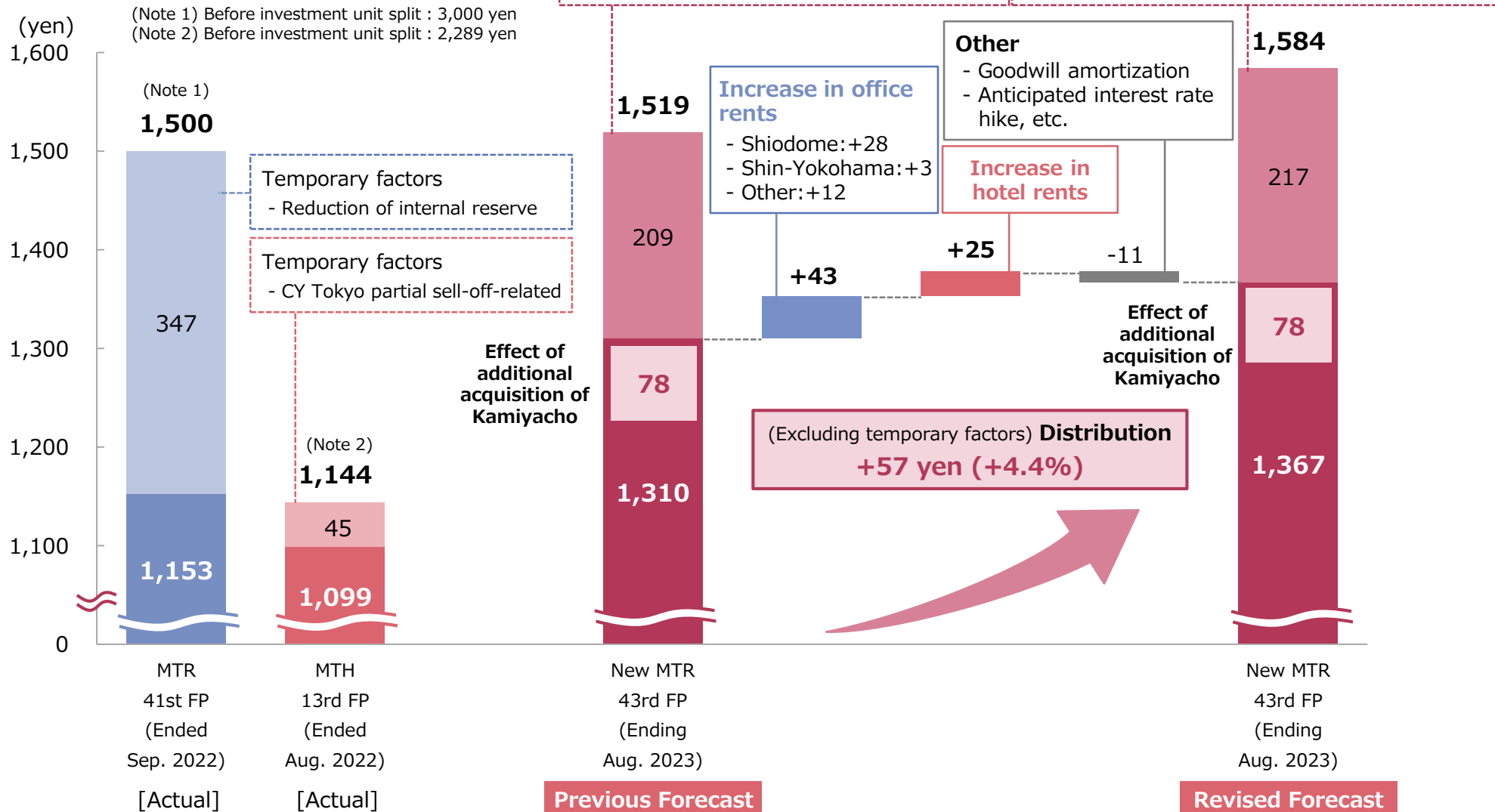
- Distribution excluding temporary factors of New MTR
- Distribution excluding temporary factors of MTR
- Distribution excluding temporary factors of MTH

Temporary factors

- Gain on sale due to first sale of Shinbashi (one-third co-ownership interest) : +376
- Expenses for the Merger : -167

Temporary factors

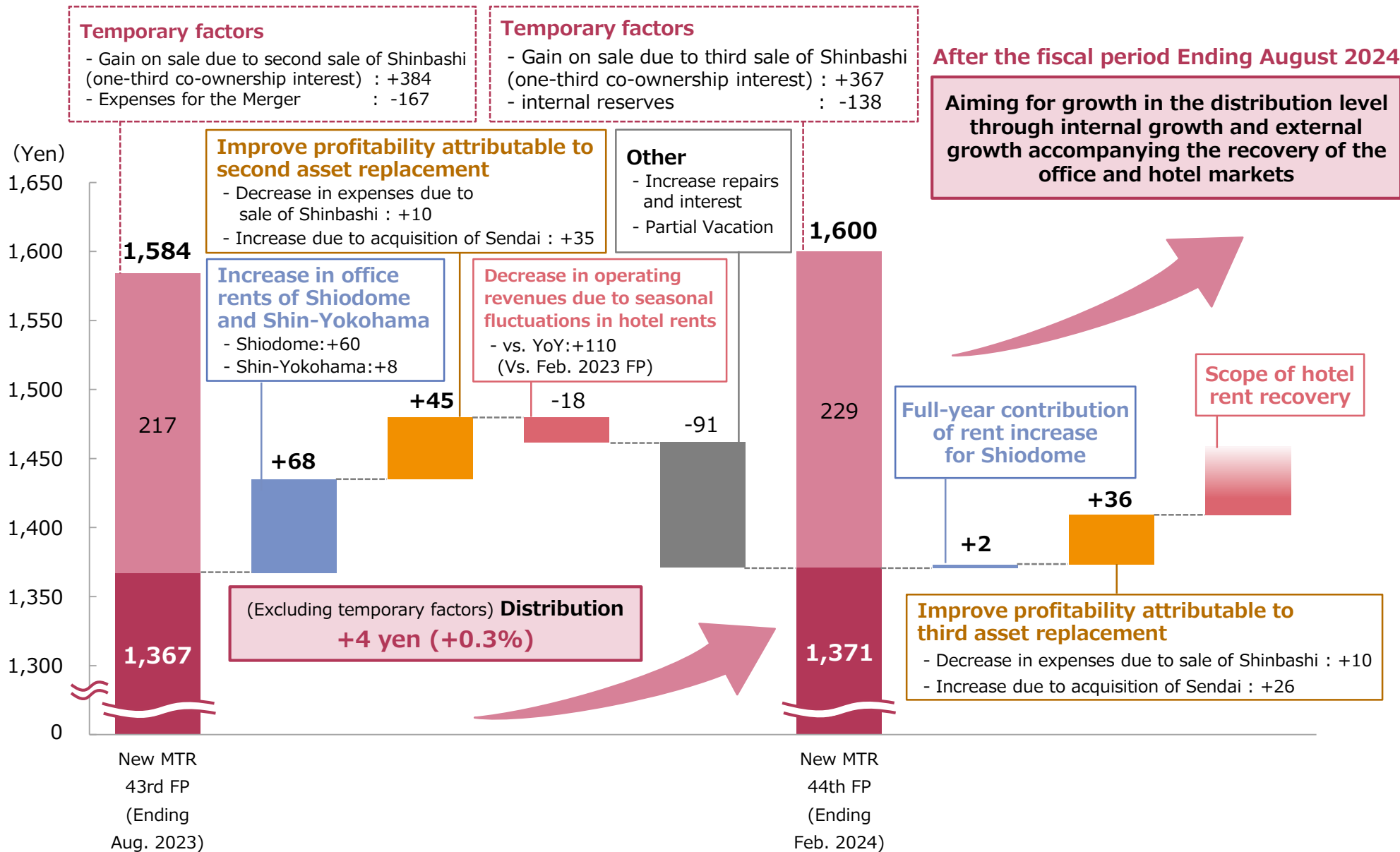
- Gain on sale due to second sale of Shinbashi (one-third co-ownership interest) : +384
- Expenses for the Merger : -167



Comparison with forecast for Fiscal Period Ending February 2024 (44th FP) and Forecast for the Previous Term (Fiscal Period Ending August 2023 (43rd FP))

Through rent increases attributable to the recovery in occupancy rate of Shiodome and Shin-Yokohama and improved profitability attributable to asset replacement of Shinbashi and Sendai, continued growth in distribution per unit is also anticipated in the forecast for the fiscal period ending February 2024

■ Distribution excluding temporary factors of New MTR



- Maximizing the Use of Sponsor Support and Return to a Growth Path -
External and Internal Growth Strategy of new MTR



Summary of External Growth Strategy (Recognition of External Environment and Future Policy)

Recognition of External Environment

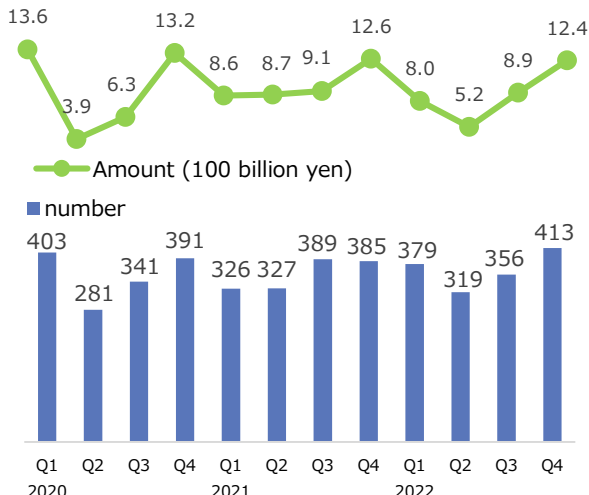
- ▶ **Shared**
 - Information on the sale of high-quality properties from an investment perspective is still limited and a situation in which it is difficult to acquire properties persists
 - Changes in the real estate investment market due to factors such as interest rate hikes in Japan and abroad require attention.
- ▶ **Office**
 - Demand for property purchases from domestic and foreign investors remains high, and transaction yields continue to be low.
- ▶ **Hotel**
 - Based on the view that the slump during the pandemic was temporary, sale transactions are continuing at prices which assume the same cash flow as before the pandemic, and the cap rate also remains flat.
 - There is a possibility that hotel sales will be revitalized again through the ramping up of the recovery in inbound tourism from various countries, including mainland China, due to the upcoming elimination of border control measures.

Future Policy

- Aiming to expand asset size through methods such as leveraging sponsor support (including not only property provision but also joint investments, etc.) and asset replacement.
- Along with office buildings in central Tokyo, which are highly stable but have low yields, we are actively considering properties with asset value, including office buildings in regional cities and hotels at which reasonable yields may be expected
- To increase hotel acquisition opportunities, we are considering a wide range of projects that enable MTR to exert its strength of having a hotel operator as a sponsor, such as projects that will improve GOP or require a change of operator.

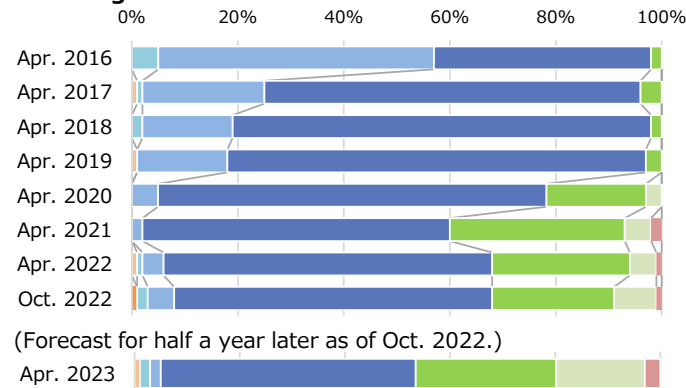
Status of Real Estate Transaction Market

Changes in Number and Amount of Real Estate Transactions

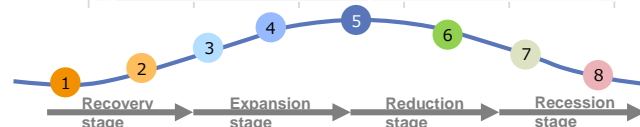


Source : Prepared by the company based on Nikkei BP "NIKKEI REAL ESTATE MARKET REPORT May 2020, Aug. 2020, Nov. 2020, Feb. 2021, May 2021, Aug. 2021, Nov. 2021, Feb. 2022, May 2022, Aug. 2022, Nov. 2022, Feb. 2023.2"

Situations of Recognition of the Market Cycle among Real Estate Investors

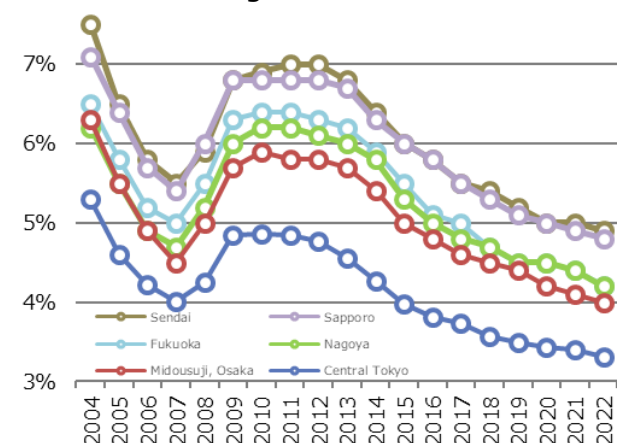


(Forecast for half a year later as of Oct. 2022.)



Source: Prepared by the Company based on Japan Real Estate Institute: The Japanese Real Estate Investor Survey
* Recognition of the market cycle (market trends) in relation to Tokyo (Marunouchi/Otemachi districts)

Trend in Transaction Yield of Standard Class-A Buildings



Source: Prepared by the Company based on Japan Real Estate Institute: The Japanese Real Estate Investor Survey
The figure for Central Tokyo represents the simple mean value of the data obtained in the survey in Marunouchi-Otemachi, Nihonbashi, Toranomon, Nishi-Shinjuku, Shibuya and Osaka.
*The data were current as of October of each year.

Track of Asset Size Growth and External Growth

MTR will aim for growth through the Merger and an increase in asset size by acquiring mostly properties developed by the sponsors.



(Note) The acquisition prices for MTR and MTH are calculated based on the acquisition price of each period. The acquisition price for New MTR after the Merger is calculated, assuming the property holdings at MTH are acquired at the appraisal value as of the end of February 2023.

External Growth Through Acquisition of Properties Developed by a Sponsor (Additional Acquisition of Kamiyacho Trust Tower) Leveraging Merger Effect

Acquisition Highlight (Kamiyacho Trust Tower : Office area, 1.5 Floors)

External Growth Using the Merger Effects

- An additional purchase of Kamiyacho Trust Tower from the sponsor was achieved using the purchasing capacity created by a decrease in LTV due to the merger effect.

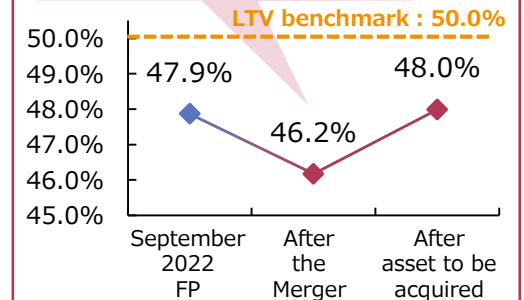
High Asset Potential

- Acquisition of property with exceptionally high asset potential built with the development capabilities of the sponsor, MORI TRUST

Further Increase in Sponsor's Commitment

- Strong commitment of the sponsor to New MTR returning to a growth path through maximum use of sponsor support

LTV reduced through purchase of MTH's assets at market value



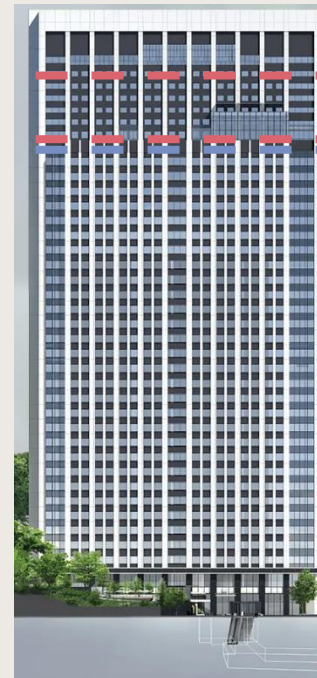
Overview of Asset to be Purchased

Property name	Kamiyacho Trust Tower (Office area, 1.5 floors)		
Location	4-Chome Toranomon, Minato-ku, Tokyo		
Use	Office building, retail facilities, medical facilities, hotels, residences, etc.		
Number of floors	38 stories with 3 basement levels	Month/year of completion	March 2020
Seller	MORI TRUST CO., LTD.	Acquisition date	March 1, 2023
Acquisition price	23,700 millions yen	Appraisal value	24,100 millions yen (as of October 31, 2022)

- Stable, high occupancy of 99.3% (as of Feb. 28, 2023)
- Master lease agreement planned to be signed with the sponsor MORI TRUST
- Reduce the risk of vacancies and stabilize revenues by distributing profit and expenses for jointly operated sections from the 6th floor to the 30th floor, including this area, with unit owners according to their ownership shares.

Overview of Kamiyacho Trust Tower (Block Name : Tokyo World Gate)

Floor Structure



37th and 38th fl.: residential floors

31st - 36th fl.: hotel

3rd - 30th fl.: office

B3 - 2nd fl.: shops, restaurants, office lobby, parking area, etc.

THE TOKYO TORANOMON
EDITION



Tokyo Edition Toranomon is the first Edition property in Japan. Edition is the new-generation luxury hotel brand from Marriott International.

The super large floors with a ceiling height of 2.9 meters and a reference floor area of more than 1,100 tsubo enable unique layouts and support the presentation of innovative office spaces.



The architect, Dr. Kengo Kuma, was invited as a designer and created the office lobby as a space symbolizing Tokyo World Gate, a place for international business and interaction.

Mori Trust Group's Track Record of Developing a Variety of High-quality Assets

Since its foundation in 1951, the Group has engaged in large urban development projects mostly in central Tokyo and operated a property ownership, leasing, operation and management business. The Group has developed a variety of properties, particularly offices in prime locations and hotel assets using international brands.

Examples of properties developed and operated by the Mori Trust Group



Gotenyama Trust City	Tokyo Shiodome Building	Marunouchi Trust City	Sendai Trust City	Kyobashi Trust Tower	Tokyo World Gate	Tokyo World Gate Akasaka (scheduled completion)
Gotenyama Trust Tower Completed in 1990	Tokyo Shiodome Building Completed in 2005	Marunouchi Trust Tower North/Main Completed in 2003/2008	Sendai Trust Tower Completed in 2010	Kyobashi Trust Tower Completed in 2014	Kamiyacho Trust Tower Completed in 2020	Akasaka Trust Tower FY2024 (scheduled completion)



						Hotels to open
Tokyo Marriott Hotel Opened in 2013 (Rebranded)	Conrad Tokyo Opened in 2005	Shangri-La Tokyo Invited in 2009	The Westin Sendai Opened in 2010	Courtyard by Marriott Tokyo Station Opened in 2014	The Tokyo EDITION, Toranomon Opened in 2020	Plans for a hotel inside Tokyo World Gate Akasaka

Summary of Internal Growth Strategy (1) (Recognition of External Conditions)

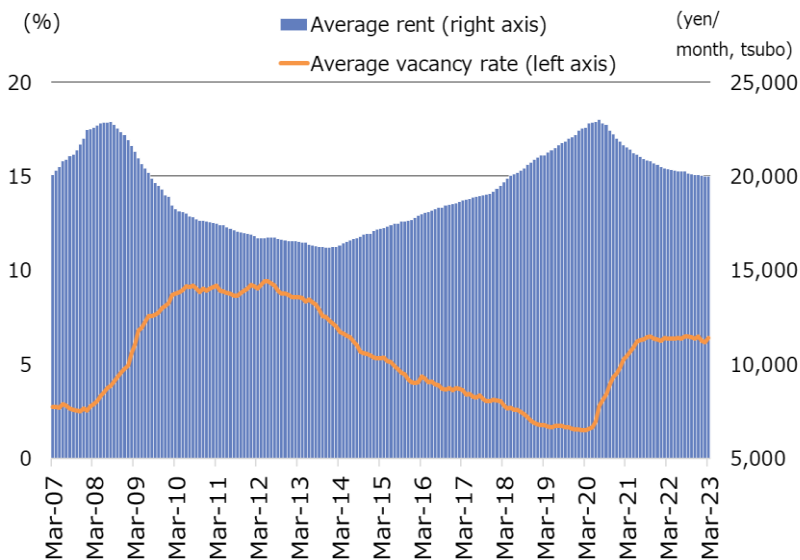
Recognition of External Conditions

- **Office**
- For office buildings in central Tokyo, the increase in vacancy rate has slowed due to tenants moving to better locations or relocating to larger spaces.
 - In the Tokyo office market, increases in vacancy rate and decreases in contracted rent due to the large volume of supply of new offices in 2023 onward require attention.
 - Since the vacancy rate is at a fairly high level, there may be differences in the extent of occupancy rate recovery depending on location and building grade.

- **Hotel**
- While cost increases centering on energy are seen, the ADR of each hotel is also increasing as a result of occupancy adjustment due to surging prices and labor shortage.
 - Hotel performance is on a recovery trend with the results of some months exceeding that of 2019 on a single-month basis backed by relaxation of border restrictions and the ongoing nationwide travel discount program.
 - Further recovery in hotel performance is expected in the future as inbound tourists from various countries including China will return in full swing with the elimination of border restrictions.

Condition of Office Market

Changes in Vacancy Rate and Rent per Unit in Tokyo Business Districts

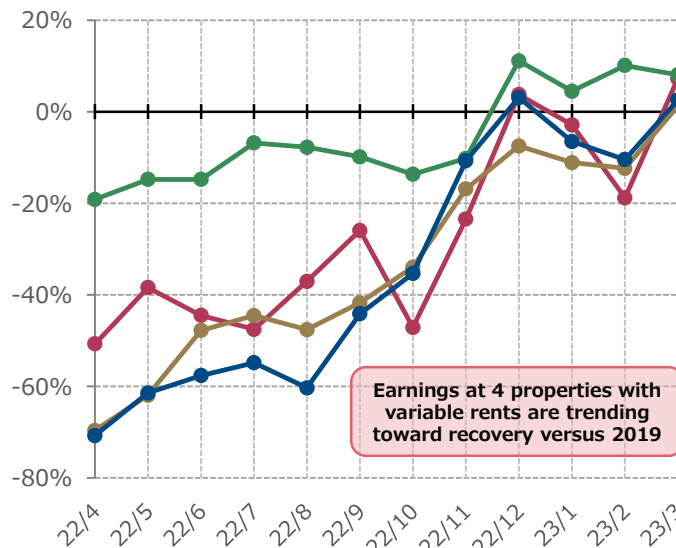


Source: Prepared by MTR based on data published by Miki Shoji Co., Ltd.

Tokyo business districts: Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, and Shibuya-ku

Condition of Hotel Operating

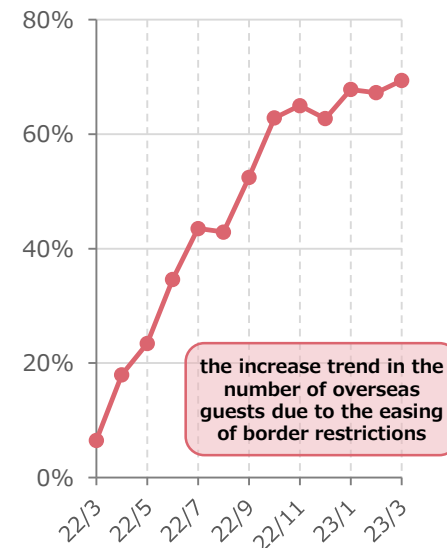
Trends in MTH's Hotel Business Results (Compared to 2019)



Earnings at 4 properties with variable rents are trending toward recovery versus 2019

- Shangri-La [Based on rent (linked to hotel total revenue)]
- Hilton Odawara [Based on hotel total revenue]
- Courtyard Tokyo [Based on RevPAR]
- Courtyard Shin-Osaka [Based on RevPAR]

Proportion of Overseas Guests (Courtyard Tokyo)



the increase trend in the number of overseas guests due to the easing of border restrictions

Summary of Internal Growth Strategy (2) (Future Policy)

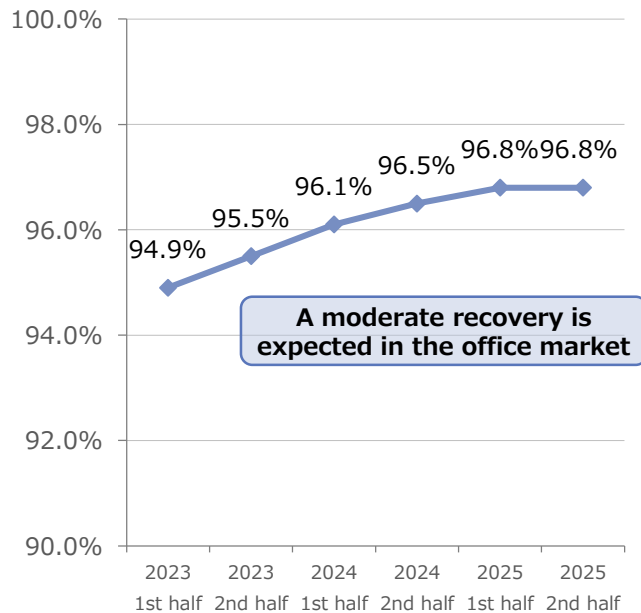
Future Policy

- **Office**
- With progress in leasing for properties whose occupancy rate has decreased (Shiodome and Shin-Yokohama), effort will be devoted to building up the occupancy rate at properties which have some vacancies.
 - Based on tenant needs to improve their location or relocate to larger spaces following the economy and society's return to normalization after the pandemic, we aim to achieve post-pandemic internal growth.
 - In response to the surge in electricity charges, we will mitigate the impact by proactively pursuing energy-saving measures and are also considering asking tenants to bear a portion of expenses through green lease contracts, etc.

- **Hotel**
- We will implement management that focus on ADR and stabilize RevPAR while controlling occupancy rates in order to execute efficient hotel operation.
 - By raising ADR and achieving operational efficiency, we will address cost increases centering on energy and stabilize GOP.
 - Given the increase in the number of overseas guests due to the easing of border restrictions, we aim for a quick recovery in hotel rents to pre-pandemic (2019) levels by capturing inbound tourism demand via Marriot.com, etc.

Forecast for Office Rental Market

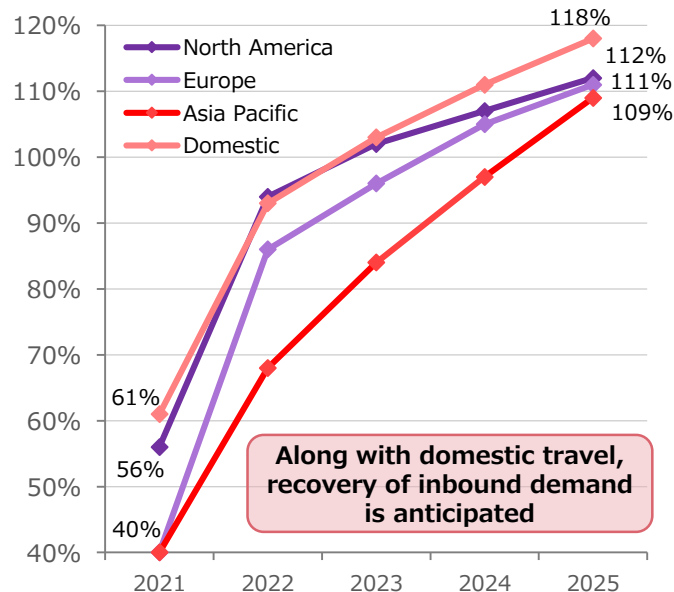
Forecast for Trends in Office Occupancy (5 Wards of Central Tokyo)



(Source) Commercial Property Research Institute, inc.

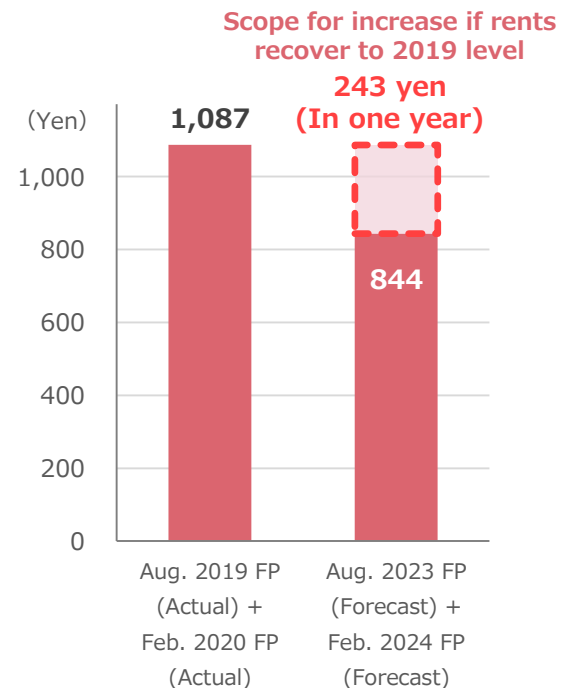
Forecast for Hotel Operatings

Forecast for a Recovery in Travel Demand by Region (Compared to 2019)



(Source) IATA

Scope for Rent Increases at Four Hotel Properties with Variable Rent (Per Investment Unit/Year)



Financial Status



Financial Status (Management Results until March 1, 2023 and Loan Repayment Schedule Diversification)

Management Results for the Fiscal Period Under Review (Former MORI TRUST Sogo Reit, Inc.)

(Refinance)

Amid the rise in the base interest rate, we are shortening borrowing terms and limiting increases in the cost of raising funds.

Repayment Summary		Borrowing Summary	
Total amount	11,500 mn yen	Total amount	9,000 mn yen
Average loan term	4.3 year	Average loan term	3.9 year
Average interest rate	0.40%	Average interest rate	0.73%

(Note) Average interest rates are weighted rates applied when repayments and borrowings are undertaken.

(Issuance of Investment Corporation Bonds)

In an environment where issuing bonds is difficult due to changing monetary policy, we issued 3 billion yen in 6-year bonds, and along with the 18th series of investment corporation bonds, we handled repayment of 4 billion yen of the 12th series of investment corporation bonds.

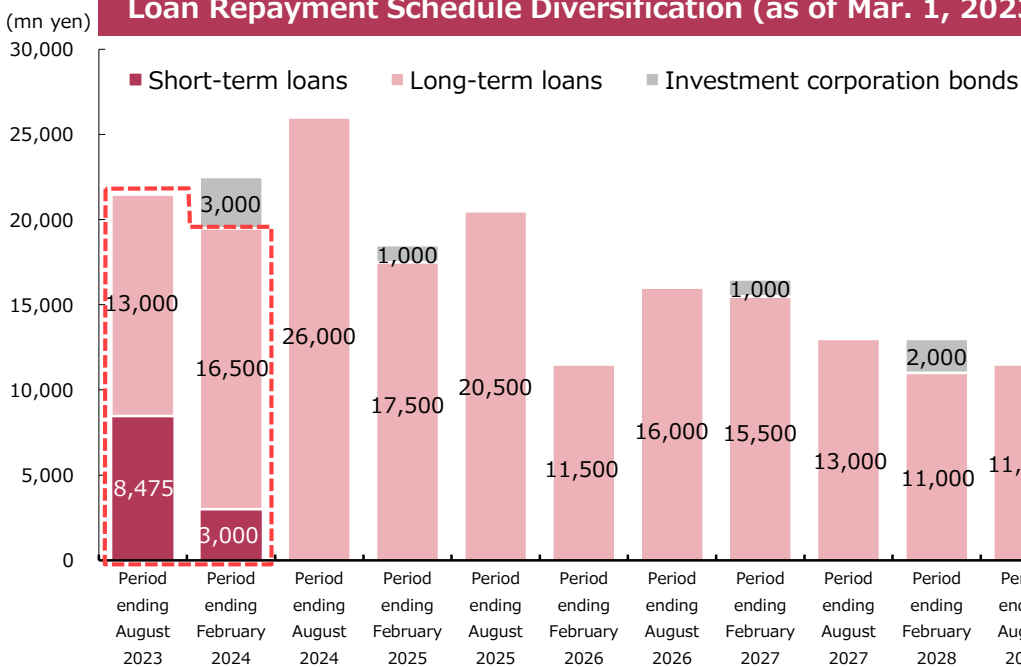
Bond name	Term	Issuance amount	Interest rate	Issuance date
19th unsecured investment corporation bonds	6-year	3,000 million yen	0.790%	Feb. 17, 2023

(New borrowing (Mar. 1 2023))

MTR made a new loan for the acquisition of a property (Kamiyacho Trust Tower) by Leveraging Merger Effect

New Borrowing Summary	
MUFG Bank, Ltd.	7,000 mn yen
Mizuho Bank, Ltd.	2,500 mn yen
Sumitomo Mitsui Banking Corporation	2,500 mn yen
Development Bank of Japan Inc.	1,500 mn yen
Resona Bank, Limited.	1,000 mn yen
Aozora Bank, Ltd.	1,000 mn yen
Mizuho Trust & Banking Co., Ltd.	1,000 mn yen
SBI Shinsei Bank, Limited	1,000 mn yen
The Ashikaga Bank, Ltd.	1,000 mn yen
The Chiba Bank, Ltd. (New lender)	500 mn yen
The Yamanashi Chuo Bank, Ltd. (New lender)	500 mn yen
Total amount	19,500 mn yen
Average loan term	4.7 year
Average interest rate	0.87%

Loan Repayment Schedule Diversification (as of Mar. 1, 2023)



(Schedule for repayment within one year)

Fiscal Period Ending August 2023

Repayment Summary	
Total amount	21,475 mn yen
Average loan term	4.0 year
Average interest rate	0.43%

Fiscal Period Ending February 2024

Repayment Summary	
Total amount	19,500 mn yen
Average loan term	4.7 year
Average interest rate	0.40%

Financial Status (Status of Interest-Bearing Liabilities)

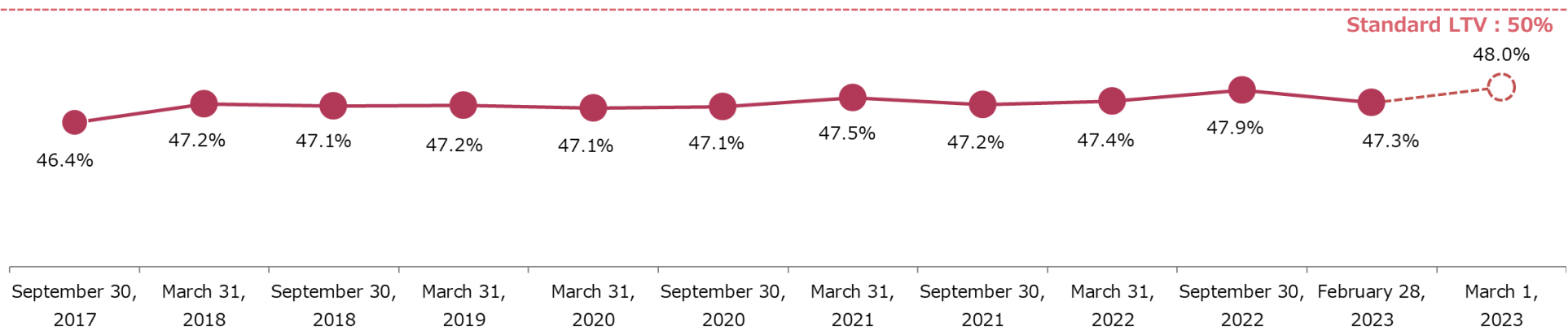
Interest-Bearing Liabilities

	MTR			MTH	Funding for the acquisition (Kamiyacho)	New MTR
	Sep. 30, 2022	Feb. 28, 2023	Change	Feb. 28, 2023		
Total interest-bearing liabilities	156,000	152,500	-3,500	53,975	19,500	225,975
Short-term loans	6,000	6,000	-	5,475	-	11,475
Long-term loans (including long-term loans due within one year)	135,000	132,500	-2,500	48,500	19,500	200,500
Investment corporation bonds (including investment corporation bonds due within one year)	15,000	14,000	-1,000	-	-	14,000
LTV (Loan To Value ratio)	47.9%	47.3%	-0.6pt	49.1%		48.0%
Long-term interest-bearing liabilities ratio (including loans expected to be repaid or redeemed within one year)	96.2%	96.1%	-0.1pt	89.9%		94.9%
Fixed interest-bearing liabilities ratio	96.2%	96.1%	-0.1pt	89.9%		94.9%
Average interest for borrowings during fiscal period	0.48%	0.49%	0.01pt	0.47%	0.87%	0.55%
Short-term loans	0.21%	0.20%	-0.02pt	0.39%	-	0.30%
Long-term loans and investment corporation bonds	0.49%	0.50%	0.01pt	0.48%	0.87%	0.56%
Average duration of interest-bearing liabilities	3.5 year	3.5 year	-	1.7 year	4.8 year	3.2 year
Rating (JCR)	AA (stable)	AA (stable)	-	-		AA (stable)

Breakdown of Interest-Bearing Liabilities (as of the end of March 1, 2023)

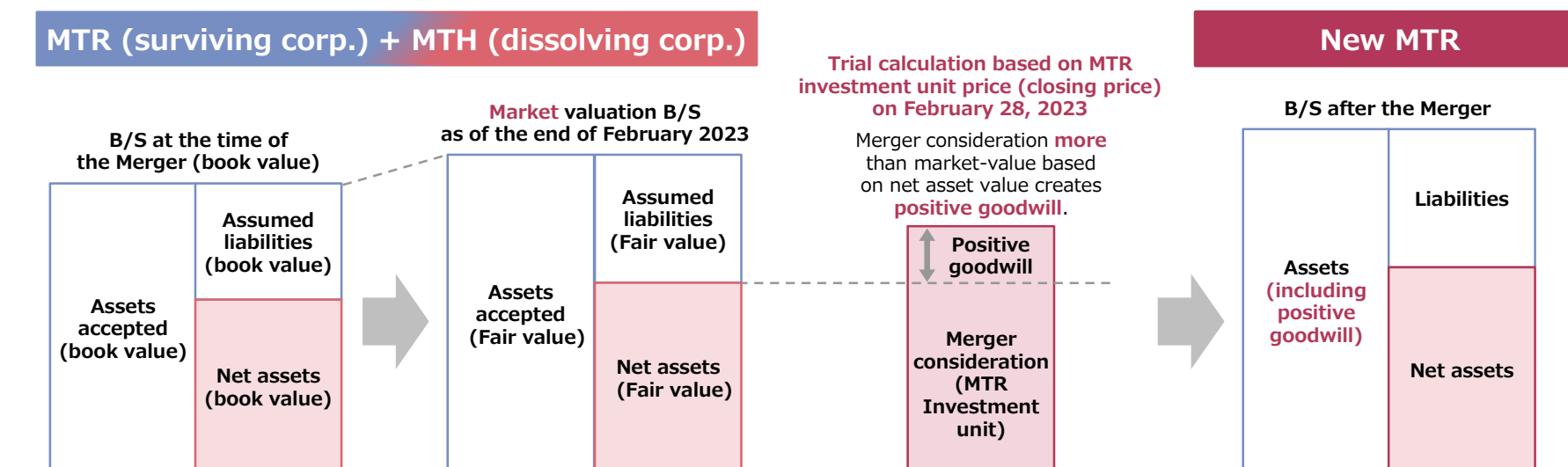
Classification	Lender	Balance of borrowings	(%)
Loans	Mizuho Bank, Ltd.	48,500	21.5%
	Sumitomo Mitsui Banking Corporation	43,000	19.0%
	Sumitomo Mitsui Trust Bank, Limited	28,500	12.6%
	MUFG Bank, Ltd.	23,975	10.6%
	Development Bank of Japan Inc.	17,500	7.7%
	Resona Bank, Limited.	8,500	3.8%
	Aozora Bank, Ltd.	6,500	2.9%
	The Bank of Fukuoka, Ltd.	5,500	2.4%
	The NorinchukinBank	4,500	2.0%
	Mizuho Trust & Banking Co., Ltd.	4,500	2.0%
	Shinkin Central Bank	4,000	1.8%
	The Nishi-Nippon City Bank, Ltd.	3,500	1.5%
	SBI Shinsei Bank, Limited	2,000	0.9%
	The Ashikaga Bank, Ltd.	2,000	0.9%
	The 77 Bank, Ltd.	2,000	0.9%
	Nippon Life Insurance Company	2,000	0.9%
	Mitsui Sumitomo Insurance Company, Limited	2,000	0.9%
	SUMITOMO LIFEINSURANCECOMPANY	1,000	0.4%
	The Hachijuni Bank, Ltd.	1,000	0.4%
	The Dai-ichi Life Insurance Company, Limited	500	0.2%
The Chiba Bank, Ltd.	500	0.2%	
The Yamanashi Chuo Bank, Ltd.	500	0.2%	
Subtotal		211,975	93.8%
Investment corporation bonds		14,000	6.2%
Total		225,975	100.0%

Changes in LTV



Accounting of Goodwill

- (Positive) goodwill of around 0.6 billion yen occurred when estimated based on the unit price (closing price) of the surviving corporation MTR on February 28, 2023.
- Our policy is to record goodwill on the balance sheets as intangible assets and amortize it equally over 20 years (40 fiscal periods) as operating expenses on the statements of income and retained earnings.
- Given that the goodwill amortization amount is relatively small, for the purpose of stabilizing the distribution level in the future, we do not currently plan to record an allowance for temporary difference adjustments (ATA) for resolving tax accounting inconsistencies in order to keep voluntary retained earnings as internal reserves.



	Treatment policy of goodwill
Treatment on B/S	Posted as intangible assets
Treatment on P/L	Amortized in equal amounts over a period of within 20 years (40 fiscal periods) as operating expenses

Initiatives Related to ESG



Initiatives Related to ESG (1)

Latest Initiatives Related to ESG

■ Acquisition of Environmental Certification and Evaluation (Feb. 2023)

- Certification for CASBEE for Real Estate (Ito-Yokado Shonandai)
- DBJ Green Building certification (Hiroo MTR Building and Tenjin Prime)



Rank S



Hiroo MTR Building



Tenjin Prime



• Acquisition status of environmental certification and evaluation

Environmental certification and evaluation had been obtained for 12 properties in MTR's portfolio (excluding land with leasehold interest) as of the end of February 2023.

DBJ Green Building certification

★★★	★★	★
Tokyo Shiodome Building Kioicho Building (Office) Kioicho Building(Residential)	ON Building Osaki MT Building Midosuji MTR Building SHIBUYA FLAG (Office)	Shin-Yokohama TECH Building SHIBUYA FLAG (Retail) Hiroo MTR Building Tenjin Prime

Certification for CASBEE for Real Estate

Property	Certification rank
Ito-Yokado Shonandai	Rank S (Highest rank)

Tokyo Metropolitan Government Building Energy-Saving Performance Evaluation System

Property	Heat insulation capacity of the building	Energy-saving capability of the equipment systems
Kamiyacho Trust Tower KYOBASHI TRUST TOWER (Courtyard Tokyo)	AAA (Highest rank)	AAA (Highest rank)

■ Acquisition of 2022 GRESB Real Estate Assessment

- GRESB Rating [4 Stars]
- GRESB Public Disclosure [A Level]



GRESB
★★★★☆ 2022



GRESB
Public Disclosure 2022

Initiatives Related to ESG (2)

Policies and Management Structure of ESG

■ Sustainability Policy

As the movement toward making greenhouse gas emissions zero overall by 2050 based on the Paris Agreement gains momentum, the asset management company revised its sustainability policy with a view to making net zero a long-term target.

Environmental Initiatives

■ Environmental Performance Targets

MTAM has set reduction targets for total CO2 emissions, energy consumption and water consumption across the portfolio for FY2021 to FY2025, as shown below. Moreover, based on the merger of MORI TRUST Sogo Reit, Inc. and MORI TRUST Hotel Reit, Inc. on March 1, 2023, the environmental performance targets were revised.

CO2	Energy	Water
30% reduction (in intensity : compared to Baseline)	10% reduction (in intensity : compared to Baseline)	8% reduction (in intensity : compared to Baseline)

* Energy : Electricity, gas, fuel, DHC, etc. / Water supply and recycled water

* Baseline : FY2018(Total of portfolio of former MORI TRUST Sogo Reit, Inc. and former MORI TRUST Hotel Reit, Inc.)

* Rate is consumption rate or emissions rate per unit floor area. Adjusted based on the period of holding and utilization rate of each property.

■ Environmental Performance Data

		unit	Baseline	2019	2020	2021
CO2	Emissions	t-CO2	49,571	46,904	37,498	34,001
	Emissions intensity	t-CO2/m ²	0.094	0.089	0.071	0.070
Energy	Consumption	MWh	135,101	128,174	105,234	101,011
	Consumption intensity	MWh/m ²	0.256	0.243	0.200	0.191
Water	Consumption	m ³	839,919	792,323	468,167	714,139
	Consumption intensity	m ³ /m ²	1.594	1.502	0.889	1.471

*Excluding properties (dedicated areas of residential houses, etc.) the data for which cannot be easily assessed, although all properties owned by MTR are included for the compilation of data (excluding land with leasehold interest, etc.)

*Aggregation period is one year from April 1 each year to March 31 of the following year.

*The confirmation of a third party (Yasui Architects & Engineers, Inc.) has been obtained regarding total CO2 emissions, energy consumption and water consumption.

Social Initiatives

■ Cooperation with Local Events

We endeavor to contribute to the sustainable development of local communities by participating in various community development-related councils and participating in and cooperating with local events.



Midosuji Illuminations
(Midosuji MTR Building)



Hold a charity event "Christmas Train"
(Hilton Odawara Resort & Spa)

■ Initiatives for Local Communities

We make part of the sites of real estate owned by MTR available for the installation of cycle ports for shared bicycles and we install an eco-friendly electric vehicle car-sharing service. The eemo service supports not only transportation but the community by running mainly on locally generated electricity in normal times and serving as emergency power sources during disasters.



Provision of community cycle system
(Kioicho Building)



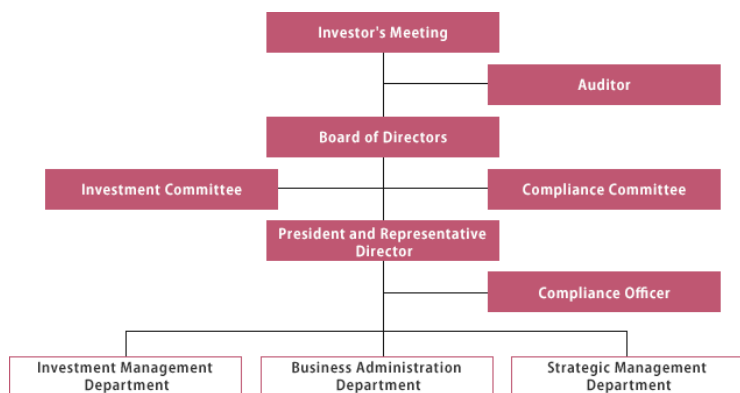
eemo Station
(Hilton Odawara Resort & Spa)

Initiatives Related to ESG (3)

Governance Initiatives

MTR's Organization

MTR entrusts asset management to MTAM. With the merger of MORI TRUST Sogo Reit, Inc. and MORI TRUST Hotel Reit, Inc. on March 1, 2023, the organizational structure of the asset management company was changed. The structure following the change is as shown below.



Regular issue of Sustainability Report

The Sustainability Report is positioned as an important tool for proactive disclosure of ESG information and scheduled to be issued annually every July. The latest edition was issued in July 2022.

[Click here for details](#)
(Link to the report of Former MORI TRUST Sogo Reit)

[Click here for details](#)
(Link to the report of Former MORI TRUST Hotel Reit)

(Reference) Employee Initiatives by Mori Trust Group

Employee Initiatives (MORI TRUST CO., LTD.) (Note 1)

Promotion of work-life balance and women's participation

- ✓ MORI TRUST considers the work-life balance of its employees to help maximize each employee's abilities and strives to create a comfortable environment for them to work.
- ✓ MORI TRUST was awarded "Platinum Kurumin Certification" from the Ministry of Health, Labor and Welfare as of August 1, 2022, in recognition of its high level of initiatives as a "Childcare Support Company."
- ✓ MORI TRUST is recognized as a company promoting women's activities and has acquired "Eruboshi" certification.

(1) Female employment rate		27.1%
(2) Female employee rate		27.1%
(3) Female management position rate		6.6%
(4) Rate of taking children leave	Male	55.6%
	Female	100.0%
(5) Rate of paid leave taken		82.8%

((1)(4)(5): FY2022, (2)(3): as of March 31, 2023) (Note 2)



Acquired special certification as a company that supports employees with childcare (Platinum Kurumin certification) and certification as a company that promotes women's participation and advancement in the workplace (Eruboshi certification) (Minister of Health, Labour and Welfare certification) and certification as a company that implement health and productivity management (Health & Productivity Management Outstanding Organizations)

(Note 1) The employees of the Asset Management Company of MORI TRUST REIT are comprised of personnel seconded from MORI TRUST CO., LTD.

(Note 2) Figures shown in (1), (2) and (3) are calculated for employees employed by MORI TRUST CO., LTD. and figures shown in (4) and (5) are calculated for employees assigned to MORI TRUST CO., LTD.)

Characteristics of New MORI TRUST REIT, Inc.

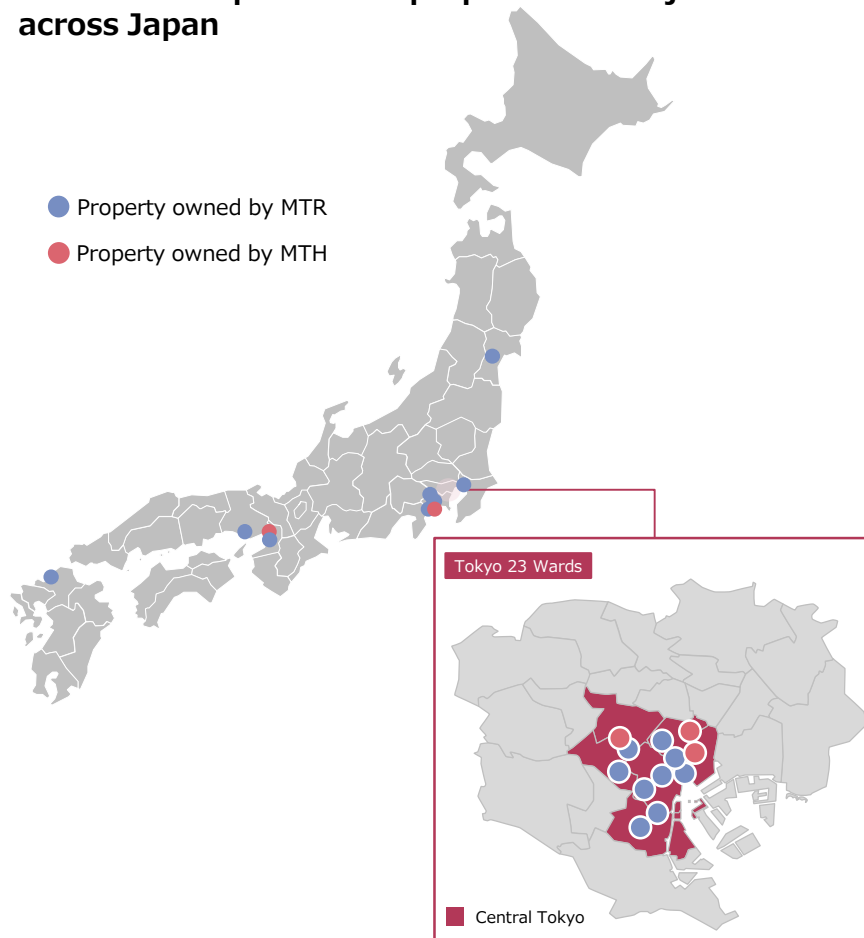


Intensive Investment in High-quality Assets

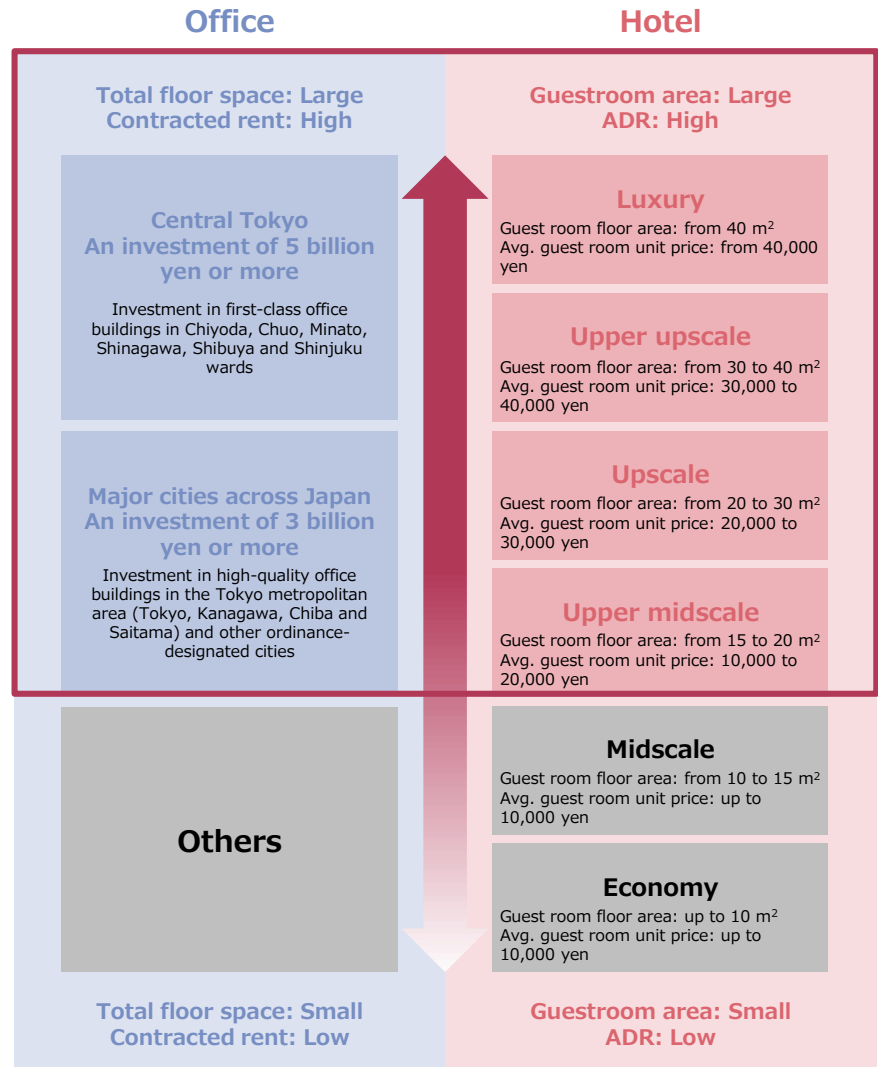
Building a portfolio with both stability and growth potential based on its core assets, offices and hotels
 Intensive investment in high-quality, high-grade assets with asset potential leveraging the support of Mori Trust Group assets

Asset potential: located in major cities across Japan, concentrated in central Tokyo.

Properties located in central Tokyo are 80.0% of the entire portfolio
 96.0% of the portfolio is properties in major cities across Japan



Grade: Intensive investment in high-quality, high-grade properties

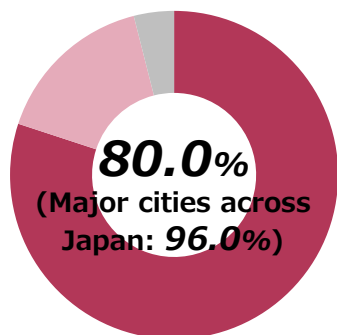


Portfolio Consisting Primarily of High-quality Properties Developed by the Sponsor

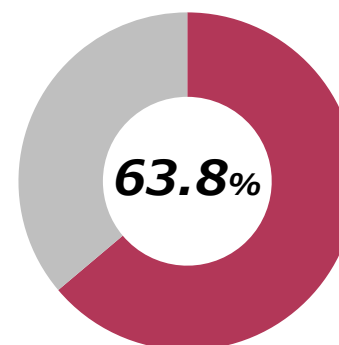
Building a portfolio with high asset potential consisting primarily of high-quality properties developed by the sponsors, which can be destinations for people to gathering

Portfolio including high-grade assets with asset potential and an increase in stability

Percent of the portfolio that is in central Tokyo
(Percent of the portfolio that is in major cities across Japan)



Percentage of properties using an international brand
(Hotel)



Intensive investment in areas with high asset potential

Intensive investment in high-grade properties consisting mainly of properties using an international brand

Properties for which the development and management capabilities of the Mori Trust Group are used

Office

High-grade office buildings mainly consisting of large, competitive properties



Sendai MT Building



Osaki MT Building



Kamiyacho Trust Tower



Tokyo Shiodome Building



Courtyard by Marriott Tokyo Station



Shangri-La Tokyo



Courtyard by Marriott Shin-Osaka Station



Hilton Odawara Resort & Spa

Hotel

High-quality hotels mostly using an international brand



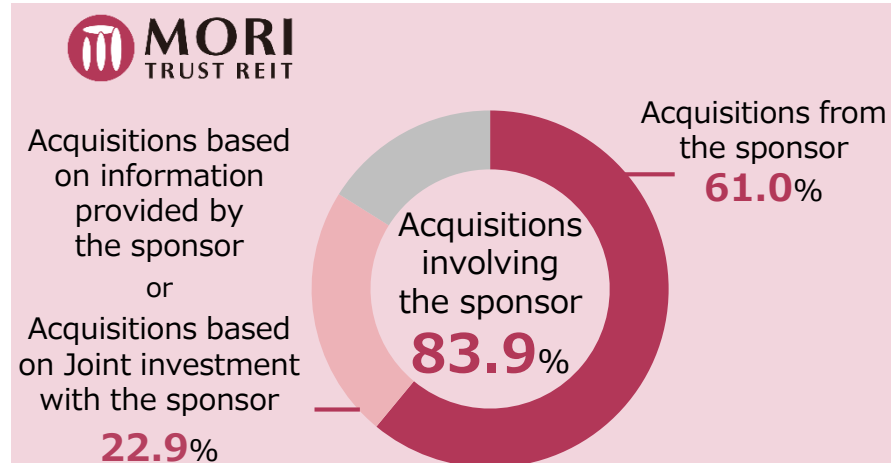
Hotel Sunroute Plaza Shinjuku

(Note) The "ratio of the central Tokyo area (ratio of major cities nationwide)" and "ratio of the international brand (hotels)" are calculated based on anticipated acquisition price as of March 1, 2023. The usage of a property with more than one use is determined based on the main use of the building

Broad Collaboration with the Mori Trust Group

Post-merger ratio of same-boat investment is 29.2%, indicating a strong link between the sponsor group and investor profit.

Sponsor support by Mori Trust Group

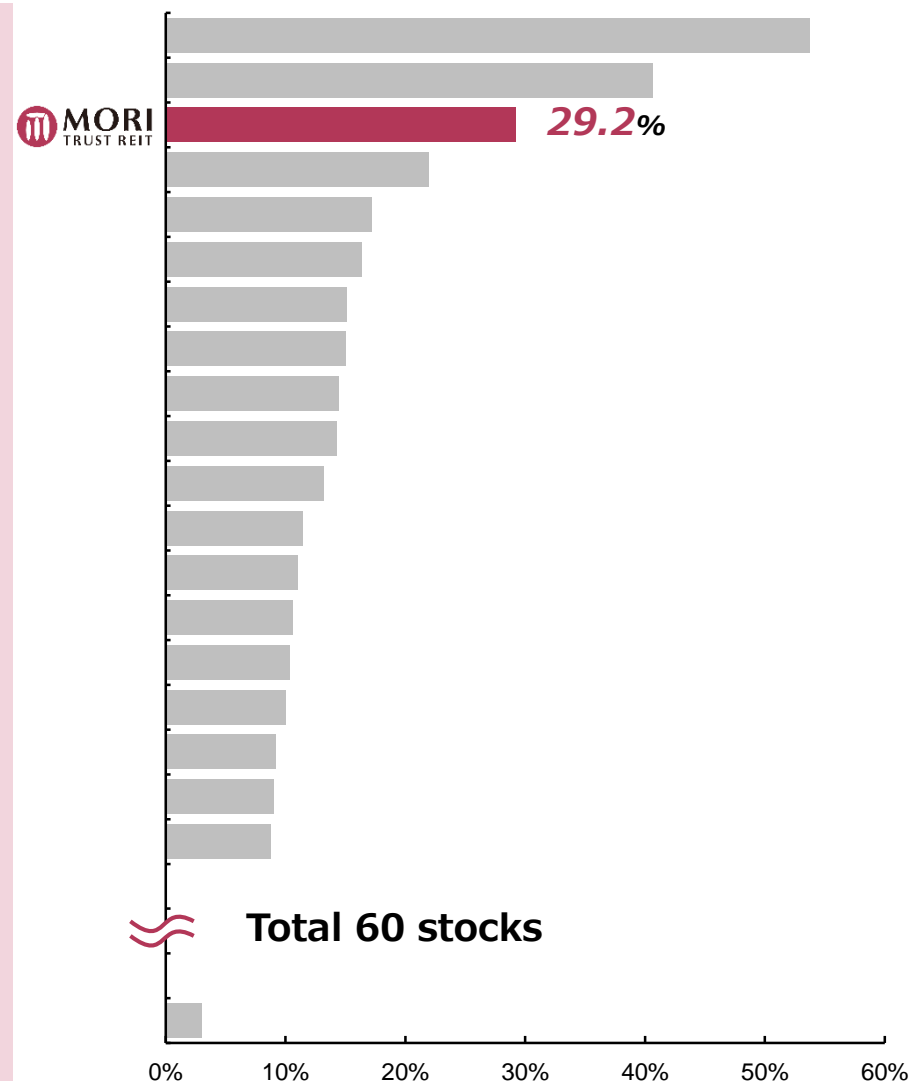


Investment in high-quality properties developed by MORI TRUST, a general developer

Recent transactions (including planned)

Acquisitions from the sponsor	<ul style="list-style-type: none"> Sendai MT Building (2023·2024, MTR) Kamiyacho Trust Tower (2021·2023, MTR) Hotel Sunroute Plaza Shinjuku (2016, MTH) Shangri-La Tokyo (2016, MTH) Courtyard by Marriott Tokyo Station (2016, MTH) Courtyard by Marriott Shin-Osaka Station (2016, MTH)
Joint investment with the sponsor	<ul style="list-style-type: none"> Hilton Odawara Resort & Spa (2019, MTH)
Dispositions to the sponsor	<ul style="list-style-type: none"> Shinbashi Ekimae MTR building (2023·2024, MTR) Courtyard by Marriott Tokyo Station (2021·2022 Partially sold, MTH) Tokyo Shiodome building (2021 Partially sold, MTR) Mita MT building (2014, MTR)

Same-boat investment of J-REIT



(Note) Acquisitions from the sponsor," "Acquisitions based on information provided by the sponsor," and "Acquisitions based on Joint investment with the sponsor" are based on anticipated acquisition price as of March 1, 2023.

Mori Trust Group

Since its founding in 1951, the Mori Trust Group has engaged in large urban development projects primarily in the central Tokyo area, with property holding, leasing, operation, and management. Through the success of this core business, in which the Group has envisioned the future of cities and continued to provide functions truly needed by people, the Group ensures high profitability and stable income and is building a strong financial foundation.



Mori Trust Group facilities

Holds and operates a large number of properties in central Tokyo, central areas of major cities (Sendai and Osaka) and countryside resorts.

Total number of facilities : 91	Buildings for lease : 65 buildings
--	---

(As of March 31, 2022)

System of real estate development

Applies expertise built in property marketing, operation, and management to building planning and design



Major Hotels Developed, Held and/or Operated by Mori Trust Group

Development Capabilities



Operation & Management Capabilities



Strategic Hotel Development

Alliance with a variety of international brand hotels



Major Metropolitan Areas

(Properties indicated in red are those owned by MORI TRUST REIT)

1	The Tokyo EDITION, Toranomon	206 rooms	MC
2	CONRAD TOKYO	291 rooms	MC
3	The Westin Sendai	292 rooms	FC
4	Tokyo Marriott Hotel	249 rooms	FC
5	Courtyard by Marriott Tokyo Station	150 rooms	FC
6	Courtyard by Marriott Shin-Osaka Station	332 rooms	FC
7	Shangri-La Tokyo	200 rooms	LE
8	Hotel Sunroute Plaza Shinjuku	624 rooms	LE

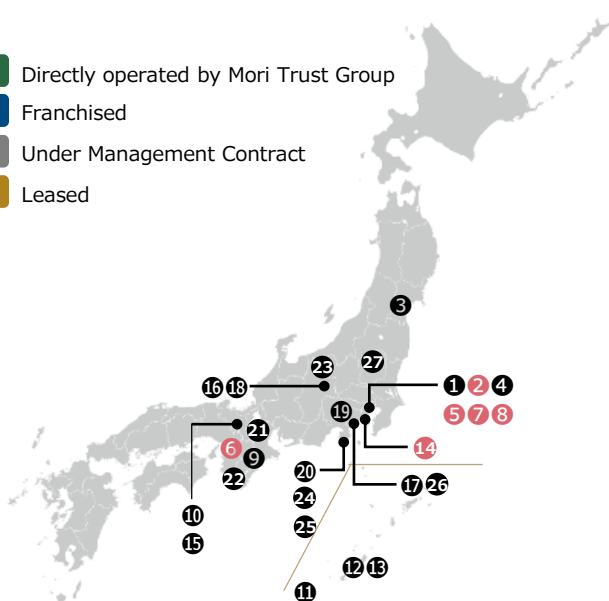
Resort Areas

(Properties indicated in red are those owned by MORI TRUST REIT)

9	JW Marriott Hotel Nara	158 rooms	MC
10	Suiran, a Luxury Collection Hotel, Kyoto	39 rooms	FC
11	IRAPH SUI, a Luxury Collection Hotel, Miyako Okinawa	58 rooms	FC
12	Sheraton Okinawa Sunmarina Resort	246 rooms	FC
13	Hilton Okinawa Sesoko Resort	298 rooms	MC
14	Hilton Odawara Resort & Spa	163 rooms	MC

15	Ryouri Ryokan Karaku	19 rooms	Direct
16	MAMPEI HOTEL	109 rooms	Direct
17	Gora-Kansuiro	14 rooms	Direct
18	Karuizawa Marriott Hotel	142 rooms	FC
19	Fuji Marriott Hotel Lake Yamanaka	105 rooms	FC
20	Izu Marriott Hotel Shuzenji	128 rooms	FC
21	Lake Biwa Marriott Hotel	274 rooms	FC
22	Nanki-Shirahama Marriott Hotel	182 rooms	FC
23	Courtyard by Marriott Hakuba	72 rooms	FC
24	Hotel Laforet Shuzenji	212 rooms	Direct
25	Laforet Club Ito Onsen Yunoniwa	84 rooms	Direct
26	Laforet Club Hakone Gora Yunosumika	44 rooms	Direct
27	Resort Hotel Laforet Nasu	118 rooms	Direct

Direct Directly operated by Mori Trust Group
 FC Franchised
 MC Under Management Contract
 LE Leased



(Source) Prepared by the Asset Management Company based on the information of Mori Trust Group available as of February 28, 2023

(Note) Except for the assets owned as of February 28, 2023, there is no fact that MORI TRUST REIT has decided to acquire the properties listed above, or there is no guarantee that it can acquire them in the future.

Major Hotel Development Projects Underway by Mori Trust Group

Development Capabilities



Operation & Management Capabilities



Strategic Investment

Multiple new hotel development projects

Major Metropolitan Areas

The Tokyo EDITION, Ginza

Hotel development plan in Tokyo World Gate AKASAKA

Resort Areas

Sapporo Odori Park

Karuizawa Shiozawa

Karuizawa Nagakura

Karuizawa Shinonome

Kanazawa Hirooka

Hida Takayama

Hakuba Sakka

Hakone Nakagora

Hakone Gora

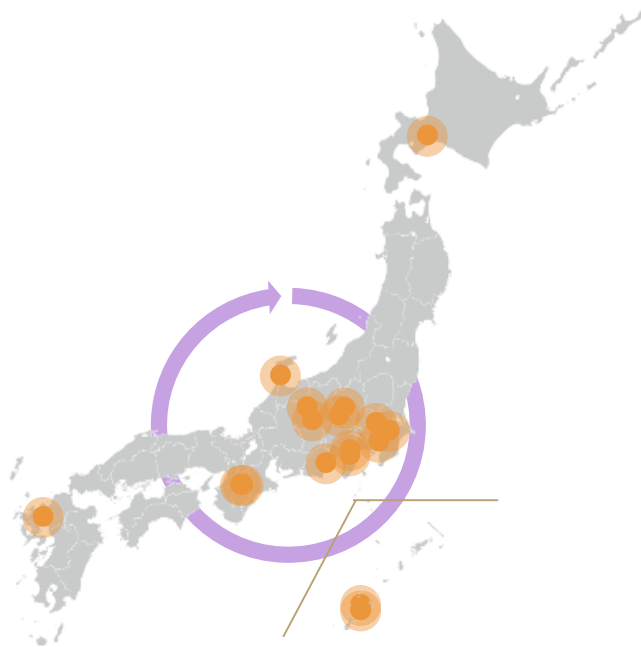
Atami Kinomiya

Kyoto Gion

SHISUI, a Luxury Collection Hotel, Nara

Nagasaki Minamiyamate

Okinawa Fuchaku



Luxury Destination Network

Major Metropolitan Areas



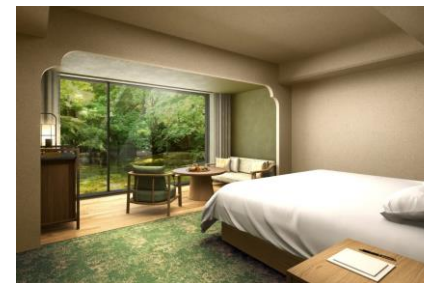
The Tokyo EDITION, Ginza



Hotel development plan in Tokyo World Gate Akasaka



Resort Areas -Nara-

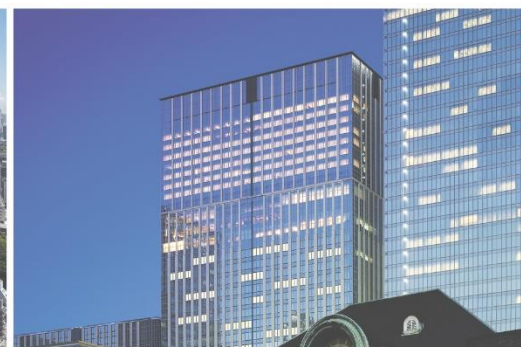


SHISUI, a Luxury Collection Hotel, Nara



(Source) Prepared by the Asset Management Company based on the information of Mori Trust Group available as of February 28, 2023

(Note) Except for the assets owned as of February 28, 2023, there is no fact that MORI TRUST REIT has decided to acquire the properties listed above, or there is no guarantee that it can acquire them in the future.



Entry Restrictions in Japan and China and Overview of Nationwide Travel Discount Program

- Due to the spread of COVID-19 within China following the relaxation of the Chinese government's "zero-COVID" policy, Japan tightened entry restrictions for travelers from China in December 2022. With the reduction in the positive rate in screenings for travelers entering the country, the restrictions were gradually eased starting in March 2023.
- With the reclassification of COVID-19 as a "Class 5" disease on May 8, 2023, it is anticipated that the requirement to present proof of vaccination or a negative test result when entering Japan will be lifted, and the number of tourists visiting the country is expected to recover in earnest.
- Nationwide travel support has been maintained with a lower maximum subsidy amount since January 10, 2023, which continues to stimulate domestic travel demand.

Entry Restrictions in Japan and China (After Dec. 2022)

Date	Entry Restrictions in Japan and China	
Dec. 30, 2022	JPN	Mandatory screening test for travelers entering Japan from China
Jan. 8, 2023	CHN	Lifting of mandatory screening tests and quarantine when entering China
Jan. 10	CHN	Temporary suspension of issuing visas to Japanese citizens
Jan. 29	CHN	Resumption of issuing visas to Japanese citizens
Mar. 1	JPN	Switch to random screening tests for visitors from China (conducted for at most 20% of all Chinese visitors)
Apr. 5	JPN	Lifting of requirement for visitors from China to show proof of a negative test result
May 8	JPN	End of border control measures with reclassification of COVID-19 as "Class 5" disease →Lifting of requirement to present proof of vaccination or negative test result when entering Japan

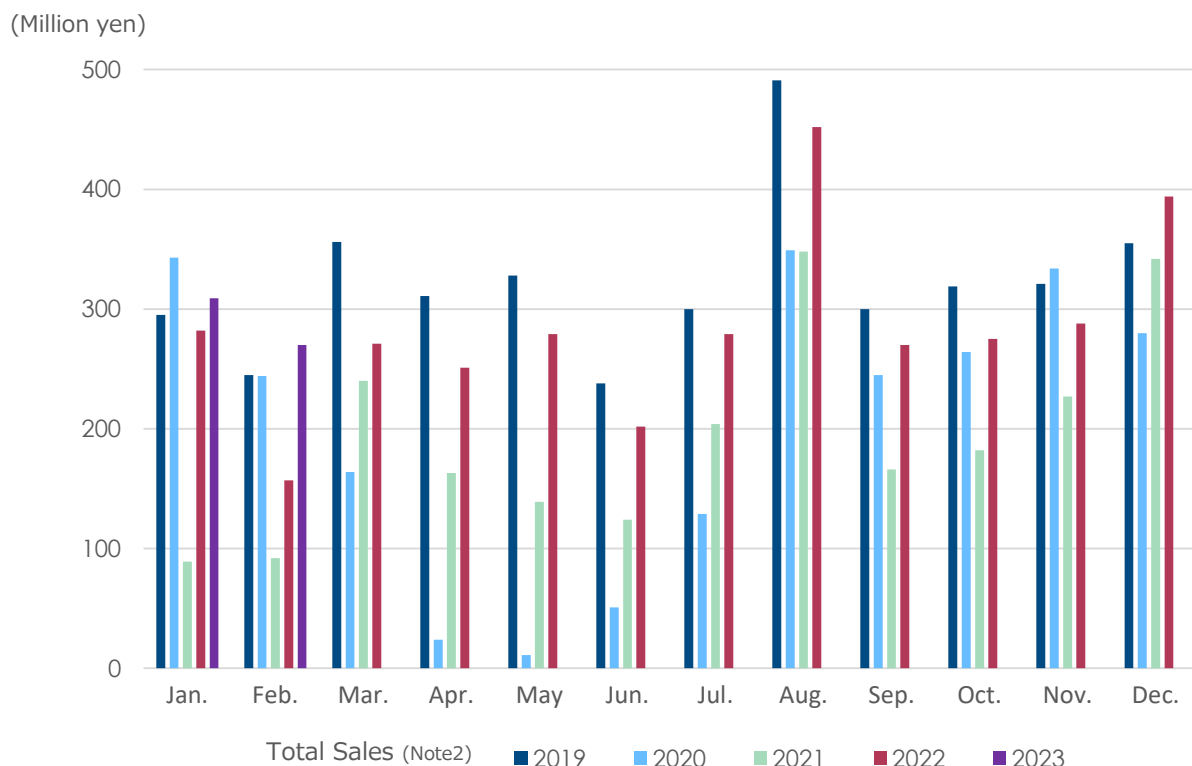
Overview of Nationwide Travel Discount Program (After Jan. 2023)

Period	Jan. 10, 2023, until end of budget allocated to prefectures (all prefectures still receiving it in April onward)		
Details of the program	20% discount on travel expenses (with upper limit) + Coupon (2,000 yen on weekdays / 1,000 yen on holidays)		
Upper limit of discount amount	i. Tours with transportation : 5,000 yen (per person per night) ii. Other than the above (including daytrips) : 3,000 yen (per person per night)		
Maximum amount of subsidy	Target Product	Weekdays	Holidays
	i. Tours with transportation	7,000 yen	6,000 yen
	ii. Other than the above (including daytrips)	5,000 yen	4,000 yen
Condition	Triple vaccination or negative PCR test result		

Performance of Hilton Odawara Resort & Spa

- With the nationwide travel subsidy program since October 2022, the hotel room rate and occupancy rate have both remained strong despite the pandemic, and total sales since December have been of a level exceeding 2019 results.
- With consumer confidence improving, the number of non-staying guests eating lunch at restaurants is trending upward, and going forward, further recovery in revenues may be expected in food and beverage.

Change in Major Indicators (Year-on-Year Comparison)



Rent for 14th FP of MORI TRUST Hotel Reit, Inc. (Note 1)

	Jul. 2021 to Jun. 2022					
	2022				2023	
	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
Rent (million yen)	30	30	30	30	30	30

Rent for 43rd FP of MORI TRUST REIT, Inc.

	Jan. 2022 to Dec. 2022					
	2023					
	Mar.	Apr.	May	Jun.	Jul.	Aug.
Rent (million yen)	31	31	31	31	31	31

[Reference] Base period for calculation of rent

- Odd fiscal periods (fiscal periods ended/ending in Aug.):
12 months from January to December in the previous year
- Even fiscal periods (fiscal periods ended/ending in Feb.):
12 months from July in the previous year to June in the relevant year

Year	2021												2022												2023											
Month	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8										
Fiscal Period	11th FP						12th FP						13th FP						14th FP						MORI TRUST REIT, Inc. 43rd FP											
	14th FP profits (12-month average)												43rd FP profits (12-month average)												Rent for 14th FP						Rent for 43rd FP					
Rent																																				

(Note 1) "Rent" shows the value calculated based on the rent calculation method in the lease contract, rounded down to the nearest million yen.

(Note 2) "Total sales" is the total amount of sales for the entire hotel (including the interest of the quasi-co-owner MORI TRUST), rounded down to the nearest million yen.

Performance of Courtyard by Marriott Tokyo Station

- With the lifting of the restriction on the number of daily visitors entering Japan in October 2022, attracting overseas business guests, primarily via Marriott.com, has been gathering momentum, and the proportion of guests accounted for by overseas visitors is rising.

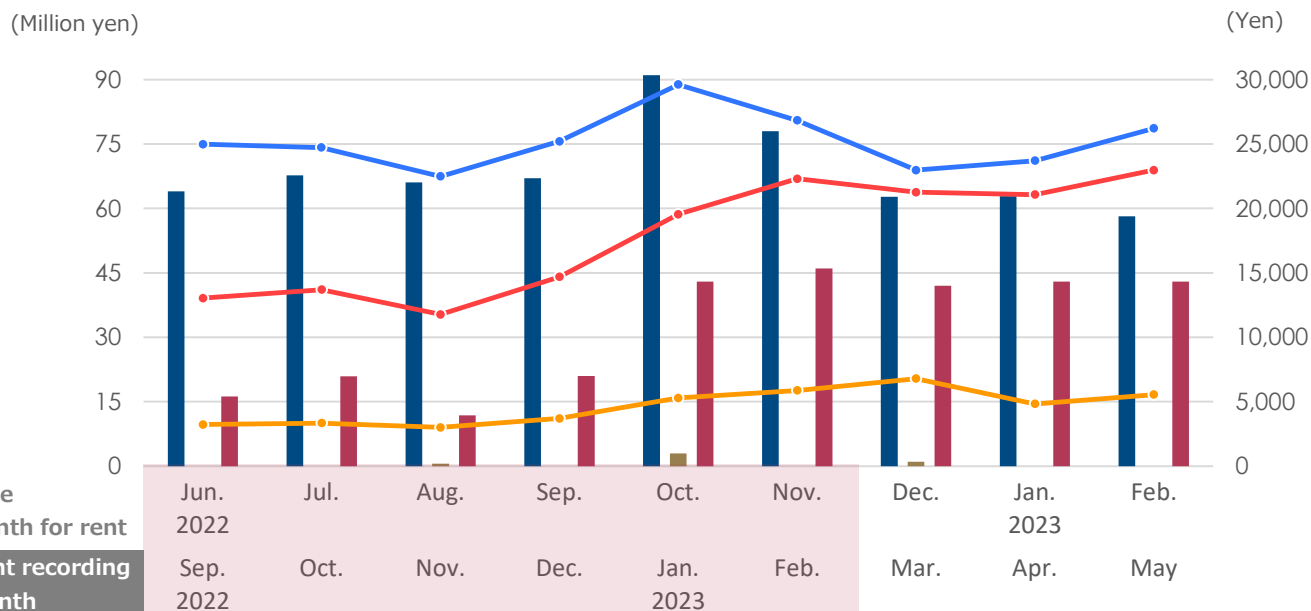
(Reference)

Share of foreign guests in the total number of guests

Sep. 2022	Oct.	Nov.	Dec.	Jan. 2023	Feb.	Mar.
52.4%	62.8%	65.0%	62.7%	67.8%	67.2%	69.4%

- In capturing overseas business demand on weekdays and increased domestic leisure demand (supported by the Tokyo Metropolitan Government's "Tadama Tokyo Plus" travel subsidy program) on weekends and holidays, RevPAR since November 2022 has recovered to a level approaching 2019 results.

Change in Major Indicators (Year-on-Year Comparison)



14th FP avg.
MORI TRUST Hotel Reit, Inc.

Occupancy rate	74.4 %
Average daily rate (ADR)	21,261 yen
RevPAR	15,827 yen

Rent	14th FP total MORI TRUST Hotel Reit, Inc.
14th FP (actual) (Note 1)	169 mn yen
(Rent)	148 mn yen
(Difference from minimum guaranteed rent)	21 mn yen
14th FP (forecast)	169 mn yen
Change	- mn yen

(Note 1) Since there is the difference (shortfall) of 274 million yen between the total amount of rent for the period from October 2021 to September 2022 and the minimum annual guaranteed rent, 251 million yen (out of this amount, the amount equivalent to 94.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit is 237 million yen.) was added to the rent for the 13th fiscal period and also 22 million yen (out of this amount, the amount equivalent to 93.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit is 21 million yen.) will be added to the rent for the 14th fiscal period separately.

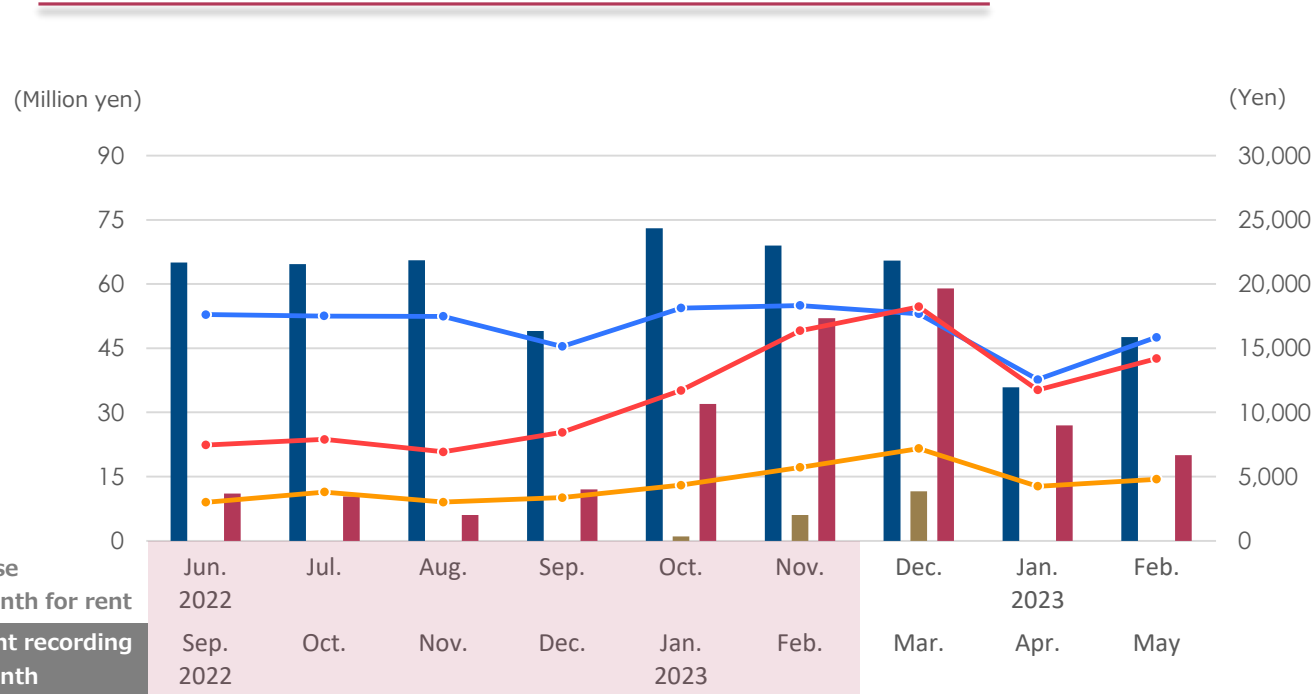
(Note 2) In "Rent," difference from the minimum guaranteed rent is not included. "Rent" refers to the total amount of rent for the entire trust beneficiary interest regardless of changes in the percentage of quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit.

■ Rent for the same month of 2019 (left axis) ● RevPAR for the same month of 2019 (right axis)
■ Rent (left axis) ● RevPAR (right axis)
■ Rent for the same month of the previous year (left axis) ● RevPAR for the same month of the previous year (right axis)

Performance of Courtyard by Marriott Shin-Osaka Station

- Along with increased overseas guest demand, it is attracting domestic leisure demand, especially on weekends and holidays, due to the support of Osaka Prefectural Government's "Osaka Kite Na!" campaign, which provides coupons on top of the nationwide travel subsidy.
- Recently, high room rates and high occupancy rates have been stable on weekdays as well due to the recovery in business demand, and RevPAR has reached a level equivalent to 2019.
- With Osaka's overall hotel market recovering, revenues are expected to recover further as inbound tourism from mainland China resumes in earnest.

Change in Major Indicators (Year-on-Year Comparison)



14th FP avg. MORI TRUST Hotel Reit, Inc.

Occupancy rate	58.7 %
Average daily rate (ADR)	16,672 yen
RevPAR	9,787 Yen

14th FP total MORI TRUST Hotel Reit, Inc.

14th FP (actual) (Note 1)	157 mn yen
(Rent)	123 mn yen
(Difference from minimum guaranteed rent)	34 mn yen
14th FP (forecast)	157 mn yen
Change	- mn yen

- Rent for the same month of 2019 (left axis)
- Rent (left axis)
- Rent for the same month of the previous year (left axis)
- RevPAR for the same month of 2019 (right axis)
- RevPAR (right axis)
- RevPAR for the same month of the previous year (right axis)

(Note 1) Since there is the difference (shortfall) of 412 million yen between the total amount of rent for the period from October 2021 to September 2022 and the minimum annual guaranteed rent, 378 million yen was added to rent for the 13th FP and 34 million yen will be added to rent for the 14th FP separately.

(Note 2) In "Rent," difference from the minimum guaranteed rent is not included.

[Reference] Timing of Compensating for the Difference from the Minimum Guaranteed Rent

		2021					2022					2023					2024																									
		7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9					
		MORI TRUST Hotel Reit, Inc.												MORI TRUST REIT, Inc.																												
Fiscal period		12th FP					13th FP					14th FP					43rd FP					44th FP					45th FP															
Shangri-La	Base month for rent (Linked to hotel total revenue)		(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)										
	Rent	*variable (monthly)		(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)			
	Criteria for applying minimum guaranteed rent																																									
CY Tokyo (Note 1)	Base month for rent (Linked to hotel profit)					(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)							
	Rent	*variable (monthly)					(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)
	Criteria for applying minimum guaranteed rent																																									
CY Shin-Osaka	Base month for rent (Linked to hotel profit)					(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)							
	Rent	*variable (monthly)					(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)
	Criteria for applying minimum guaranteed rent																																									
Hilton Odawara	Base period for calculation of rent (Linked to hotel profit)	(i)					(ii)					(iii)					(iv)																									
	Rent	*Rent varies each fiscal period (The monthly amount is fixed during a fiscal period.)												(i)	(i)	(i)	(i)	(i)	(i)	(ii)	(ii)	(ii)	(ii)	(ii)	(ii)	(iii)	(iii)	(iii)	(iii)	(iii)	(iii)	(iv)	(iv)	(iv)	(iv)	(iv)	(iv)					
Sunroute	Rent	Fixed												Fixed					Fixed					Fixed																		

(Note 1) MORI TRUST Hotel Reit implemented the transfer of the 1% quasi-co-ownership of Courtyard Tokyo to MORI TRUST CO., LTD. ("MORI TRUST") on August 31, 2022 (the "Transfer").

(Note 2) The amount of compensation under the minimum rent guarantee scheme is calculated by subtracting the sum of the rent for the period of 12 months from October each year to September the following year (including the portion attributable to the quasi-co-owner MORI TRUST) from the minimum guaranteed rent of 310,000,000 yen for such period in accordance with the provisions of the lease agreement (the difference calculated by such a calculation method is referred to as the "Difference from the minimum guaranteed rent"), and the Difference from the minimum guaranteed rent recorded on or after September 1, 2022 includes the portion attributable to the quasi-co-owner MORI TRUST. Only 93.5%, which is the quasi co-ownership interest in the property, of the entire Difference from the minimum guaranteed rent recorded on or after September 1, 2022 is recorded as operating income of MORI TRUST REIT.

Balance Sheets

(42nd FP Ended February 2023 of MORI TRUST REIT, Inc.)

Thousands of yen

	As of September 30, 2022	As of February 28, 2023
Assets		
Current assets		
Cash and deposits	16,534,395	14,729,422
Cash and deposits in trust	3,089,760	2,413,662
Operating accounts receivable	77,534	97,513
Accounts receivable - other	-	28
Prepaid expenses	86,346	55,631
Other	15,449	64,915
Total current assets	19,803,486	17,361,173
Non-current assets		
Property, plant and equipment		
Buildings	16,770,597	16,440,150
Structures	30,393	30,561
Machinery and equipment	26,237	22,955
Tools, furniture and fixtures	23,483	23,567
Land	114,585,335	109,001,394
Buildings in trust	20,569,225	21,422,932
Structures in trust	71,277	68,264
Machinery and equipment in trust	58,102	59,579
Tools, furniture and fixtures in trust	33,395	32,860
Land in trust	153,798,827	157,795,399
Total property, plant and equipment	305,966,876	304,897,665
Intangible assets		
Other	240	240
Total intangible assets	240	240
Investments and other assets		
Guarantee deposits	10,000	10,000
Long-term prepaid expenses	66,825	57,897
Other	2,815	2,815
Total investments and other assets	79,640	70,713
Total non-current assets	306,046,756	304,968,618
Deferred assets		
Investment corporation bond issuance costs	58,984	68,950
Total deferred assets	58,984	68,950
Total assets	325,909,227	322,398,742

	As of September 30, 2022	As of February 28, 2023
Liabilities		
Current liabilities		
Operating accounts payable	307,709	220,285
Short-term loans payable	6,000,000	6,000,000
Current portion of investment corporation bonds	4,000,000	3,000,000
Current portion of long-term loans payable	18,000,000	15,000,000
Accounts payable - other	58,604	349,524
Accrued expenses	430,289	444,375
Dividends payable	8,073	7,955
Income taxes payable	867	718
Accrued consumption taxes	233,884	61,744
Advances received	809,224	814,808
Deposits received	322	214
Total current liabilities	29,848,976	25,899,627
Non-current liabilities		
Investment corporation bonds	11,000,000	11,000,000
Long-term loans payable	117,000,000	117,500,000
Tenant leasehold and security deposits	7,555,628	7,698,469
Tenant leasehold and security deposits in trust	918,125	943,131
Deferred tax liabilities	514,820	631,732
Total non-current liabilities	136,988,574	137,773,333
Total liabilities	166,837,550	163,672,960
Net assets		
Unitholders' equity		
Unitholders' capital	153,990,040	153,990,040
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	1,750,398	1,121,637
Total voluntary retained earnings	1,750,398	1,121,637
Unappropriated retained earnings	3,331,238	3,614,104
Total surplus	5,081,637	4,735,741
Total unitholders' equity	159,071,677	158,725,781
Total net assets	159,071,677	158,725,781
Total liabilities and net assets	325,909,227	322,398,742

Statements of Income and Retained Earnings (42nd FP Ended February 2023 of MORI TRUST REIT, Inc.)

Statements of Income

	Thousands of yen	
	For the period from April 1, 2022 to September 30, 2022	For the period from October 1, 2022 to February 28, 2023
Operating revenue		
Lease business revenue	6,603,932	5,620,653
Other lease business revenue	298,407	207,435
Gain on sale of investment property	-	1,430,579
Total operating revenue	6,902,340	7,258,668
Operating expenses		
Expenses related to rent business	3,057,896	2,710,417
Asset management fee	307,505	275,258
Asset custody fee	12,987	10,829
Administrative service fees	45,076	50,842
Directors' compensations	3,600	3,000
merger-related expenses	-	61,360
Other operating expenses	46,950	88,983
Total operating expenses	3,474,016	3,200,691
Operating income	3,428,323	4,057,976
Non-operating income		
Interest income	90	94
Reversal of dividends payable	845	647
Total non-operating income	936	741
Non-operating expenses		
Interest expenses	345,823	291,515
Interest expenses on investment corporation bonds	27,158	24,397
Amortization of investment corporation bond	8,874	7,679
other	3,886	3,376
Total non-operating expenses	385,741	326,968
Ordinary income	3,043,518	3,731,749
Profit before income taxes	3,043,518	3,731,749
Income taxes - current	881	732
Income taxes - deferred	(288,601)	116,912
Total income taxes	(287,720)	117,644
Profit	3,331,238	3,614,104
Unappropriated retained earnings	3,331,238	3,614,104

(Breakdown of Real Estate Leasing Business Income)

	Thousands of yen	
	For the period from April 1, 2022 to September 30, 2022	For the period from October 1, 2022 to February 28, 2023
A. Rental revenues		
Lease business revenue		
Rent	6,244,322	5,321,121
Common charges	236,001	196,524
Land leasing revenues	123,609	103,007
Other lease business revenue	298,407	207,435
Total rental revenues	6,902,340	5,828,088
B. Property-related expenses		
Property management expenses		
Property management fees	717,358	600,789
Utilities	255,836	211,827
Property and other taxes	881,367	879,362
Casualty insurance	19,142	16,235
Repair expenses	41,623	62,957
Depreciation and amortization	1,116,153	914,440
Other expenses	26,414	24,805
Total property-related expenses	3,057,896	2,710,417
C. Profit and losses from real estate rental business (A-B)	3,844,443	3,117,671

Statement of Cash Distributions / Statements of Cash Flows (42nd FP Ended February 2023 of MORI TRUST REIT, Inc.)

■ Statement of Cash Distributions

	(yen)	
	For the period from April 1, 2022 to September 30, 2022	For the period from October 1, 2022 to February 28, 2023
I. Unappropriated retained earnings	3,331,238,876	3,614,104,524
II. Reversal of voluntary retained earnings		
Reversal of reserve for reduction entry	628,761,124	-
III. Distribution amount	3,960,000,000	3,359,400,000
(Distribution amount per unit)	(3,000)	(2,545)
IV. Voluntary retained earnings		
Provision of reserve for reduction entry	-	254,704,524
V. Retained earnings carried forward	-	-

■ Statements of Cash Flows

	Thousands of yen	
	For the period from April 1, 2022 to September 30, 2022	For the period from October 1, 2022 to February 28, 2023
Cash flows from operating activities		
Profit before income taxes	3,043,518	3,731,749
Depreciation	1,116,153	914,440
Amortization of investment corporation bond issuance costs	8,874	7,679
Interest income	▲ 90	▲ 94
Interest expenses	372,981	315,912
Decrease (Increase) in operating accounts receivable	▲ 35,671	▲ 19,978
Increase (Decrease) in operating accounts payable	▲ 10,983	▲ 10,954
Increase (Decrease) in accrued consumption taxes	125,207	▲ 172,139
Increase (Decrease) in advances received	▲ 104,045	5,584
Decrease due to sale of investment property	-	5,829,179
Other, net	▲ 89,768	73,655
Subtotal	4,426,175	10,675,035
Interest income received	90	94
Interest expenses paid	▲ 353,781	▲ 348,757
Income taxes paid	▲ 892	▲ 881
Net cash provided by operating activities	4,071,591	10,325,489
Cash flows from investing activities		
Purchase of property, plant and equipment	▲ 69,009	▲ 16,911
Purchase of property, plant and equipment in trust	▲ 80,198	▲ 5,405,860
Repayments of tenant leasehold and security deposits	▲ 90,166	▲ 122,170
Proceeds from tenant leasehold and security deposits	160,283	184,460
Repayments of tenant leasehold and security deposits in trust	▲ 25,275	▲ 8,391
Proceeds from tenant leasehold and security deposits in trust	7,804	37,476
Net cash used in investing activities	▲ 96,562	▲ 5,331,397
Cash flows from financing activities		
Proceeds from long-term loans payable	17,000,000	6,000,000
Repayments of long-term loans payable	▲ 17,000,000	▲ 8,500,000
Proceeds from issuance of investment corporation bonds	2,000,000	3,000,000
Redemption of investment corporation bonds	-	▲ 4,000,000
Payments for investment corporation bond issuance costs	▲ 12,457	▲ 15,045
Dividends paid	▲ 4,216,512	▲ 3,960,117
Net cash used in financing activities	▲ 2,228,969	▲ 7,475,163
Net increase (decrease) in cash and cash equivalents	1,746,059	▲ 2,481,070
Cash and cash equivalents at beginning of period	17,878,096	19,624,156
Cash and cash equivalents at end of period	19,624,156	17,143,085

Balance Sheets and Statements of Income

(14th FP Ended February 2023 of MORI TRUST Hotel Reit, Inc.)

(Unit: Thousand yen)

Balance Sheets (as of February 28, 2023)		Statements of Income (September 1, 2022 – February 28, 2023)	
Current assets	5,689,456	Current liabilities	20,628,909
Cash and deposits	4,136,939	Operating accounts payable	10,570
Cash and deposits in trust	1,526,821	Short-term loans payable	5,475,000
Operating accounts receivable	1,011	Current portion of long-term loans payable	14,500,000
Prepaid expenses	24,683	Accounts payable	198,744
Non-current assets	104,163,899	Accrued expenses	34,455
Property and equipment	104,110,360	Distribution payable	2,150
Machinery and equipment	17,168	Income taxes payable	763
Accumulated depreciation	-4,465	Advances received	407,009
Vehicles	216	Deposits received	214
Accumulated depreciation	-40	Non-current liabilities	38,514,841
Tools, furniture and fixtures	78,609	Long-term loans payable	34,000,000
Accumulated depreciation	-21,836	Tenant leasehold and security deposits	4,514,823
Buildings in trust	20,593,673	Other	18
Accumulated depreciation	-4,384,293	Total liabilities	59,143,750
Structures in trust	35,722	Unitholders' equity	50,709,604
Accumulated depreciation	-6,735	Unitholders' capital	50,000,000
Machinery and equipment in trust	5,034	Surplus	709,604
Accumulated depreciation	-1,777	Unappropriated retained earnings	709,604
Tools, furniture and fixtures in trust	32,931	Total net assets	50,709,604
Accumulated depreciation	-12,179	Total liabilities and net assets	109,853,355
Land in trust	87,778,332		
Intangible assets	2,495		
Software	2,495		
Investments and other assets	51,042		
Guarantee deposits	10,000		
Long-term prepaid expenses	41,034		
Deferred tax assets	7		
Total assets	109,853,355		
		Operating revenues	1,730,755
		Rental revenues	1,727,444
		Other rental revenues	3,311
		Operating expenses	797,798
		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
		Operating income	932,957
		Non-operating income	323
		Interest income	28
		Reversal of distributions payable	255
		Gain on insurance claims	39
		Non-operating expenses	223,230
		Interest expenses	126,523
		Other non-operating expenses	96,707
		Ordinary income	710,050
		Income before income taxes	710,050
		Income taxes – current	767
		Income taxes – deferred	9
		Net income	709,272
		Retained earnings brought forward	332
		Unappropriated retained earnings	709,604

Changes in Indicators

(Unit: million yen)

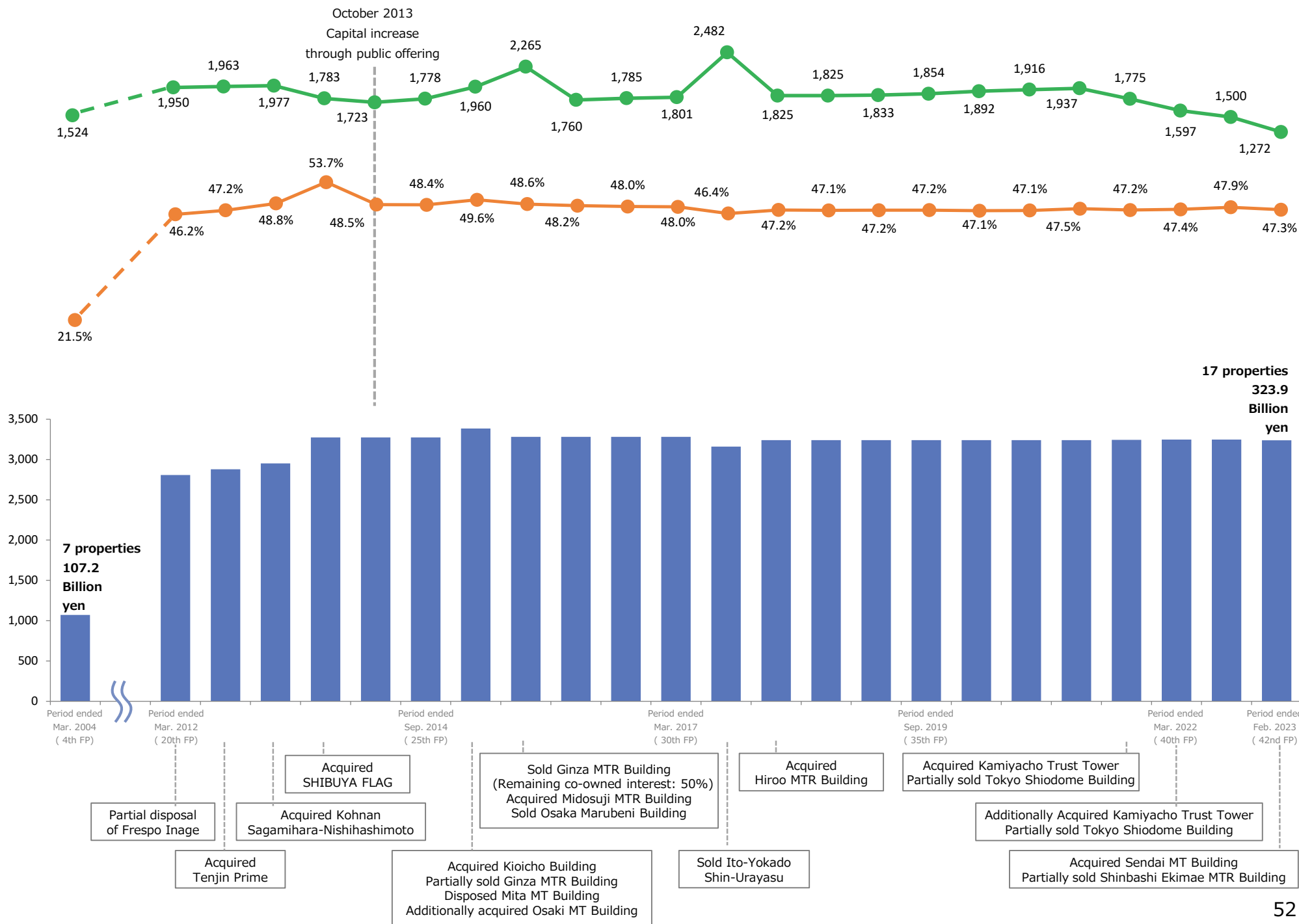
	Period ended March 2021 (38th fiscal period)	Period ended September 2021 (39th fiscal period)	Period ended March 2022 (40th fiscal period)	Period ended September 2022 (41st fiscal period)	Period ended February 2023 (42nd fiscal period)	Formula
Operating revenues	8,789	9,202	8,528	6,902	7,258	
Gain on sale of real estate	–	1,433	1,452	–	1,430	
Operating expenses	3,325	3,638	3,486	3,474	3,200	
Operating income	5,464	5,563	5,042	3,428	4,057	
Ordinary income	5,116	5,205	4,685	3,043	3,731	
Profit	5,115	5,041	4,537	3,331	3,614	
Total distribution	5,115	4,686	4,217	3,960	3,359	
Total assets	330,301	328,288	325,071	325,909	322,398	
Interest-bearing liabilities	157,000	155,000	154,000	156,000	152,500	
Total net assets	160,180	160,106	159,957	159,071	158,725	
Unrealized gain/loss	37,005	35,092	39,124	44,033	43,922	
NAV	192,070	190,512	194,864	199,144	199,288	NAV = Total net assets + Unrealized gain/loss - Total distributic
Profits from real estate rental business	5,909	4,615	4,051	3,844	3,117	
Depreciation and amortization	1,126	1,113	1,125	1,116	914	
NOI	7,036	5,729	5,177	4,960	4,032	NOI = Profits from real estate rental business + Depreciation and amortization
FFO	6,242	4,721	4,211	4,447	3,097	FFO = Profit + Depreciation and amortization - Gain/loss on sale of real estate
Capital improvements	416	287	213	96	373	
Net cash flows	6,619	5,442	4,963	4,864	3,658	NCF = NOI - Capital improvements
ROA (annualized)	3.1%	3.2%	2.9%	1.9%	2.8%	ROA = (Ordinary income / Total assets) / 6 × 12 * Annualized
ROE (annualized)	6.4%	6.3%	5.7%	4.2%	5.5%	ROE = (Profit / Total net assets) / 6 × 12 * Annualized
LTV ratio	47.5%	47.2%	47.4%	47.9%	47.3%	LTV = Interest-bearing liabilities / Total assets
Total number of outstanding investment units	2,640,000 units	2,640,000 units	2,640,000 units	2,640,000 units	2,640,000 units	
Distribution per unit	1,937 yen	1,775 yen	1,597 yen	1,500 yen	1,272 yen	
Total net assets per unit	60,674 yen	60,646 yen	60,590 yen	60,254 yen	60,123 yen	
NAV per unit	72,753 yen	72,163 yen	73,812 yen	75,433 yen	75,488 yen	
FFO per unit	2,364 yen	1,788 yen	1,595 yen	1,684 yen	1,173 yen	

Changes in Asset Size, LTV and Distribution Per Unit

Distribution per unit

LTV

Asset size



Portfolio List after the Merger (As of March 1, 2023)

	Use	Property Name	Location	Hotel grade	Construction completion	Asset size (million yen)	Appraisal value (million yen)	Leasable area
Core Assets	Office	Tokyo Shiodome Building (Hotel: Conrad Tokyo)	Minato Ward, Tokyo	(Luxury)	Jan. 2005	82,539	81,400	71,806.84 m ²
	Office	Kamiyacho Trust Tower	Minato Ward, Tokyo	-	Mar. 2020	51,660	56,400	13,479.44 m ²
	Office	ON Building	Shinagawa Ward, Tokyo	-	Nov. 1990	39,900	36,200	20,654.60 m ²
	Office	Kioicho Building	Chiyoda Ward, Tokyo	-	Nov. 1989	34,300	38,400	24,748.48 m ²
	Office	Sendai MT Building	Miyagino Ward, Sendai	-	Mar. 1999	5,266	5,270	13,003.41 m ²
	Office	Osaki MT Building	Shinagawa Ward, Tokyo	-	Jul. 1994	14,386	17,800	24,495.21 m ²
	Office	Midosuji MTR Building	Chuo Ward, Osaka	-	Mar. 1999	10,170	11,100	15,129.16 m ²
	Office	Hiroo MTR Building	Shibuya Ward, Tokyo	-	Nov. 1992	8,100	8,420	4,946.36 m ²
	Office	Tenjin Prime	Chuo Ward, Fukuoka	-	Oct. 2008	7,050	10,200	5,990.40 m ²
	Office	Shin-Yokohama TECH Building	Kohoku Ward, Yokohama	-	Feb. 1986	6,900	8,440	18,117.03 m ²
	Hotel	Shangri-La Tokyo	Chiyoda Ward, Tokyo	Luxury	Nov. 2008	49,200	49,200	22,755.55 m ²
	Hotel	Hilton Odawara Resort & Spa	Odawara City, Kanagawa	Upper upscale	Oct. 1997	7,100	7,100	25,302.84 m ²
	Hotel	Hotel Okura Kobe	Chuo Ward, Kobe	Upper upscale	Mar. 1989	19,000	16,900	72,246.86 m ²
	Hotel	Courtyard by Marriott Tokyo Station	Chuo Ward, Tokyo	Upscale	Feb. 2014	17,017	17,017	5,255.06 m ²
Hotel	Courtyard by Marriott Shin-Osaka Station	Yodogawa Ward, Osaka	Upscale	Mar. 1997	17,400	17,400	13,881.48 m ²	
Hotel	Hotel Sunroute Plaza Shinjuku	Shibuya Ward, Tokyo	Upper midscale	Aug. 2007	32,500	32,500	21,248.23 m ²	
Others	Retail facility	SHIBUYA FLAG	Shibuya Ward, Tokyo	-	Aug. 2009	32,040	41,100	5,983.86 m ²
	Retail facility	Ito-Yokado Shonandai	Fujisawa City, Kanagawa	-	Nov. 2002	11,600	11,700	53,393.66 m ²
	Retail facility	Kohnan Sagamihara-Nishihashimoto	Midori Ward, Sagamihara	-	Aug. 2005	7,460	8,190	40,283.77 m ²
	Retail facility	Frespo Inage	Inage Ward, Chiba	-	-	2,100	2,610	39,556.71 m ²
	Retail facility	Shinbashi Ekimae MTR Building	Minato Ward, Tokyo	-	Apr. 1999	12,000	14,500	5,370.00 m ²
	Residential	Park Lane Plaza	Shibuya Ward, Tokyo	-	Jun. 1988	3,200	4,290	4,443.03 m ²

(Note) The usage of a property with more than one use is determined based on the main use of the building

Appraisal Values of Portfolio Properties at the Fiscal Period-End (Properties owned by MORI TRUST Sogo Reit, Inc. as of February 28, 2023)

(Million yen)

Use	Name	Acquisition price	End-of-period book value		End-of-period appraisal value			Direct reduction method			Discounted cash flow		Appraiser (Note 3)
			Period ended Sep. 2022	Period ended Feb. 2023	Period ended Sep. 2022	Period ended Feb. 2023	Difference	Cap rate		Comparison with the previous fiscal period	Discount rate	Terminal cap rate	
								Period ended Sep. 2022	Period ended Feb. 2023				
Office Building	Tokyo Shiodome Building	82,539	74,824	74,666	81,400	81,400	-	3.2%	3.2%	-	3.1%	3.2%	Richi Appraisal
	Kamiyacho Trust Tower	27,960	27,934	27,863	32,300	32,300	-	2.5%	2.5%	-	2.4%	2.6%	Daiwa Real Estate
	ON Building	39,900	38,812	38,735	36,200	36,200	-	3.3%	3.3%	-	3.0%	3.4%	Japan Real Estate
	Kioicho Building	34,300	32,938	32,885	38,300	38,400	100	3.1%	3.1%	-	2.9%	3.3%	Daiwa Real Estate
	Sendai MT Building (Note 1)	5,266	-	5,297	-	5,270	5,270	-	4.5%	-	4.3%	4.7%	Daiwa Real Estate
	Osaki MT Building	14,386	12,886	12,841	17,800	17,800	-	3.2%	3.2%	-	2.9%	3.3%	Japan Real Estate
	Midosuji MTR Building	10,170	9,871	9,839	11,100	11,100	-	3.5%	3.5%	-	3.3%	3.7%	Daiwa Real Estate
	Hiroo MTR Building	8,100	8,329	8,316	8,420	8,420	-	3.6%	3.6%	-	3.4%	3.8%	Daiwa Real Estate
	Tenjin Prime	7,050	6,659	6,635	9,910	10,200	290	3.6%	3.5%	-0.1%	3.3%	3.6%	Japan Real Estate
	Shin-Yokohama TECH Building	6,900	6,653	6,595	8,280	8,440	160	4.5%	4.4%	-0.1%	4.2%	4.7%	Chuo-Nittochi
Hotel	Hotel Okura Kobe	19,000	15,395	15,238	16,900	16,900	-	4.9%	4.9%	-	4.7%	5.0%	Richi Appraisal
Retail Facility/Residential	SHIBUYA FLAG	32,040	32,395	32,374	40,700	41,100	400	3.2%	3.2%	-	3.0%	3.3%	Japan Real Estate
	Ito-Yokado Shonandai	11,600	9,663	9,619	11,700	11,700	-	5.3%	5.3%	-	5.0%	5.5%	Japan Real Estate
	Kohnan Sagamihara-Nishihashimoto	7,460	7,069	7,048	8,330	8,190	-140	5.3%	5.4%	0.1%	5.1%	5.6%	Japan Real Estate
	Frespo Inage (Note 2)	2,100	2,193	2,193	2,610	2,610	-	-(Note 1)	-(Note 1)	-	7.9%	-(Note 2)	Japan Real Estate
	Shinbashi Ekimae MTR Building (Note 3)	12,000	17,240	11,658	21,800	14,500	-7,300	3.6%	3.6%	-	3.4%	3.8%	Chuo-Nittochi
	Park Lane Plaza	3,200	3,097	3,088	4,250	4,290	40	3.3%	3.3%	-	4.0%	3.0%	Chuo-Nittochi

	Unrealized gain or loss		
	Period ended March 2022	Period ended Feb. 2023	Difference
Total	44,033	43,922	-111

Appraisal Values of Portfolio Properties at the Fiscal Period-End (Properties owned by MORI TRUST Hotel Reit, Inc. as of February 28, 2023)

(Million yen)

Use	Name	Acquisition price	End-of-period book value		End-of-period appraisal value			Direct reduction method			Discounted cash flow		Appraiser (Note 3)
			Period ended Aug. 2022	Period ended Feb. 2023	Period ended Aug. 2022	Period ended Feb. 2023	Difference	Cap rate		Comparison with the previous fiscal period	Discount rate	Terminal cap rate	
								Period ended Sep. 2022	Period ended Feb. 2023				
Hotel	Shangri-La Tokyo		40,970	40,867	49,600	49,200	-400	3.2%	3.2%	–	2.9%	3.4%	Japan Real Estate
	Hilton Odawara Resort & Spa (Note 1)	6,500	6,395	6,437	7,050	7,100	50	4.7%	4.7%	–	4.5%	4.8%	Richi Appraisal
	Courtyard by Marriott Tokyo Station (Note 2)	12,903	12,487	12,444	16,923	17,017	94	3.7%	3.7%	–	3.4%	3.9%	Japan Real Estate
	Courtyard by Marriott Shin-Osaka Station	17,600	17,128	17,080	17,400	17,400	–	4.2%	4.2%	–	3.9%	4.4%	Japan Real Estate
	Hotel Sunroute Plaza Shinjuku	28,600	27,390	27,282	32,500	32,500	–	3.5%	3.5%	–	3.3%	3.7%	Japan Real Estate

	Unrealized gain or loss		
	Period ended March 2022	Period ended Feb. 2023	Difference
Total	19,102	19,104	2

Changes in Occupancy Rate

■ Monthly Occupancy Rates for Each Use Category (from end of previous period to end of current period)

Use		Sep. 30, 2022	Oct. 31 2022	Nov. 30, 2022	Dec. 30, 2022	Jan. 31, 2023	(Period ended Feb. 2023) Feb. 28, 2023
Core Assets	Office Building Master lease basis (Sublease basis)	96.6% (84.6%)	96.6% (84.0%)	97.2% (84.7%)	97.5% (84.9%)	97.3% (86.0%)	97.6% (87.1%)
	Hotel	100%	100%	100%	100%	100%	100%
Other	Retail Facility and Residential	94.6%	94.7%	94.6%	94.6%	94.6%	96.3%
Total	Master lease basis (Sublease basis)	96.5% (91.6%)	96.5% (91.4%)	96.7% (91.6%)	96.9% (91.7%)	96.8% (92.1%)	97.6% (93.1%)

■ Property-Related Occupancy Rate (Most Recent 5 Fiscal Periods)

Use	Name	March 31, 2021 (End of 38th fiscal period)	September 30, 2021 (End of 39th fiscal period)	March 31, 2022 (End of 40th fiscal period)	September 30, 2022 (End of 41st fiscal period)	February 28, 2023 (End of 42nd fiscal period)
Office Building	Tokyo Shiodome Building (Note 2)	100%	100%	100%	100% (66.5%)	100% (70.8%)
	Kamiyacho Trust Tower (Note3)	–	100%	100%	100% (99.3%)	100% (99.3%)
	ON Building	100%	100%	100%	100%	100%
	Kioicho Building (Note 4)	90.8% (89.5%)	89.7% (89.7%)	96.3% (95.6%)	94.5% (92.6%)	97.8% (95.6%)
	Sendai MT Building (Note 5)	–	–	–	–	100% (99.9%)
	Osaki MT Building (Note 6)	100% (85.0%)	100% (85.8%)	100% (95.2%)	100% (95.6%)	100% (88.3%)
	Midosuji MTR Building (Note 7)	100% (95.6%)	100% (100%)	100% (100%)	100% (96.4%)	100% (100%)
	Hiroo MTR Building (Note 8)	100%	87.5%	87.5%	100%	92.4%
	Tenjin Prime (Note 8)	100%	100%	100%	100%	100%
	Shin-Yokohama TECH Building	100%	100%	59.9%	71.7%	78.0%
Hotel	Hotel Okura Kobe	100%	100%	100%	100%	100%
Retail Facilities Residential	SHIBUYA FLAG (Note 8)	92.2%	92.2%	100%	100%	100%
	Ito-Yokado Shonandai	100%	100%	100%	100%	100%
	Kohnan Sagamihara-Nishihashimoto	100%	100%	100%	100%	100%
	Frespo Inage	100%	100%	100%	100%	100%
	Shinbashi Ekimae MTR Building	100%	100%	0%	0%	0%
	Park Lane Plaza	95.9%	100%	100%	96.8%	96.7%
Total (Note 9)		99.3% (98.6%)	99.1% (91.9%)	96.0% (90.5%)	96.5% (91.6%)	97.6% (93.1%)

Portfolio Summary and Breakdown of Property-Related Revenues/Expenses (1)

Office Building

Tokyo Shiodome Building Kamiyacho Trust Tower



ON Building



Kioicho Building



Sendai MT Building



Osaki MT Building



Location	Minato Ward, Tokyo		Minato Ward, Tokyo		Shinagawa Ward, Tokyo		Chiyoda Ward, Tokyo		Miyagino Ward, Sendai		Shinagawa Ward, Tokyo	
Construction completion	January, 2005		March, 2020		November 1990		November 1989		March 1999		July 1994 (Renovated in 2008)	
Acquisition date	April 2010		July 2021, and other		August 2008		October 2014		February 2023		March 2005, and other	
Acquisition price	82,539 million yen		27,960 million yen		39,900 million yen		34,300 million yen		5,266 million yen		14,386 million yen	
Book value	74,666 million yen		27,863 million yen		38,735 million yen		32,885 million yen		5,297 million yen		12,841 million yen	
Appraisal value	81,400 million yen		32,300 million yen		36,200 million yen		38,400 million yen		5,270 million yen		17,800 million yen	
Total floor space	191,394.06m ² (Note 1)		196,037.12m ² (Note 2)		32,812.27m ²		63,535.55m ² (Note 3)		42,941.53 m ² (Note 4)		26,980.68m ² (Note 5)	
PML (Note 6)	6.0%		6.5%		8.0%		11.3%		4.9%		11.5%	
Rental revenues (thousand yen)	Period ended Sep. 2022	Period ended Feb. 2023	Period ended Sep. 2022	Period ended Feb. 2023	Period ended Sep. 2022	Period ended Feb. 2023	Period ended Sep. 2022	Period ended Feb. 2023	Period ended Sep. 2022	Period ended Feb. 2023	Period ended Sep. 2022	Period ended Feb. 2023
Rental revenues	916,695	860,556	536,931	454,407			1,055,109	860,284	–	1,063	357,346	287,614
Rent	916,695	860,556	524,190	442,196			928,486	773,824	–	904	356,770	287,164
Common charges	–	–	–	–			8,828	7,045	–	–	–	–
Land leasing revenues	–	–	–	–			–	–	–	–	–	–
Other rental revenues	–	–	12,740	12,210			117,794	79,414	–	159	575	449
Property-related expenses	856,047	729,037	159,672	134,496			544,022	494,669	–	3,452	105,262	92,809
Property and other taxes	345,981	345,978	9,525	9,525			90,249	90,246	–	–	39,388	39,381
Property taxes	345,981	345,978	9,525	9,525	Undisclosed (Note 7)	Undisclosed (Note 7)	88,924	88,921	–	–	39,388	39,381
Other taxes	–	–	–	–			1,325	1,325	–	–	–	–
Overhead expenses	286,589	222,531	66,078	53,788			301,875	279,147	–	300	6,471	3,048
Property management fees	274,720	211,037	44,915	36,907			213,956	206,723	–	148	1,428	930
Utilities	–	–	19,862	15,892			74,499	54,198	–	146	–	–
Casualty insurance	3,508	2,894	283	233			1,596	1,315	–	2	875	722
Trust fees	–	–	750	625			800	666	–	2	–	–
Other expenses	8,360	8,600	266	129			11,024	16,243	–	–	4,167	1,395
Depreciation and amortization	223,477	160,526	84,068	71,183			151,896	125,275	–	3,152	59,401	50,379
Profits and losses from real estate rental business	60,647	131,519	377,259	319,910	530,225	415,797	511,086	365,614	–	-2,388	252,084	194,804
Earnings before depreciation and amortization (NOI)	284,125	292,046	461,327	391,094	622,338	494,247	662,983	490,889	–	763	311,486	245,184
NOI yield (Note 8)	0.9%		3.4%		3.0%		3.5%		–		4.1%	

Portfolio Summary and Breakdown of Property-Related Revenues/Expenses (2)

	Office Building				Hotel	Retail Facility
	Midosuji MTR Building	Hiroo MTR Building	Tenjin Prime	Shin-Yokohama TECH Building	Hotel Okura Kobe	SHIBUYA FLAG
						

Location	Chuo Ward, Osaka		Shibuya Ward, Tokyo		Chuo Ward, Fukuoka		Kohoku Ward, Yokohama		Chuo Ward, Kobe		Shibuya Ward, Tokyo	
Construction completion	March 1999		November 1992		October 2008		Building A: February 1986 Building B: February 1988		March 1989 (Expanded March 1995)		August 2009	
Acquisition date	April 2015		January 2018		July 2012, and other		November 2003		September 2006		April 2013	
Acquisition price	10,170 million yen		8,100 million yen		7,050 million yen		6,900 million yen		19,000 million yen		32,040 million yen	
Book value	9,839 million yen		8,316 million yen		6,635 million yen		6,595 million yen		40,867 million yen		32,374 million yen	
Appraisal value	11,100 million yen		8,420 million yen		10,200 million yen		8,440 million yen		49,200 million yen		41,100 million yen	
Total floor space	15,129.16m ²		6,709.80m ²		7,722.04m ²		25,187.22m ²		72,246.86m ²		7,766.49m ²	
PML (Note 6)	2.1%		7.3%		6.4%		8.7%		17.8%		11.9%	
Rental revenues (thousand yen)	Period ended Sep. 2022	Period ended Feb. 2023	Period ended Sep. 2022	Period ended Feb. 2023	Period ended Sep. 2022	Period ended Feb. 2023	Period ended Sep. 2022	Period ended Feb. 2023	Period ended Sep. 2022	Period ended Feb. 2023	Period ended Sep. 2022	Period ended Feb. 2023
Rental revenues	315,848	254,587	182,598	144,491	256,344	210,074	252,906	235,381	627,790	524,794		
Rent	274,869	228,090	141,788	119,470	218,134	180,834	222,050	205,068	627,790	524,794		
Common charges	6,745	5,620	18,408	15,340	19,476	16,398	–	–	–	–		
Land leasing revenues	–	–	–	–	–	–	–	–	–	–		
Other rental revenues	34,234	20,875	22,400	9,680	18,733	12,841	30,855	30,312	–	–		
Property-related expenses	156,985	138,212	57,752	41,899	91,596	82,871	193,253	170,056	284,561	262,734		
Property and other taxes	42,179	42,179	11,962	11,962	28,922	28,921	30,070	30,066	71,497	71,494		
Property taxes	42,179	42,179	11,840	11,840	28,922	28,921	30,070	30,066	71,497	71,494	Undisclosed (Note 7)	Undisclosed (Note 7)
Other taxes	–	–	122	122	–	–	–	–	–	–		
Overhead expenses	69,126	57,778	30,325	16,358	31,698	27,447	92,366	80,983	13,034	22,668		
Property management fees	27,094	24,780	8,696	4,181	7,827	6,524	57,565	40,584	–	–		
Utilities	30,081	22,881	18,467	8,616	16,608	14,607	31,373	35,547	–	–		
Casualty insurance	614	507	254	209	225	186	888	732	7,426	6,567		
Trust fees	500	416	400	333	1,250	625	–	–	2,000	1,666		
Other expenses	10,835	9,191	2,507	3,016	5,786	5,503	2,539	4,118	3,608	14,434		
Depreciation and amortization	45,679	38,254	15,463	13,578	30,976	26,502	70,816	59,006	200,029	168,571		
Profits and losses from real estate rental business	158,863	116,374	124,845	102,591	164,747	127,202	59,653	65,324	343,229	262,060	651,808	535,714
Earnings before depreciation and amortization (NOI)	204,542	154,629	140,309	116,170	195,724	153,705	130,469	124,331	543,259	430,632	675,973	556,652
NOI yield (Note 8)	3.7%		3.5%		5.3%		4.4%		5.5%		4.2%	

Portfolio Summary and Breakdown of Property-Related Revenues/Expenses (3)

	Retail Facility				Residential				Total			
	Ito-Yokado Shonandai	Kohnan Sagamihara-Nishihashimoto	Frespo Inage	Shinbashi Ekimae MTR Building	Park Lane Plaza							
Location	Fujisawa City, Kanagawa	Midori Ward, Sagamihara	Inage Ward, Chiba	Minato Ward, Tokyo	Shibuya Ward, Tokyo				–			
Construction completion	November 2002	August 2005	–	April 1999	June 1988				–			
Acquisition date	March 2003	October 2012	March 2002	April 2007	December 2004				–			
Acquisition price	11,600 million yen	7,460 million yen	2,100 million yen	12,000 million yen	3,200 million yen				323,972 million yen			
Book value	9,619 million yen	7,048 million yen	2,193 million yen	11,658 million yen	3,088 million yen				304,897 million yen			
Appraisal value	11,700 million yen	8,190 million yen	2,610 million yen	14,500 million yen	4,290 million yen				348,820 million yen			
Total floor space	53,393.66㎡	40,283.77㎡	(39,556.71㎡) (Note 9)	7,820.45㎡(Note 10)	5,246.78㎡				–			
PML (Note 6)	14.0%	13.5%	–	12.2%	14.9%				5.5% (Note 11)			
Rental revenues (thousand yen)	Period ended Sep. 2022	Period ended Feb. 2023	Period ended Sep. 2022	Period ended Feb. 2023	Period ended Sep. 2022	Period ended Feb. 2023	Period ended Sep. 2022	Period ended Feb. 2023	Period ended Sep. 2022	Period ended Feb. 2023	Period ended Sep. 2022	Period ended Feb. 2023
Rental revenues	375,068	312,542			123,609	103,007	–	–	110,427	90,656	6,902,340	5,828,088
Rent	375,000	312,500			–	–	–	–	98,839	81,626	6,244,322	5,321,121
Common charges	–	–			–	–	–	–	9,043	7,536	236,001	196,524
Land leasing revenues	–	–			123,609	103,007	–	–	–	–	123,609	103,007
Other rental revenues	68	42			–	–	–	–	2,543	1,493	298,407	207,435
Property-related expenses	104,884	92,013			8,020	7,894	53,769	58,313	36,082	34,086	3,057,896	2,710,417
Property and other taxes	39,098	39,094			7,270	7,269	35,612	35,609	7,784	7,762	881,367	879,362
Property taxes	39,098	39,094	Undisclosed (Note 7)	Undisclosed (Note 7)	7,270	7,269	35,612	35,609	7,784	7,762	877,967	877,911
Other taxes	–	–			–	–	–	–	–	–	3,399	1,451
Overhead expenses	3,949	2,232			750	625	1,146	7,034	14,663	15,245	1,060,376	916,614
Property management fees	1,620	1,350			–	–	924	1,311	9,408	8,527	717,358	600,789
Utilities	–	–			–	–	–	3,819	1,624	1,737	255,836	211,827
Casualty insurance	1,069	882			–	–	222	183	176	145	19,142	16,235
Trust fees	–	–			750	625	–	–	–	–	8,100	6,335
Other expenses	1,260	–			–	–	–	1,720	3,452	4,833	59,938	81,426
Depreciation and amortization	61,836	50,687			–	–	17,010	15,668	13,634	11,079	1,116,153	914,440
Profits and losses from real estate rental business	270,183	220,528	203,644	169,246	115,588	95,112	-53,769	-58,313	74,344	56,569	3,844,443	3,117,671
Earnings before depreciation and amortization (NOI)	332,019	271,215	229,227	190,430	115,588	95,112	-36,758	-42,644	87,979	67,649	4,960,596	4,032,111
NOI yield (Note 8)	5.7%		6.2%		10.9%		–		5.1%		3.0%	

Portfolio Summary and Breakdown of Property-Related Revenues/Expenses (4)

	ホテル										Total	
	Shangri-La Tokyo		Hilton Odawara Resort & Spa		Courtyard by Marriott Tokyo Station		Courtyard by Marriott Shin-Osaka Station		Hotel Sunroute Plaza Shinjuku			
Location	Chiyoda Ward, Tokyo		Odawara City, Kanagawa		Chuo Ward, Tokyo		Yodogawa Ward, Osaka		Shibuya Ward, Tokyo		-	
Construction completion	November 2008		October 1997 (Renovated in 2004)		February 2014		March 1997 (Renovated in 2015)		August 2007		-	
Acquisition date	September 2016		September 2019		September 2016		September 2016		July 2016		-	
Acquisition price	42,000 million yen		6,500 million yen		12,903 million yen		17,600 million yen		28,600 million yen		107,603 million yen	
Book value	40,867 million yen		6,437 million yen		12,444 million yen		17,080 million yen		27,282 million yen		104,112 million yen	
Appraisal value	49,200 million yen		7,100 million yen		17,017 million yen		17,400 million yen		32,500 million yen		123,217 million yen	
Total floor space	180,335.11m ² (Note 12)		50,605.67m ² (Note 13)		51,242.93m ² (Note 14)		17,002.28m ² (Note 15)		20,451.25m ²		-	
PML	1.1%		14.9%		1.5%		4.5%		3.0%		2.2% (Note 16)	
Rental revenues (thousand yen)	Period ended Aug. 2022	Period ended Feb. 2023	Period ended Aug. 2022	Period ended Feb. 2023	Period ended Aug. 2022	Period ended Feb. 2023	Period ended Aug. 2022	Period ended Feb. 2023	Period ended Aug. 2022	Period ended Feb. 2023	Period ended Aug. 2022	Period ended Feb. 2023
Rental revenues	530,983	562,609	161,136	187,218	252,990	169,829	408,097	157,682	653,416	653,416	2,006,624	1,730,755
Rent	530,983	562,609	158,870	184,986	252,982	169,829	408,097	157,682	652,336	652,336	2,003,270	1,727,444
Other rental revenues	-	-	2,265	2,231	7	-	-	-	1,080	1,080	3,353	3,311
Property-related expenses	246,069	246,532	95,525	99,144	74,556	70,218	70,707	74,050	178,399	178,542	665,259	668,498
Property and other taxes	134,012	134,012	41,950	41,945	22,969	22,646	14,115	14,112	68,721	68,721	281,767	281,437
Property taxes	134,012	134,012	41,950	41,945	22,969	22,646	14,115	14,112	68,721	68,721	281,767	281,437
Other taxes	-	-	-	-	-	-	-	-	-	-	-	-
Overhead expenses	1,725	1,929	2,835	3,111	7,866	4,121	2,365	5,515	1,237	1,380	16,031	16,069
Property management fees	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-
Casualty insurance	1,525	1,729	1,787	2,009	377	421	718	815	1,037	1,180	5,446	6,155
Trust fees	200	200	150	150	240	238	200	200	200	200	990	988
Other expenses	-	-	897	952	7,248	3,462	1,447	4,500	-	-	9,593	8,925
Depreciation and amortization	110,331	110,591	50,740	54,087	43,720	43,450	54,226	54,421	108,440	108,440	367,459	370,991
Profits and losses from real estate rental business	284,913	316,076	65,610	88,074	178,434	99,610	337,390	83,632	475,016	474,874	1,341,365	1,062,257
Earnings before depreciation and amortization (NOI)	395,245	426,667	116,350	142,161	222,154	143,061	391,616	138,053	583,457	583,315	1,708,825	1,433,248
NOI yield (Note 8)	2.0%		4.4%		2.2%		1.6%		4.1%		2.7%	

Portfolio Data of Properties Owned of MORI TRUST Hotel Reit, Inc.

Property name	Shangri-La Tokyo	Hilton Odawara Resort & Spa	Courtyard by Marriott Tokyo Station	Courtyard by Marriott Shin-Osaka Station	Hotel Sunroute Plaza Shinjuku
Hotel grade	Luxury	Upper Upscale	Upscale	Upscale	Upper midscale
No. of guestrooms (Note 1)	200	163	150	332	624
Developer	Mori Trust	-	Mori Trust	Mori Trust	Mori Trust
Hotel operation format	Leased	MC (Note 2)	FC (Note 3)	FC (Note 3)	Leased
Hotel operator	Shangri-La Hotels Japan	Hilton Worldwide Manage	MORI TRUST HOTELS & RESORTS CO., LTD.	MORI TRUST HOTELS & RESORTS CO., LTD.	Sotetsu Hotel Management
Contract period	From Sep. 1, 2016 to Nov. 30, 2023	From Sep. 2, 2019 to Dec. 31, 2049	From Sep.16, 2016 to Apr. 1, 2039	From Sep. 16, 2016 to Nov. 1, 2040	From Aug. 20, 2007 to Aug. 31, 2027
[Termination during the contracted period]	Not allowed	Not allowed for the first 5 years	Not allowed for the first 10 years	Not allowed for the first 10 years	Not allowed
[Revision of rent]	Possible by consultation every 5 years	Possible by consultation every 5 years	Possible by consultation every 5 years	Possible by consultation every 5 years	None
Tenant	Mori Trust (Master Lessee)	MT & Hilton Hotel	Mori Trust (Master Lessee)	Mori Trust (Master Lessee)	Sotetsu Hotel Management
[Subtenant]	Shangri-La Hotels Japan	-	MORI TRUST HOTELS & RESORTS CO., LTD.	MORI TRUST HOTELS & RESORTS CO., LTD.	-
Rent type	Variable (monthly) With minimum annual guaranteed rent	Rent varies each fiscal period (The monthly amount is fixed during a fiscal period.)	Variable (monthly) With minimum annual guaranteed rent	Variable (monthly) With minimum annual guaranteed rent	Fixed
Calculation base for variable rent	Total revenue	Profit	Profit	Profit	-
Lease agreements					
	Rent scheme	<p>(Note) If the total rent for the period from April each year to March next year falls short of the minimum annual guaranteed rent, the difference shall be paid by the end of February next year, together with the rent for March next year.</p>	-	<p>(Note) If the total rent for the period from October each year to September next year falls short of the minimum annual guaranteed rent, the difference shall be paid by the end of February next year, together with the rent for September next year.</p> <p>Minimum annual guaranteed rent shows the figures equivalent to 93.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit.</p>	<p>(Note) If the total rent for the period from October each year to September next year falls short of the minimum annual guaranteed rent, the difference shall be paid by the end of February next year, together with the rent for September next year.</p>

Investors

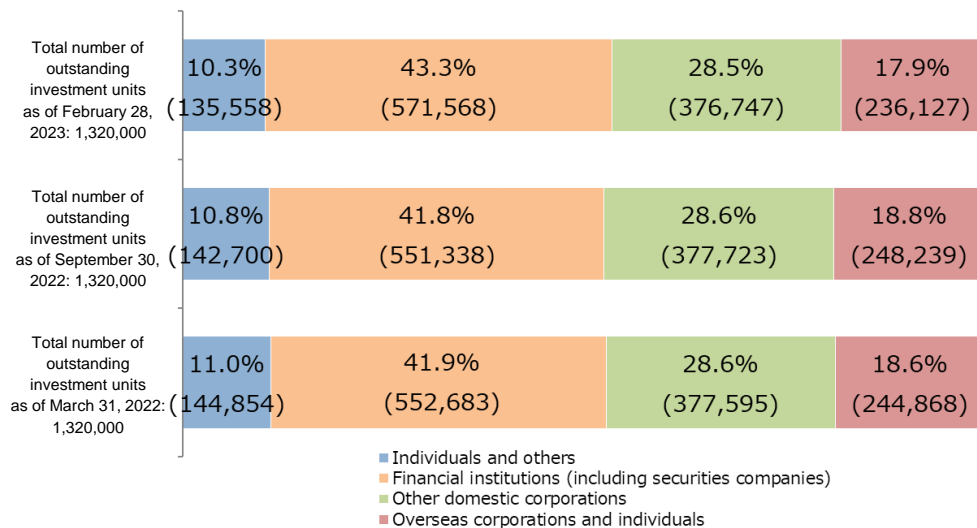
(Status of MORI TRUST Sogo Reit, Inc. as of February 28, 2023)

■ Top 10 Unitholders (Total Number of Outstanding Investment Units: 1,320,000)

(As of Feb. 2023)

Unitholders	Number of units held	Ownership ratio
MORI TRUST Holdings, Inc.	350,070	26.5%
Custody Bank of Japan, Ltd.(Trust accounts)	271,702	20.6%
The Master Trust Bank of Japan, Ltd. (trust account)	128,238	9.7%
The Nomura Trust and Banking Co., Ltd. (investment trust)	52,214	4.0%
STATE STREET BANK WEST CLIENT - TREATY 505234	16,676	1.3%
SSBTC CLIENT OMNIBUS ACCOUNT	16,662	1.3%
LEGAL + GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	16,234	1.2%
THE HACHIJUNI BANK,LTD.	13,085	1.0%
JP MORGAN CHASE BANK 385771	12,232	0.9%
STATE STREET BANK AND TRUST COMPANY FOR DWS RREEF REAL ASSETS FUND	11,650	0.9%
Total of top 10 unitholders	888,763	67.3%

■ Changes in Investment Unitholder Ratio by Owner (End of Each Fiscal Period)



■ Changes in Number of Investment Unitholders by Owner (End of Each Fiscal Period)

■ Total number of investment unitholders



■ Individuals and others



■ Financial institutions (incl. securities companies)



■ Other domestic corporations



■ Overseas corporations and individuals



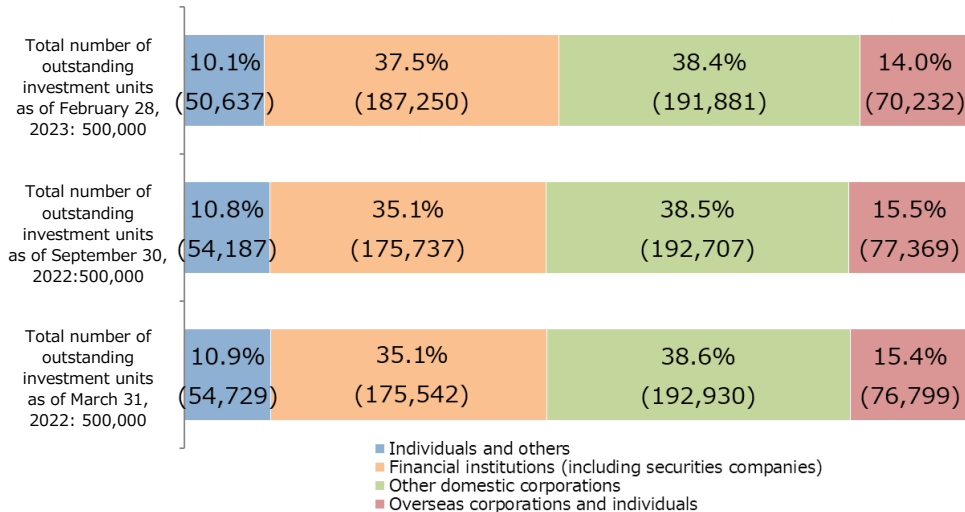
Investors

(Status of MORI TRUST Hotel Reit, Inc. as of February 28, 2023)

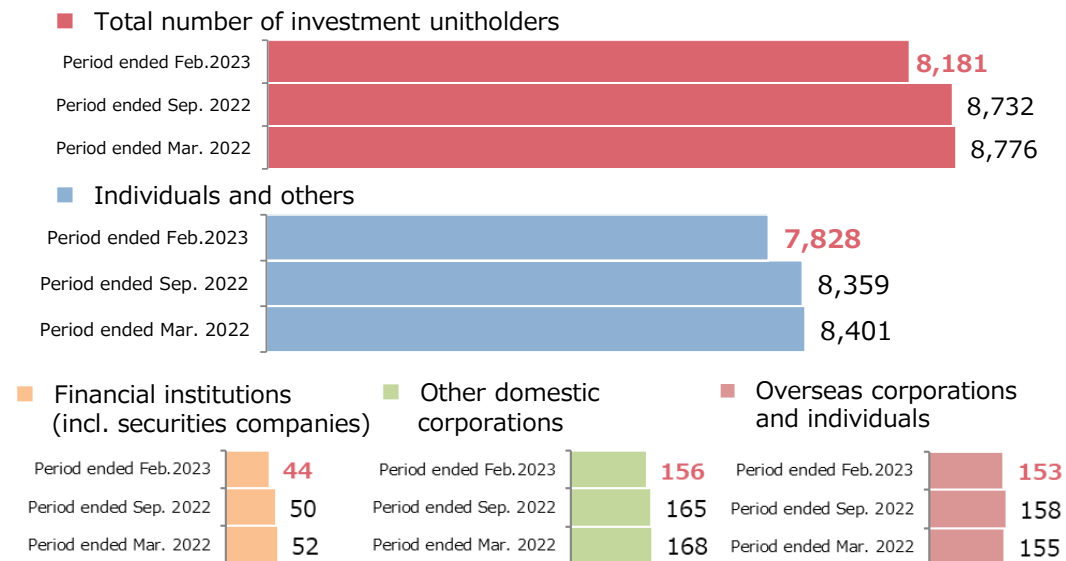
■ Top 10 Unitholders (Total Number of Outstanding Investment Units: 500,000) (As of Feb. 2023)

Unitholders	Number of units held	Ownership ratio
MORI TRUST Holdings, Inc.	184,000	36.8%
Custody Bank of Japan, Ltd.(Trust accounts)	97,927	19.6%
The Master Trust Bank of Japan, Ltd. (trust account)	55,960	11.2%
Citigroup Global Markets Japan Inc.	9,725	1.9%
SSBTC CLIENT OMNIBUS ACCOUNT	5,194	1.0%
The Nomura Trust and Banking Co., Ltd. (investment trust)	5,032	1.0%
STATE STREET BANK AND TRUST COMPANY 505011	4,517	0.9%
THE BANK OF NEW YORK MELLON 140044	4,409	0.9%
STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A/C UK LONDON BRANCH CLIENTS - NETHERLAND RESIDENT - (PENSION FUNDS)	4,079	0.8%
J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS-SETT ACCT	2,683	0.5%
Total of top 10 unitholders	373,526	74.7%

■ Changes in Investment Unitholder Ratio by Owner (End of Each Fiscal Period)

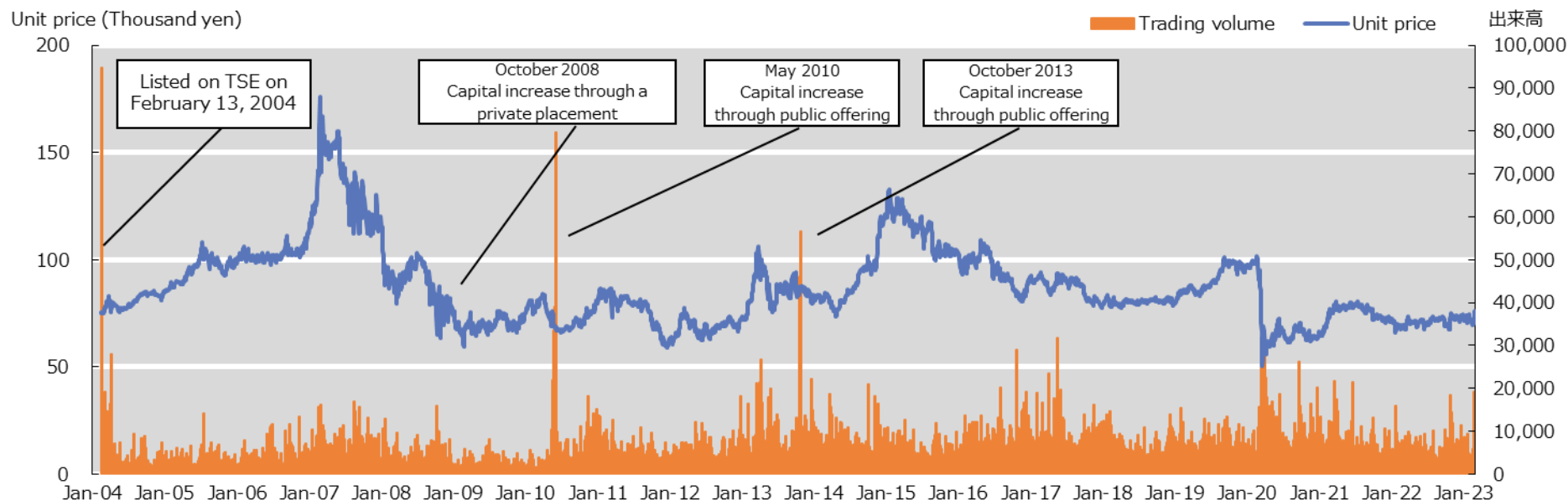


■ Changes in Number of Investment Unitholders by Owner (End of Each Fiscal Period)



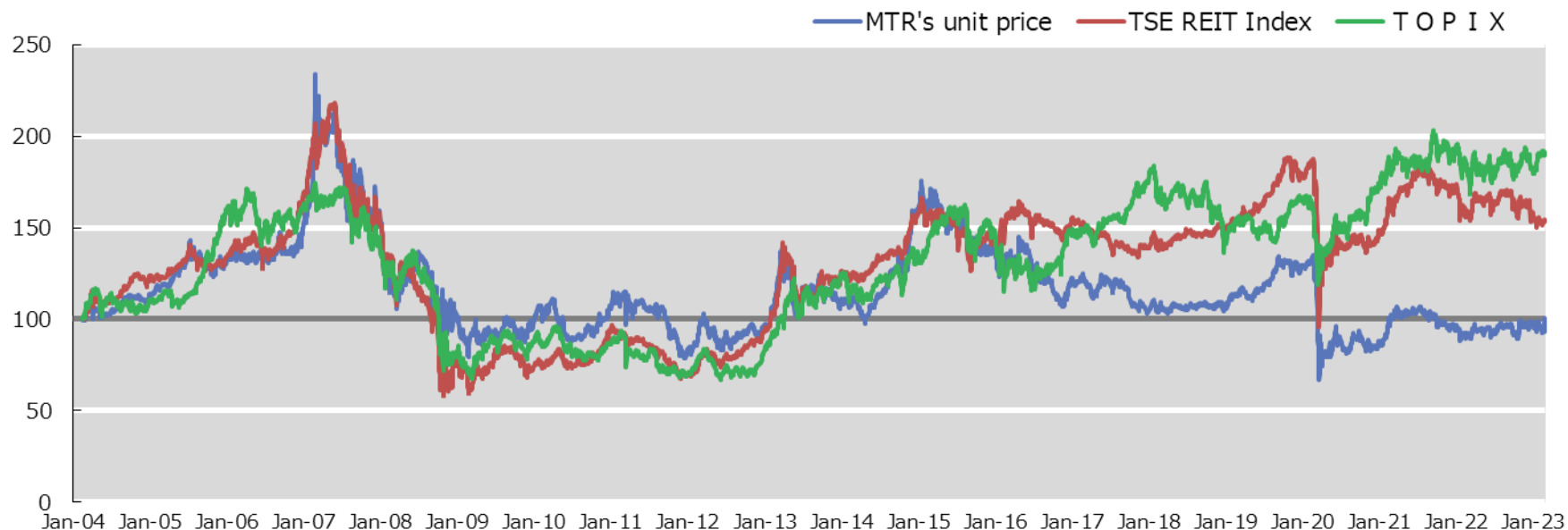
Changes in Unit Prices

■ Closing Unit Price and Trading Volume (February 13, 2004 to February 28, 2023)



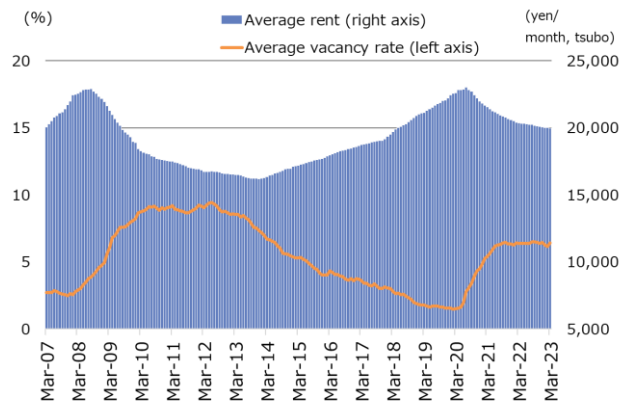
*Unit price and trading volume take into account the split of investment units (at the ratio of 1 to 5 units) on April 1, 2014, and on March 1, 2023, and figures prior to March 1, 2023 are revised accordingly.

■ Comparative Performance of Closing Unit Price (February 13, 2004 to February 28, 2023)



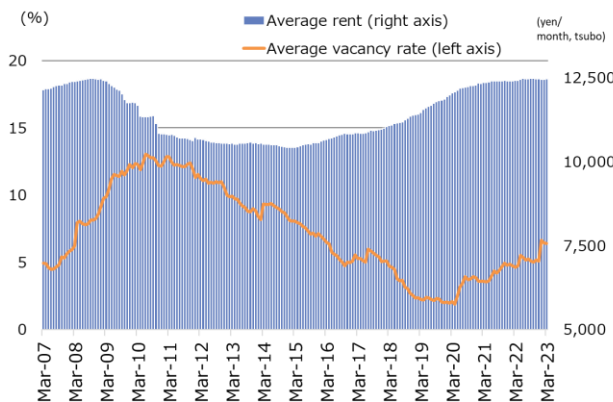
Changes in Vacancy Rate and Rent per Unit in Major Cities

Tokyo Business Districts



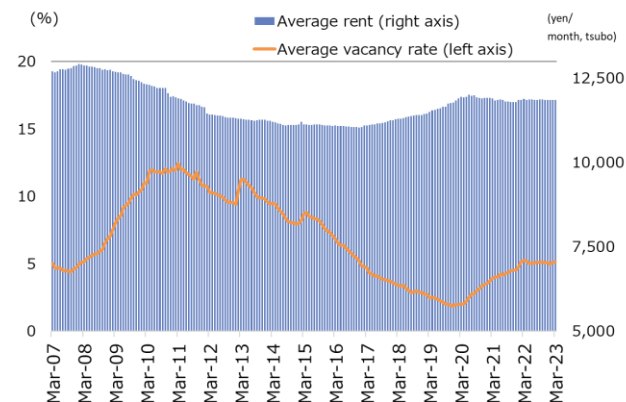
Tokyo business districts : Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, and Shibuya-ku

Yokohama Business Districts



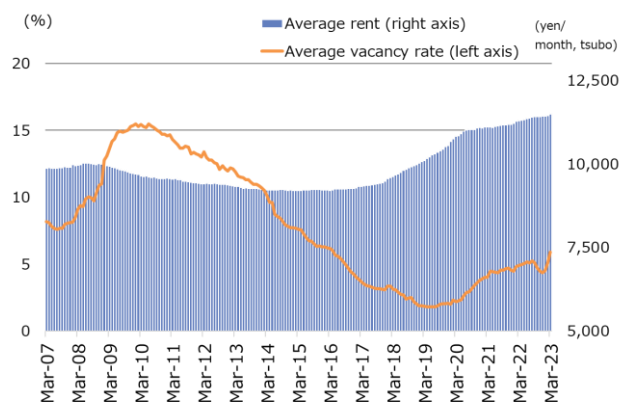
Yokohama business districts : Kannai, Yokohama Station, Shin-Yokohama, and Minato Mirai 21

Osaka Business Districts



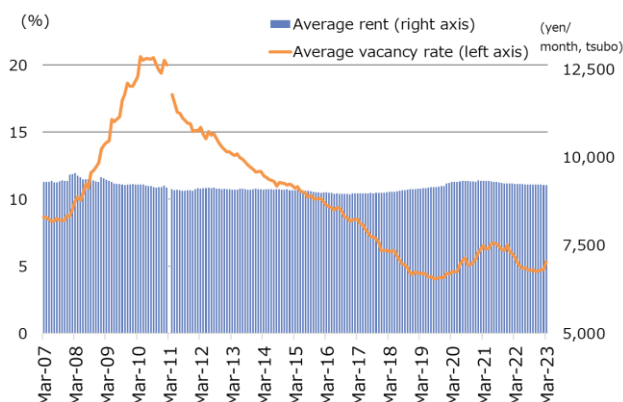
Osaka business districts : Umeda, Minami-Morimachi, Yodoyabashi and Honmachi, Senba, Shinsaibashi and Namba, and Shin-Osaka

Fukuoka Business Districts



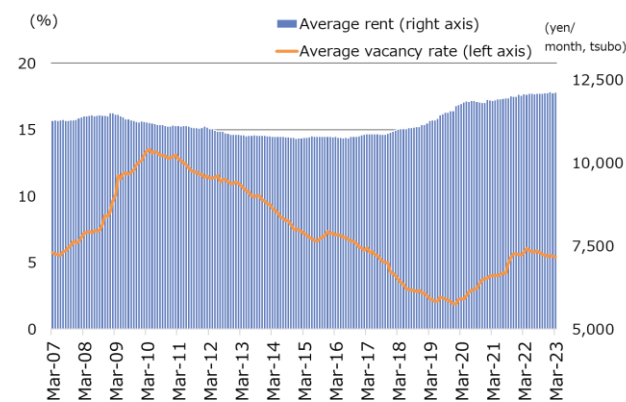
Fukuoka business districts : Akasaka Daimyo, Tenjin, Yakuin and Watanabe Dori, Gion and Gofukumachi, Hakata Station front, Hakata Station East and South

Sendai Business Districts



Sendai business districts : Station front area, area around Ichibancho, area around prefectural government and city hall, area east of the station, and neighboring office

Nagoya Business Districts

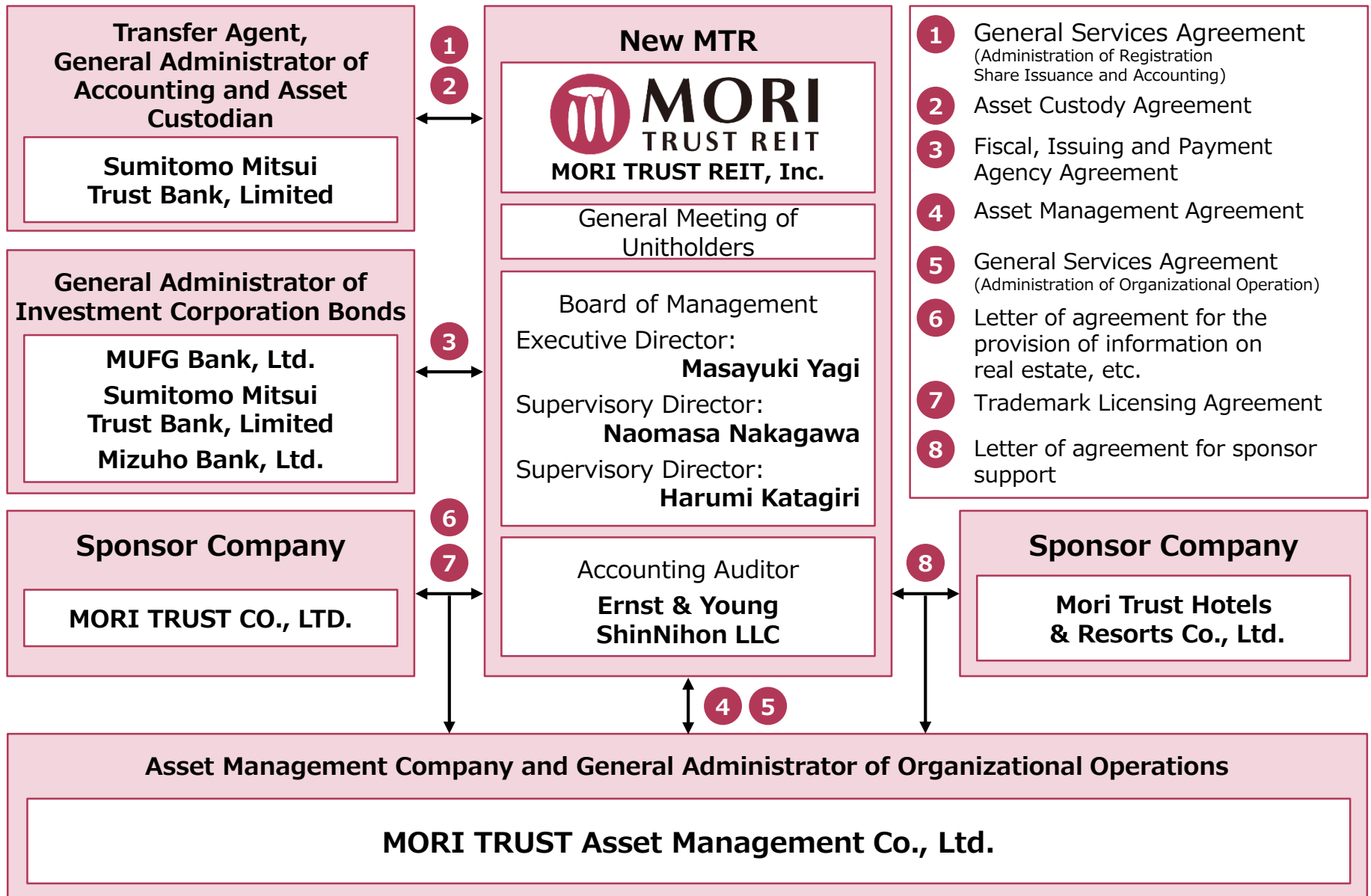


Nagoya business districts : Meieki, Fushimi, Sakae, and Marunouchi

Asset Management Company Remuneration Methods (After March 1, 2023)

	Agreement	Calculation rate for remuneration	Calculation method
Remuneration Method 1	For each operation period, the average amount of the total appraisal value of assets at the end of the settlement period under review and the total appraisal value of assets at the end of the previous settlement period shall be multiplied by up to 0.2%, being the percentage determined by the Board of Management meeting, multiplied by one half.	0.15% (Note 1)	$(\text{Total appraisal value of assets at relevant fiscal period-end} + \text{Total appraisal value of assets at prior fiscal period-end}) \div 2 \times 0.15\% \times 1/2$
Remuneration Method 2	The amount shall be derived by multiplying the result of dividing profit before deducting Management fee 2 in each business period by the total number of investment units outstanding in each Accounting Period (rounded off to the nearest yen) by the rate of up to 0.0012% determined by the Board of Directors. Profit before Management fee 2 is the amount derived by adding amortization of goodwill to and subtracting gains on negative goodwill incurred from profit before income taxes calculated pursuant to corporate accounting standards generally deemed fair and appropriate in Japan (before subtracting Management fee 2 and non-deductible consumption tax and other dues applicable to Management fee 2), after adding the total amount of any loss carried forward.	0.0006% (Note 2)	Profit per unit x Profit x 0.0006%
Remuneration Method 3	In the event MTR acquires specified assets stipulated in the agreement, the rate of remuneration shall be a set percentage of the acquisition price of each property (excluding consumption tax, local consumption tax and transaction-related expenses), as listed below. - For acquisitions up to ¥15 billion, remuneration is 0.4% of the amount - For acquisitions from ¥15 billion to ¥30 billion, remuneration is 0.1% of the amount - For acquisitions above ¥30 billion, remuneration is 0.05% of the amount	Refer to left column	Total amount of the acquisition price percentage listed in the left column
Remuneration Method 4	In the event MTR transfers specified assets stipulated in its agreement, the rate of remuneration shall be 0.05% of the transfer amount of each asset transferred (excluding consumption tax, local consumption tax and transaction-related expenses).	Refer to left column	Transfer amount x 0.05%

Organization chart of New MTR



Notes (1)

Figures are rounded down to the nearest unit unless otherwise specified in this information package. However, percentages (%) are rounded off.

Property names are sometimes indicated using the following abbreviations.

- Tokyo Shiodome Building : Shiodome
- Kamiyacho Trust Tower : Kamiyacho
- Sendai MT Building : Sendai
- Shin-Yokohama TECH Building : Shin-Yokohama
- Shangri-La Tokyo : Shangri-La or SL
- Hilton Odawara Resort & Spa : Hilton Odawara or HO
- Courtyard by Marriott Tokyo Station : Courtyard Tokyo or CYT
- Courtyard by Marriott Shin-Osaka Station : Courtyard Shin-Osaka or CYO
- Hotel Sunroute Plaza Shinjuku : Sunroute
- Shinbashi Ekimae MTR Building : Shinbashi

P.7

- (1) Asset size is the total acquisition price.
- (2) For the properties that adopt the master lease contract with the system of linking rental revenue with rents under the sublease contract or the master lease contract of the pass-through type, the occupancy rate calculated based on the occupancy rate under the sublease contract is stated.
- (3) Unrealized profit is the difference between total appraisal value at the end of the fiscal period and total book value at the end of the fiscal period.
- (4) NAV per unit: $(\text{Year-end net asset value} + \text{Unrealized profit and loss} - \text{Total distribution}) \div \text{Number of investment units issued}$

p.12

- (1) Base month (period) for rent represents the month (period) used as the base for calculating rent. Indicators for respective hotels (Occupancy rate, ADR and RevPAR) show the relevant values of respective hotels for each base month for rent.
The indicators of SL and HO are not disclosed, however, as no consent to disclosure has been obtained from the end tenant. The base month for rent is the month four months prior to the rent recording month for SL, and the month three months prior to the rent recording month for CYT and CYO, respectively. For HO, the base period for calculation of rent, which for the 12th FP corresponds to the period from July 2020 to June 2021, and which for the 14th FP corresponds to the period from July 2021 to June 2022, is used.
- (2) Rent recording month represents the month for which MORI TRUST Hotel Reit records rent revenues. Rent indicates the rent for each rent recording month. Rent shows the actual value for each property, rounded down to the nearest million yen.
As a result of the partial transfer of CYT conducted on August 31, 2021, the rent and the difference from the minimum guaranteed rent of CYT recorded on or after September 1, 2021 are the amount equivalent to 94.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit.
As a result of the partial transfer of CYT conducted on August 31, 2022, the rent and the difference from the minimum guaranteed rent of CYT recorded on or after September 1, 2022 are the amount equivalent to 93.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit.
- (3) Average daily rate (ADR) represents the average unit price of guestrooms, including service charges. RevPAR (revenue per available room) represents the accommodation revenue per room for the total number of guestrooms available for sale, including service charges.
- (4) At CYT, since the difference (shortfall) of 286 million yen between the total amount of rent for the period from October 2020 to September 2021 and the minimum annual guaranteed rent, 262 million yen was added to rent for the 11th FP and also 23 million yen (out of this amount, the amount equivalent to 94.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit is 22 million yen.) was added to rent for the 12th FP separately. Also, since there is the difference (shortfall) of 274 million yen between the total amount of rent for the period from October 2021 to September 2022 and the minimum annual guaranteed rent, 251 million yen (out of this amount, the amount equivalent to 94.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit is 237 million yen.) was added to the rent for the 13th fiscal period and also 22 million yen (out of this amount, the amount equivalent to 93.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit is 21 million yen.) will be added to the rent for the 14th fiscal period separately.
- (5) At CYO, since there is the difference (shortfall) of 420 million yen between the total amount of rent for the period from October 2020 to September 2021 and the minimum annual guaranteed rent, 385 million yen was added to rent for the 11th FP and also 35 million yen was added to rent for the 12th FP separately. Also, since there is the difference (shortfall) of 412 million yen between the total amount of rent for the period from October 2021 to September 2022 and the minimum annual guaranteed rent, 378 million yen was added to the rent for the 13th fiscal period and also 34 million yen will be added to the rent for the 14th fiscal period separately.
- (6) For CYT and CYO, the calculation method for ADR, which is calculated based on the average throughout the period for each settlement period, was changed from the 14th fiscal period onward.

Notes (2)

P.13

- (1) Base month (period) for rent represents the month (period) used as the base for calculating rent. Indicators for respective hotels (Occupancy rate, ADR and RevPAR) show the relevant values of respective hotels for each base month for rent.
The indicators of SL and HO are not disclosed, however, as no consent to disclosure has been obtained from the end tenant. The base month for rent is the month four months prior to the rent recording month for SL, and the month three months prior to the rent recording month for CYT and CYO, respectively. For HO, the base period for calculation of rent, which for the 13th FP corresponds to the period from January 2021 to December 2021, and which for the 14th FP corresponds to the period from July 2021 to June 2022, is used.
- (2) Rent recording month represents the month for which MORI TRUST Hotel Reit records rent revenues. Rent indicates the rent for each rent recording month. Rent shows the actual value for each property, rounded down to the nearest million yen.
As a result of the partial transfer of CYT conducted on August 31, 2021, the rent and the difference from the minimum guaranteed rent of CYT recorded on or after September 1, 2021 are the amount equivalent to 94.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit.
As a result of the partial transfer of CYT conducted on August 31, 2022, the rent and the difference from the minimum guaranteed rent of CYT recorded on or after September 1, 2022 are the amount equivalent to 93.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit.
- (3) Average daily rate (ADR) represents the average unit price of guestrooms, including service charges. RevPAR (revenue per available room) represents the accommodation revenue per room for the total number of guestrooms available for sale, including service charges.
- (4) At CYT, since the difference (shortfall) of 286 million yen between the total amount of rent for the period from October 2020 to September 2021 and the minimum annual guaranteed rent, 262 million yen was added to rent for the 11th FP and also 23 million yen (out of this amount, the amount equivalent to 94.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit is 22 million yen.) was added to rent for the 12th FP separately. Also, since there is the difference (shortfall) of 274 million yen between the total amount of rent for the period from October 2021 to September 2022 and the minimum annual guaranteed rent, 251 million yen (out of this amount, the amount equivalent to 94.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit is 237 million yen.) was added to the rent for the 13th fiscal period and also 22 million yen (out of this amount, the amount equivalent to 93.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit is 21 million yen.) will be added to the rent for the 14th fiscal period separately.
- (5) At CYO, since there is the difference (shortfall) of 420 million yen between the total amount of rent for the period from October 2020 to September 2021 and the minimum annual guaranteed rent, 385 million yen was added to rent for the 11th FP and also 35 million yen was added to rent for the 12th FP separately. Also, since there is the difference (shortfall) of 412 million yen between the total amount of rent for the period from October 2021 to September 2022 and the minimum annual guaranteed rent, 378 million yen was added to the rent for the 13th fiscal period and also 34 million yen will be added to the rent for the 14th fiscal period separately.
- (6) For CYT and CYO, the calculation method for ADR, which is calculated based on the average throughout the period for each settlement period, was changed from the 14th fiscal period onward.

P.15

- (1) The occupancy rate for each asset, such as real estate, is the percentage of the total rented area out of the total rentable area.
- (2) A master lease agreement, under which rent income is linked to rents under sublease agreements, has been used for the office and store sections, and a master lease agreement specifying a fixed rent has been used for the hotel section of Tokyo Shiodome Building. Therefore, the numbers in parentheses of the occupancy rates of the properties, represent occupancy rates based on sublease agreements for the office and store section and occupancy rates based on the master lease agreement for the hotel section.

P.21

- (1) Asset size of each year refers to that as of the end of the fiscal period ended in March for MTR and that as of the end of the fiscal period ended in February for MTH.
- (2) Before the Merger refers to the time as of the end of the fiscal period ended in February 2023 for MTR and MTH.

P.22

- (1) A master lease agreement, under which rent income is linked to the rents for joint management units, is used for Kamiyacho Trust Tower, and the occupancy rate of the property is the occupancy rate of the entire joint management units as of February 28, 2023.
- (2) Please see the release of MTR, "Notice of Acquisition and Lease of Asset (Kamiyacho Trust Tower)" dated November 22, 2022 for details of the asset to be acquired. Number of floors is based on the designation for this property and is not the same as the number of floors recorded in the real estate registry.

P.23

- (1) The picture of Tokyo World Gate Akasaka is a conceptual drawing at the time completion, and may be different from the actual result.

Notes (3)

P.24

- (1) Earnings of 4 properties with variable rents refer to the rent received by MTH (linked to sales) which is based on the rent calculation base month in the case of Shangri-La, the total sales for the hotel as a whole in the case of Hilton Odawara, and RevPAR which is based on the rent calculation base month in the case of Courtyard Tokyo and Courtyard Shin-Osaka. The change rate (%) for each month described is the change in each hotel's operational results versus the same month in 2019. RevPAR (Revenue Per Available Room) is the accommodation revenue per room for the total number of guestrooms available, including service charges.
- (2) "4 properties with variable rents" are Shangri-La, Hilton Odawara, the Courtyard Tokyo and Courtyard Shin-Osaka, all of which have variable rents.

P.25

- (1) "4 properties with variable rents" are Shangri-La, Hilton Odawara, the Courtyard Tokyo and Courtyard Shin-Osaka, all of which have variable rents.
- (2) In the "Scope for Rent Increases at Four Hotel Properties with Variable Rent" chart, the performance for the fiscal period ended February 2020 for the four hotel properties with variable rent indicates the total obtained by adding the actual rent for the three hotel properties with variable rent other than the Hilton Odawara for the fiscal period ended February 2020 and the assumed rent if the Hilton Odawara, which was acquired on September 2, 2019, had been owned from the beginning of the fiscal period ended February 2020 (September 1, 2019) (hereinafter referred to as the "Hilton Odawara assumed rent for the fiscal period ended February 2020"). The performance for the fiscal period ended August 2019 indicates the total obtained by adding the actual rent for the three hotel properties with variable rent other than the Hilton Odawara for the fiscal period ended August 2019 and the Hilton Odawara assumed rent for the fiscal period ended February 2020.

P.28

- (1) LTV of New MTR as of March 1, 2023 is calculated by dividing a sum of the total interest-bearing debts of MTR and MTH as of March 1, 2023 above by the total assets of New MTR as of March 1, 2023. Total assets of New MTR are a sum of the total asset of MTR as of the end of February 2023 and the total asset of MTH (the total appraisal value as of the end of February 2023 for the assets owned by MTH).

P.36

- (1) International brand hotels refer to Shangri-La Tokyo, Hilton Odawara Resort & Spa, Courtyard by Marriott Tokyo Station and Courtyard by Marriott Shin-Osaka Station. Conrad Tokyo housed in the Tokyo Shiodome Building is not included in international brand hotels as the category of multi-use properties is determined based on their main use.

P.37

- (1) The graph shows comparison with the ratios of same-boat investment announced by the other investment corporations as of October 31, 2022.

P.53

- (1) Asset size is stated for the acquisition price of the assets owned by MTR and for the appraisal value of the assets owned by MTH as of the end of February 2023.
- (2) Appraisal value are stated for those of the assets owned by MTR and MTH as of the end of February 2023. The appraisal value for the additionally acquired interest in Kamiyacho Trust Tower on March 1 is the appraisal value at the end of October 2022.
- (3) The acquisition price and leasable area of Kamiyacho Trust Tower reflect the additional acquisition on March 1, 2023.
- (4) The acquisition price for Hilton Odawara Resort & Spa is the figure equivalent to 50% quasi-co-ownership interest in the trust beneficiary interest owned by MTH.
- (5) The completion of construction for, of each building of Hilton Odawara Resort & Spa, the main buildings for business use (the main facility, bade facility and sports facility) is stated. The completion of construction for the chapel, the other main building for business use, is October 2004.
- (6) For the leasable area of Hilton Odawara Resort & Spa, the area obtained by multiplying the leasable area of the subject to the trust beneficiary interest, 50,605.67 m², by 50%, the quasi-co-ownership interest in the said trust beneficiary interest owned by MTH, is stated. The value is rounded to the nearest second decimal place.
- (7) The acquisition price for Courtyard by Marriott Tokyo Station is the figure equivalent to 93.5% quasi-co-ownership interest in trust beneficiary interest owned by MTH.
- (8) For the leasable area of Courtyard by Marriott Tokyo Station, the area obtained by multiplying the leasable area of the subject to the trust beneficiary interest, 5,620.38 m², by 93.5%, the quasi-co-ownership interest in the said trust beneficiary interest owned by MTH, is stated. The value is rounded to the nearest second decimal place.
- (9) For the leasable area of Courtyard by Marriott Shin-Osaka Station, the area obtained by multiplying the leased area of the entire building, 18,758.75 m², by 74%, the interest of MTH, is stated according to "74% of 18,758.75 m²," the leased area specified in the lease agreement. The value is rounded to the nearest two decimal places.
- (10) The real estate in trust associated with Frespo Inage is only land, and the building is not included.

Notes (4)

P.54

- (1) Sendai MT Building was acquired on February 28, 2023 (90,845/300,000 co-ownership interest). Furthermore, we plan to additionally acquire 90,845/300,000 co-ownership interest on August 31, 2023, and February 29, 2024, respectively. For the details of acquisition of Sendai MT Building, please see the release of MTR, "Notice of Sale of Asset (Shinbashi Ekimae MTR Building) and Acquisition and Lease of Asset (Sendai MT Building)" dated July 28, 2022.
- (2) For Frespo Inage, the direct reduction method is not adopted, and the terminal cap rate have not been established.
- (3) Since one-third of the co-ownership interest in Shinbashi Ekimae MTR Building was sold on February 28, 2023, the co-ownership interest owned by MTR is two-thirds. The decrease in the book value and appraisal value at the end of the fiscal period compared with the previous fiscal period is due to the difference that occurred as a result of selling the co-ownership interest.
- (4) Richi Appraisal: Richi Appraisal Institute, Japan Real Estate: Japan Real Estate Institute, Daiwa Real Estate: Daiwa Real Estate Appraisal Co., Ltd., Chuo-Nittochi: Chuo-Nittochi Solutions Co., Ltd.

P.55

- (1) The appraisal value, book value, and acquisition price for Hilton Odawara Resort & Spa are the amount equivalent to 50% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit.
- (2) The appraisal value at end of period and acquisition price for Courtyard by Marriott Tokyo Station are the amount equivalent to 93.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit.
- (3) Richi Appraisal: Richi Appraisal Institute, Japan Real Estate: Japan Real Estate Institute

P.56

- (1) The occupancy rate for each asset, such as real estate, is the percentage of the total rented area out of the total rentable area. The total occupancy rate is based on assets, such as real estate, held by MTR as of the end of each fiscal period. If the result of rounding is 100.0%, however, the rate is indicated as 99.9% by rounding down the second decimal place to the nearest first decimal place.
- (2) A master lease agreement, under which rent income is linked to rents under sublease agreements, has been used for the office and store sections, and a master lease agreement specifying a fixed rent has been used for the hotel section of Tokyo Shiodome Building. Therefore, the numbers in parentheses of the occupancy rates of the properties, represent occupancy rates based on sublease agreements for the office and store section and occupancy rates based on the master lease agreement for the hotel section.
- (3) A master lease agreement, under which rent income is linked to the rents for joint management units, is used for Kamiyacho Trust Tower, and the number in parentheses of the occupancy rate of the property is the occupancy rate of the entire joint management units.
- (4) Regarding the office portion of the Kioicho Building, MTR leases the building portion of the Kioicho Building from a fiduciary trust company under a master lease agreement and subleases it to tenants. For the residential section, MTR enters into a pass-through master lease agreement. The occupancy rates stated above are those under the sublease agreement for the office portion and the master lease agreement for the residential portion. The figure in brackets for the occupancy rate of the building is the occupancy rate based on the sublease agreements of the office and residential portions of the building.
- (5) A master lease agreement under which rent income is linked to rents under a sublease agreement has been concluded for Sendai MT Building, and the figure in brackets for the occupancy rate of the building is the occupancy rate based on the sublease agreement.
- (6) A master lease agreement under which rent income is linked to rents under a sublease agreement has been concluded for Osaki MT Building, and the figure in brackets for the occupancy rate of the building is the occupancy rate based on the sublease agreement.
- (7) The agreement used for the Midosuji MTR Building is the master lease pass-through model, and the occupancy rate in brackets for the building is that based on the sublease agreement.
- (8) MTR leases the land and building of Hiroo MTR Building, Tenjin Prime and SHIBUYA FLAG from a fiduciary trust company under a master lease agreement and subleases it to tenants. The occupancy rates of the above properties are for those under the sublease agreements.
- (9) The numbers in parentheses of subtotal and total occupancy rates represent occupancy rates based on sublease agreements for Kioicho Building, Osaki MT Building, and Midosuji MTR Building and the occupancy rate calculated based on the occupancy rate of the entire joint management units for Kamiyacho Trust Tower. The occupancy rate of Tokyo Shiodome Building, was calculated according to (2).

Notes (5)

P.57~60

- (1) The Tokyo Shiodome Building is a co-owned building and the floor area of 71,806.84m² is calculated by multiplying MTR's co-owned interest (ratio of 375,178/1,000,000) with the total floor space.
- (2) The building of Kamiyacho Trust Tower is sectionally owned and the building area indicated is the total floor area of one building. The floor area for exclusive use owned by the trust fiduciary having MTR as the only trust beneficiary is 7,595.44 m².
- (3) MTR has acquired sectional ownership of the Kioicho Building. The total floor space stated is the total floor space for the portion of one building that represents the sectional ownership. The exclusive portion of the floor space owned by a fiduciary of the trust in which MTR is the sole beneficiary is 24,598.85 m².
- (4) The Sendai MT Building is a co-owned building, and the floor area of 13,003.41m² is calculated by multiplying MTR's co-owned interest (ratio of 90,845/300,000) with the total floor space.
- (5) The Osaki MT Building is a co-owned building, and the floor area of 24,495.21m² is calculated by multiplying MTR's co-owned interest (ratio of 907,880/1,000,000) with the total floor space.
- (6) Probable Maximum Loss (PML) refers to the expected maximum loss ratio caused by an earthquake based on a loss confidence value of 90%. The expected maximum-level earthquake refers to an earthquake that occurs once every 50 years with a 10% excess-probability. This means that an earthquake of this magnitude statistically occurs once every 475 years.
- (7) The rental revenues and property-related expenses of ON Building ,SHIBUYA FLAG and Kohnan Sagamihara-Nishihashimoto are not disclosed because tenants' consent to disclosure has not been obtained.
- (8) NOI earnings yield is calculated by converting NOI in the fiscal period ended September 2022 to an annual basis.
- (9) The floor area of Frespo Inage is the area of the real estate trust associated with the real estate trust's beneficiary rights.
- (10) This is a co-owned building, and the area that is obtained by multiplying the above area by MTR's co-owned interest (2/3) is 5,213.63 m².
- (11) Portfolio PML is calculated by assuming an earthquake with an epicenter close to Tokyo's Minato Ward out of multiple earthquake scenarios.
- (12) This building is a unit ownership building, but the area of the entire building of MARUNOUCHI TRUST TOWER MAIN and MARUNOUCHI TRUST TOWER NORTH is stated. The floor area of the exclusive element owned by the trustee with MORI TRUST Hotel Reit as the sole beneficiary is 22,300.31 m² (area written in the registration book).
- (13) The grand total of total floor area for the entire buildings of the Hilton Odawara Resort & Spa is stated. The quasi-co-ownership interest in the Hilton Odawara Resort & Spa owned by MORI TRUST Hotel Reit is 50%.
- (14) This building is a unit ownership building, and the total floor area of the entire building of KYOBASHI TRUST TOWER is stated. The floor area of the exclusive element owned by the trustee with MORI TRUST Hotel Reit is 5,502.63 m² (area written in the registration book). The quasi-co-ownership interest in the Courtyard by Marriott Tokyo Station owned by MORI TRUST Hotel Reit is 93.5%.
- (15) The total floor area of the entire building is stated. The interest in the Courtyard by Marriott Shin-Osaka Station owned by MORI TRUST Hotel Reit is 74%.
- (16) Portfolio PML is calculated by assuming an earthquake with an epicenter close to Tokyo's Minato Ward out of multiple earthquake scenarios.

P.67

- (1) At a Board of Management meeting held on September 29, 2003, it was decided that the calculation rate for remuneration in the rate stated above will be reduced.
- (2) At a Board of Management meeting held on January 26, 2023, it was decided that the calculation rate for remuneration in the rate stated above will be reduced.