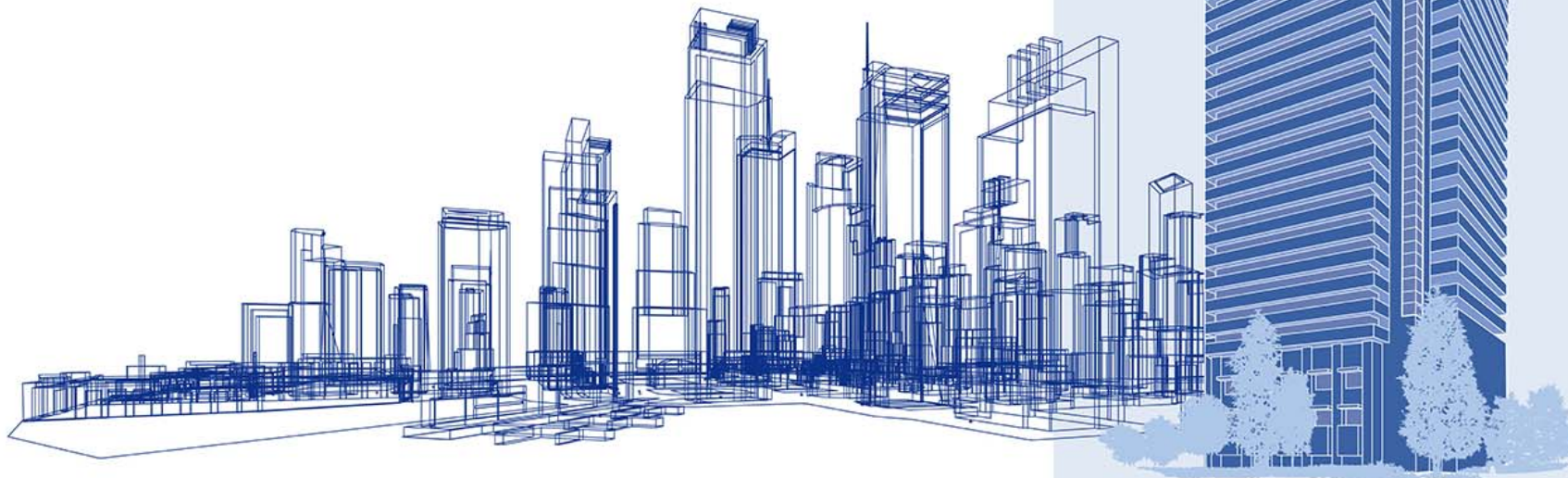




MORI TRUST Sogo Reit, Inc.

Fiscal Period Ended September 2020 (37th Fiscal Period)

Information Package



(Securities Code: 8961)

<https://www.mt-reit.jp/en/>

(Asset Management Company)

MORI TRUST Asset Management Co., LTD.

MEMO

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Disclaimer:

This document is intended to provide information about the business performance and strategies of MORI TRUST Sogo Reit, Inc. (MTR). It is not intended and should not be construed as an inducement or invitation to purchase or invest in the products or investment units of MTR. We caution readers to contact their securities company representative if intending to acquire or sell any of MTR's investment products or investment units, and to undertake investment decisions subject to individual determination. Statements in this document that are not historical facts are "forward-looking statements." While MTR takes all reasonable care in the preparation of this document, it does not guarantee the accuracy and completeness of its content. Readers are also cautioned that the contents of this document may be changed or deleted without prior notice.

1. Overview of the Settlement and Forecasts

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Fiscal Period Ended September 2020 Settlement Highlights

1. Overview of the Settlement and Forecasts

Distribution Per Unit

¥3,832

(up ¥47 vs. the fiscal period ended March 2020, up ¥46 vs. forecast)

As of September 30, 2020 (change from the previous fiscal period in parentheses)

Asset

Number of property: **15 properties** (–)Asset size: **¥324.0 billion** (–) (Note 1)Occupancy rate: **99.9%** (up 0.1%)* Sublease basis **99.9%** (up 0.1%) (Note 2)Appraisal values of portfolio properties at the fiscal period end: **¥342.4 billion** (down ¥21.3 billion)Unrealized profit: **¥36.2 billion** (down ¥20.2 billion) (Note 3)Investment ratio: [by area] Tokyo metropolitan area **80.2%** (–)
[by use] Office building **71.2%** (–)

Debt

Balance of interest-bearing debt: **¥155.0 billion** (–)Average interest rate for borrowings during fiscal period: **0.48%** (down 0.03%)LTV: **47.1%** (up 0.1%)Long-term rating of issuers: **AA (stable)**
/ Japan Credit Rating Agency, Ltd.

Equity

Number of units issued: **1,320,000 units** (–)NAV per unit: **¥148,741** (down 9.3%)
(Note 4)Investment unit price: **¥133,000**
/ closing price on September 30, 2020)

(Note 1) Asset size is the total acquisition price.

(Note 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.

(Note 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.

(Note 4) NAV per unit: (Year-end net asset value + Unrealized profit and loss) + Number of investment units issued

Overview of the Settlement for the Fiscal Period Ended September 2020

1. Overview of the Settlement and Forecasts

Sales and income increased period on period on the back of full-period occupancy of tenants who moved in during the previous period and upward rent revisions.

Income was higher than forecast mainly due to the assumption of vacation of housing tenants and lower-than-forecast interest paid.

(Unit: Million yen)

	Period ended March 2020 actual (A)	Period ended September 2020 forecast (B)	Period ended September 2020 actual (C)	Vs. previous fiscal period (C-A)	Vs. forecast (C-B)
Operating revenues	8,869	8,914	8,882	13	- 32
Rental revenues (a)	8,869	8,914	8,882	13	- 32
Operating expenses	3,471	3,518	3,445	- 25	- 72
Property-related expenses (b)	3,013	3,055	2,991	- 21	- 63
Property and other taxes	946	966	966	19	- 0
Overhead expenses	774	775	716	- 58	- 59
Depreciation (c)	1,292	1,312	1,308	16	- 4
Selling, general and administrative expenses	457	463	453	- 4	- 9
Profits and losses from real estate business (d)=(a)-(b)	5,855	5,859	5,890	35	31
Earnings before depreciation and amortization (NOI) (d)+(c)	7,148	7,172	7,199	51	27
Operating income	5,398	5,396	5,437	39	40
Non-operating revenues	11	1	1	- 10	0
Non-operating expenses	413	398	379	- 33	- 18
Ordinary income	4,996	4,999	5,059	63	59
Profit before income taxes	4,996	4,999	5,059	63	59
Income taxes - current	0	1	0	0	- 0
Income taxes - deferred	0	—	- 0	- 0	- 0
Profit	4,995	4,998	5,058	62	60
Total distribution	4,996	4,997	5,058	62	60
Distribution per unit (yen)	3,785	3,786	3,832	47	46
Total number of outstanding investment units	1,320,000	1,320,000	1,320,000	—	—

Main factors for change

Vs. previous fiscal period

(Unit: Million yen)

Operating revenues

- Increase in revenues due to the occupancy of tenants who moved in the previous fiscal period throughout the fiscal period and upward rent revisions. 38
- Mainly a decrease in utilities revenues due to a fall in use by tenants as a result of the COVID-19 pandemic -15
- Absence of contract cancellation fees received from tenants -7

Operating expenses

- Increase in fixed asset tax (payment adjustment due to previous revaluation) 19
- Increase in property management fees for Kioicho Building due to a decrease in common-area charges refunded 13
- Mainly a decrease in utilities expenses due to a fall in use by tenants as a result of the COVID-19 -6
- Decrease in repair expenses -61
- Increase in depreciation and amortization 16
- Decrease in asset management fees -6

Non-operating revenues

- Decrease in insurance claim income -10

Non-operating expenses

- Decrease in interest paid -26
- Decrease in work covered by insurance -7

Vs. forecast

(Unit: Million yen)

Operating revenues

- Mainly lower-than-forecast vacation of housing tenants 14
- Mainly lower-than-forecast utilities revenues due to a fall in use by tenants as a result of COVID-19 -44

Operating expenses

- Mainly lower-than-forecast utilities expenses due to a fall in use by tenants as a result of COVID-19 -52
- Decrease in asset management fees -7

Non-operating expenses

- Lower-than-forecast interest expenses -20

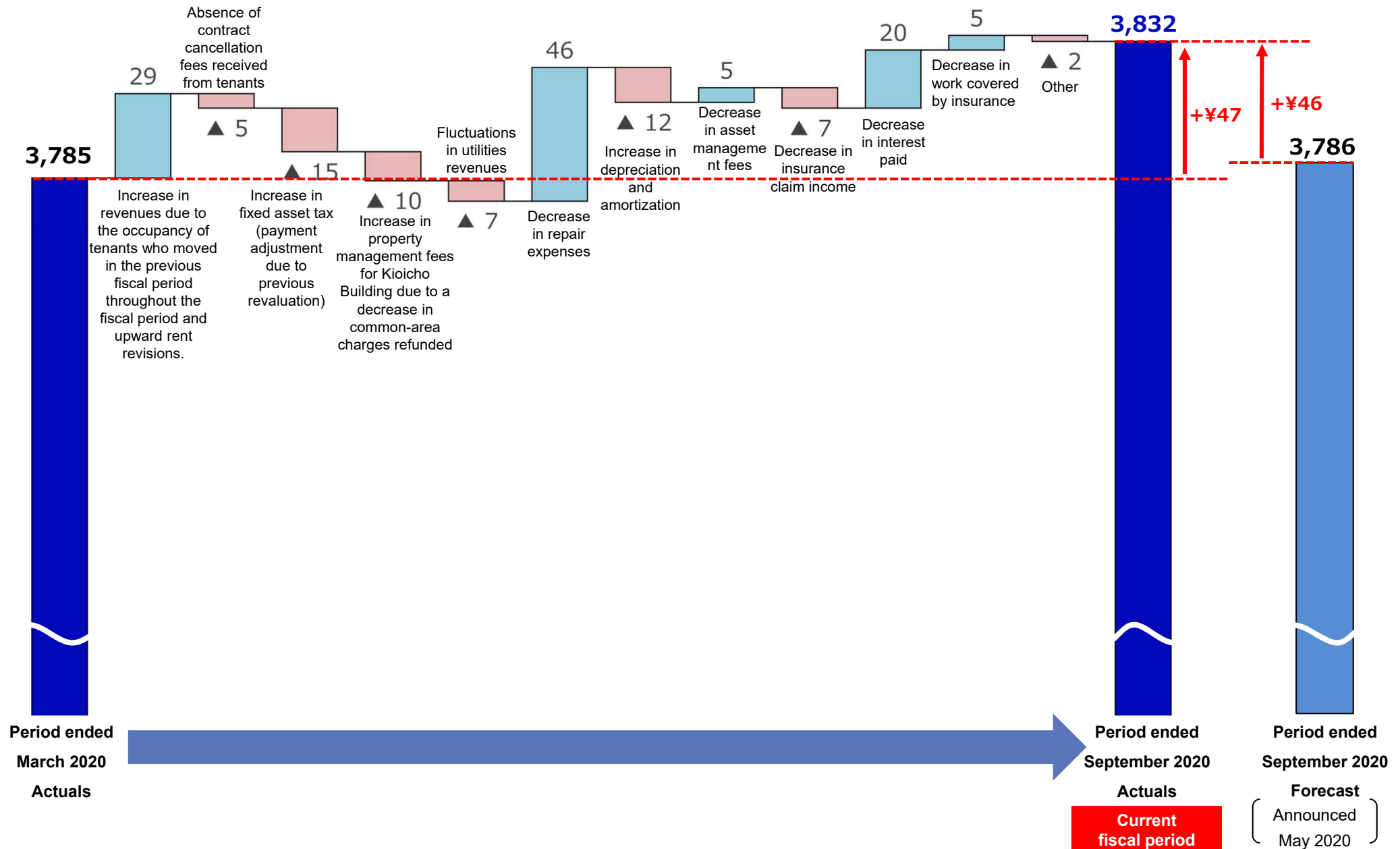
Factors for Change in Distributions per Unit (the fiscal period ended September 2020)

Fiscal Period Ended September 2020 (37th Fiscal Period) Information Package

1. Overview of the Settlement and Forecasts

Distribution per unit was up ¥47 from the previous fiscal period and up ¥46 from the forecast.

(Unit: Yen)





Forecasts for the Fiscal Period Ending March 2021

1. Overview of the Settlement and Forecasts

While forecast for operating income was revised downward due in part to tenant vacation and repair that was moved forward, distribution per unit remained at the level of the previous forecast (3,822 yen) thanks to a downward revision of Interest expenses.

(Unit: Million yen)

	Period ended September 2020 Actuals	Previous forecast for the fiscal period ending March 2021	New forecast for the fiscal period ending March 2021	Vs. previous fiscal period	Change from the previous forecast
	(A)	(B)	(C)	(C-A)	(C-B)
Operating revenues	8,882	8,825	8,801	- 81	- 24
Rental revenues (a)	8,882	8,825	8,801	- 81	- 24
Operating expenses	3,445	3,380	3,392	- 52	12
Property-related expenses (b)	2,991	2,918	2,946	- 45	28
Property and other taxes	966	964	964	- 1	-0
Overhead expenses	716	812	853	136	41
Depreciation (c)	1,308	1,141	1,128	- 179	- 12
Selling, general and administrative expenses	453	461	446	- 7	- 15
Profits and losses from real estate business (d)=(a)-(b)	5,890	5,907	5,854	- 36	- 52
Earnings before depreciation and amortization (NOI) (d)+(c)	7,199	7,048	6,983	- 216	- 65
Operating income	5,437	5,445	5,408	- 28	- 37
Non-operating revenues	1	1	0	- 1	- 1
Non-operating expenses	379	400	362	- 16	- 38
Ordinary income	5,059	5,046	5,045	- 13	-0
Profit before income taxes	5,059	5,046	5,045	- 13	-0
Income taxes - current	0	1	1	0	—
Income taxes - deferred	-0	—	—	0	—
Profit	5,058	5,045	5,044	- 13	-0
Total distribution	5,058	5,045	5,045	- 13	—
Distribution per unit (yen)	3,832	3,822	3,822	-0	—
Total number of outstanding investment units	1,320,000	1,320,000	1,320,000	—	—

Main factors for change

Vs. previous fiscal period

(Unit: Million yen)

Operating revenues

- Decrease in revenues mainly due to tenant vacation -94
- Contract cancellation fees received from tenants 6
- Mainly an increase on the assumption of recovery in use of utilities by tenants, which decreased in the 3

Operating expenses

- Increase in repair expenses 113
- Increase in property management fees (brokerage fees) 25
- Decrease in utilities expenses due to seasonal factors -3
- Decrease in depreciation and amortization (Depreciation/amortization periods of some assets ended.) -179
- Decrease in asset management fees -8

Non-operating expenses

- Decrease in interest paid -15

Vs. previous forecast

(Unit: Million yen)

Operating revenues

- Downward revision of rent income due to tenant vacation -20
- Downward revision of utilities revenues -14
- Contract cancellation fees received from tenants 6

Operating expenses

- Upward revision of repair expenses 30
- Upward revision of property management fees (brokerage fees) 26
- Downward revision of utilities expenses -16
- Downward revision of depreciation and amortization -12
- Downward revision of asset management fees -16

Non-operating expenses

- Downward revision of interest paid -38



Factors for Change in Distributions per Unit (the fiscal period ending March 2021)

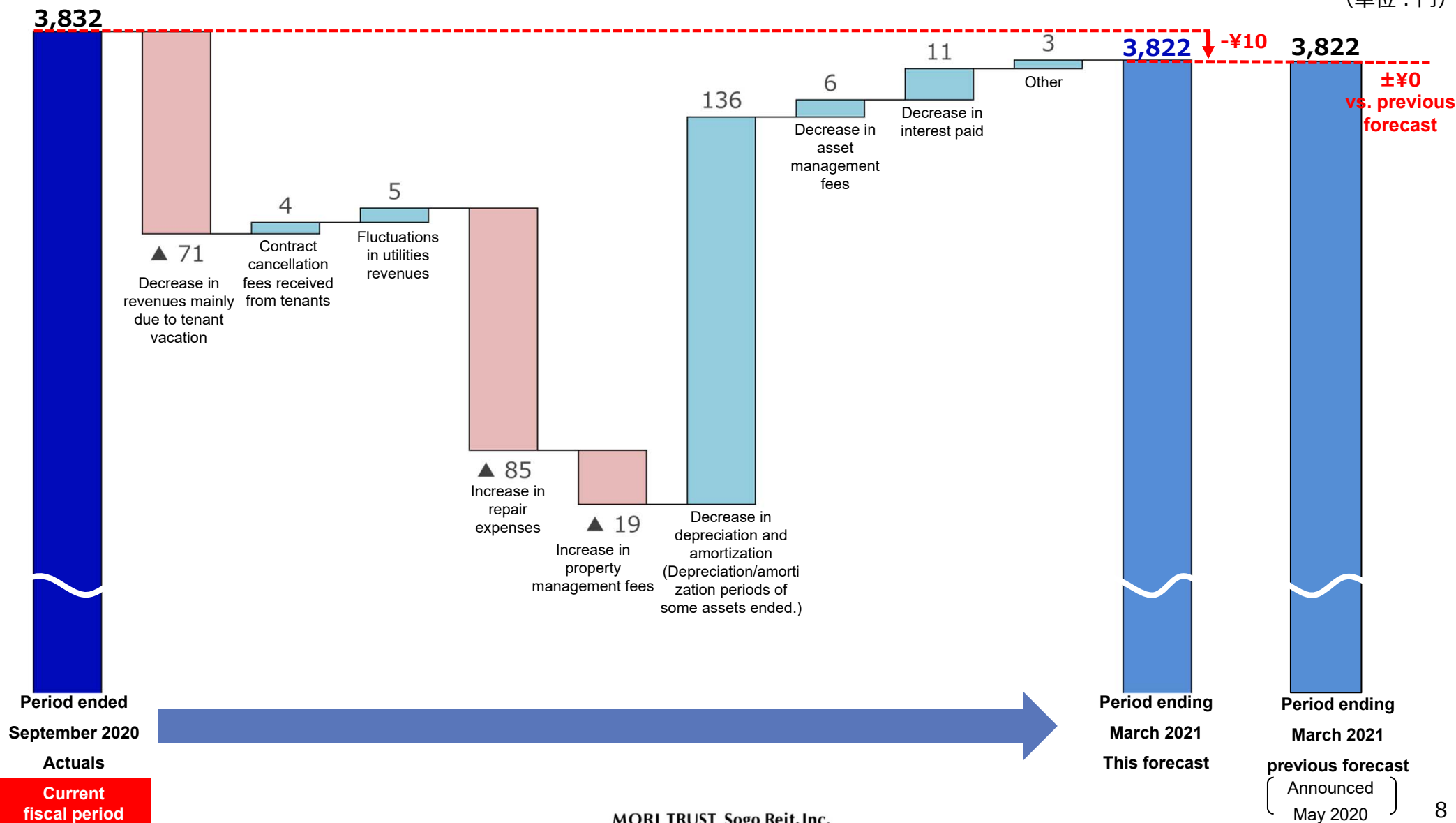
Fiscal Period Ended September 2020 (37th Fiscal Period) Information Package

1. Overview of the Settlement and Forecasts

Forecast Distribution Per Unit

¥3,822 (down ¥10 from the previous fiscal period, ± ¥0 vs. previous forecast)

(単位：円)





Forecasts for the Fiscal Period Ending September 2021

Forecast Distribution Per Unit

¥3,000 (down ¥822 vs. forecast for fiscal period ending March 2021)

Decreases in revenues and profit are expected primarily due to vacation of end tenants from Tokyo Shiodome Building. Distribution is expected to be ¥3,000 per unit, including the use of retained earnings.

(Unit: Million yen)

	Period ending March 2021 Forecast (38th fiscal period)	Period ending September 2021 Forecast (39th fiscal period)	Change (B-A)
	(A)	(B)	
Operating revenues	8,801	7,663	-1,137
Operating income	5,408	4,012	-1,396
Ordinary income	5,045	3,637	-1,408
Profit	5,044	3,738	-1,306
Distribution per unit (yen)	3,822	3,000	-822
Of which, appropriation from internal reserves	—	245	245
Total number of outstanding investment units	1,320,000	1,320,000	—

Main factors for change

(Unit: Million yen)

Operating revenues

- Decrease due to vacation of end tenants from Tokyo Shiodome Building -1,022
- Decrease primarily due to vacation of tenants from other properties -123
- Increase in utilities revenues, etc. due to seasonal factors 13

Operating expenses

- Increase in property management fees principally due to changes in the master lease agreement for Tokyo Shiodome Building 290
- Increase in fixed asset tax (on the assumption of revaluation) 40
- Mainly an increase in utilities expenses due to seasonal factors 36
- Decrease in repair expenses -92

2. Operation Status

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**(Responses to and trends of tenants in the current fiscal period)**

- While rent reduction and payment postponement for the reason of the spread of COVID-19 was limited, there were a certain number of vacation cases, which were seemingly indirectly impacted by COVID-19.

Rent reduction 1 case / Payment postponement: 3 cases / Notice of vacation: 9 cases (Note)

(Note) Cases such as cost reduction, which were presumably an indirect result of the spread of COVID-19.

Recognition of Present Conditions

- An increase in office relocation and expansion slowed down due to the spread of COVID-19.
 - The vacancy rate tends to rise due to the cancellation and reduction of rental space as a result of telecommuting implemented by tenants.
 - While the average rent remains at a high level, the increase is slowing down.
- Attention must be paid continuously to the prolonged impact of the COVID-19 pandemic on corporate performance and the consequent fall in demand for rental offices.

Future Policies

- Negotiate rent revision while paying attention to corporate performance in cases where there is a scope for upward rent revisions.
- Focus on ensuring occupancy while paying attention to the impact of the COVID-19 pandemic because the vacancy rate tends to rise. (In particular, respond flexibly to the case of the Tokyo Shiodome Building according to market conditions and tenant needs.)
- Comprehensively assess any requests received for rent reductions and so on, taking social circumstances and unitholder interests into consideration. (Consider each request individually, including factors such as tenant business results, the rent gap, leasing difficulty and the impact on portfolio revenue.)

Internal Growth (Operation Status of Individual Properties)

2. Operation Status

Concluding of a new lease contract for Tokyo Shiodome Building

- New fixed-term building lease contract (master lease agreement) was concluded with the sponsor, Mori Trust Co., Ltd., for the offices and stores in the building.
- Leasing in a bundle to a master lessee having leasing and operation capabilities with strengths in large office buildings is considered to contribute to revenue and operation stability.
- Ensuring a certain level of revenues amid the COVID-19 crisis by establishing guaranteed minimum rents while retaining room for future rent increase through the introduction of a master lease agreement system linked to sublease rents.

(Outline of the contract)

Contract date	September 30, 2020
Contract type	Fixed-term building lease contract
Lease period	From April 1, 2021 to March 31, 2026
Rent	Linked with the rent of the sublease contract (guaranteed minimum rent: 791 million yen per accounting period)
Deposit	None
Leasable area	77,242.55m ²
Other relevant information	MORI TRUST Sogo Reit, Inc. pays rental business expenses such as management outsourcing expenses, taxes and public dues, and repair expenses.

Concluding of a new lease contract with Hotel Okura Kobe

- New fixed-term building lease contract was concluded with Hotel Okura Kobe Co., Ltd.
- It helps ensure medium- to long-term stable revenues.

(Outline of the contract)

Contract date		September 30, 2020
Contract type		Fixed-term building lease contract (entire building lease)
Lease period		From April 1, 2022 to March 31, 2032
Monthly rent	Fixed rent	91,537,815 yen
	Variable rent	One/twelfth (1/12) of the annual total equivalent amounts of fixed property tax/city planning tax and non-life insurance premium
Deposit		1,373,067,225 yen
Leasable area		72,246.86㎡



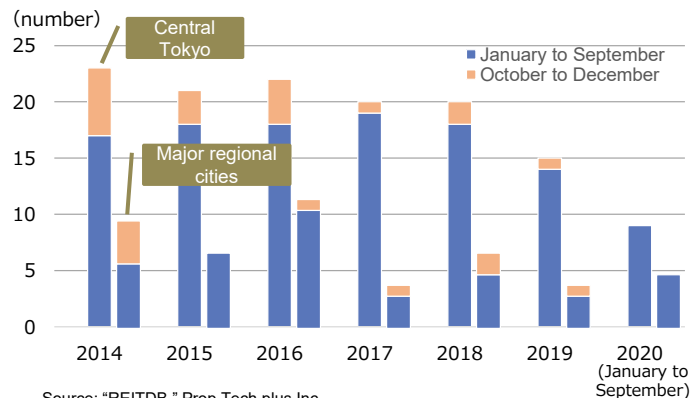
Recognition of Conditions

- The real estate market is stagnant due to the COVID-19 pandemic and opportunities to acquire high-quality properties meeting the standard of the Investment Corporation are limited.
- Amid the on-going low transaction yields, there are signs of change in real estate investors' recognition of market cycles.
- While attention must be paid to structural changes in real estate prices caused by an increase in telecommuting and other factors, the prices of office buildings in central Tokyo remain advantageous.

Conditions of Investment Market

■ Trend in the number of office buildings acquired through J-REIT

(¥5 billion or above in central Tokyo and ¥3 billion or above in major regional cities)

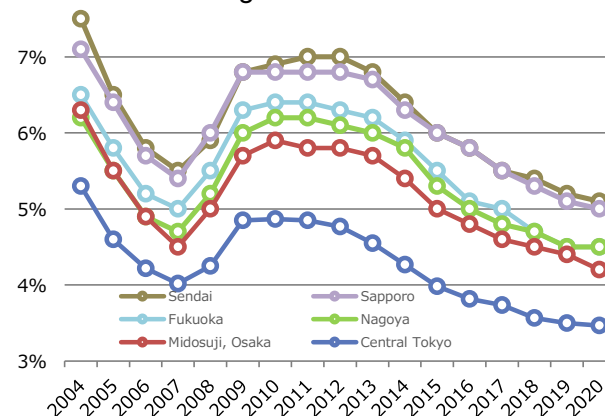


Source: "REITDB." Prop Tech plus Inc.

Central Tokyo: Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, Shibuya-ku, and Shinagawa-ku

Major regional cities: Sapporo, Sendai, Nagoya, Osaka, and Fukuoka

■ Trend in transaction yield of standard Class-A buildings

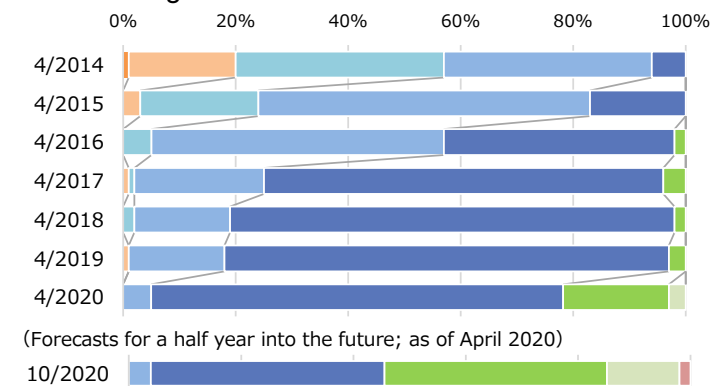


Source: Prepared by the Company based on Japan Real Estate Institute: *The Japanese Real Estate Investor Survey*

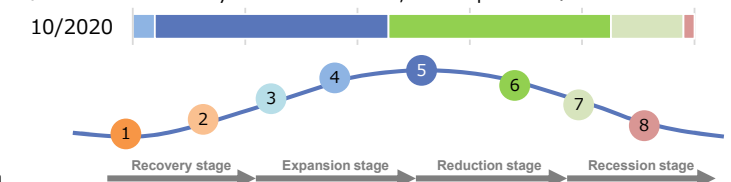
The figure for Central Tokyo represents the simple mean value of the data obtained in the survey in Marunouchi-Otemachi, Nihonbashi, Toranomon, Nishi-Shinjuku, Shibuya and Osaka.

*The data were current as of October of each year. The data for 2020 were current as of April.

■ Situations of recognition of the market cycle among real estate investors



(Forecasts for a half year into the future; as of April 2020)



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)

Future Policies

- Monitor changes in investment conditions, taking into consideration the possibility of a real estate price adjustment phase
- Maintain an investment strategy of a careful selection focusing on the medium-to-long term value of portfolios
- Plan measures to increase stability and quality of portfolios, considering the use of sponsors' support



Financial Status

(Management Results for the Fiscal Period Under Review and Loan Repayment Schedule Diversification)

Fiscal Period Ended September 2020 (37th Fiscal Period) Information Package

2. Operation Status

Management results for the fiscal period under review

(Results of loans)

Reduced financing cost through refinancing amid on-going low interest rates.

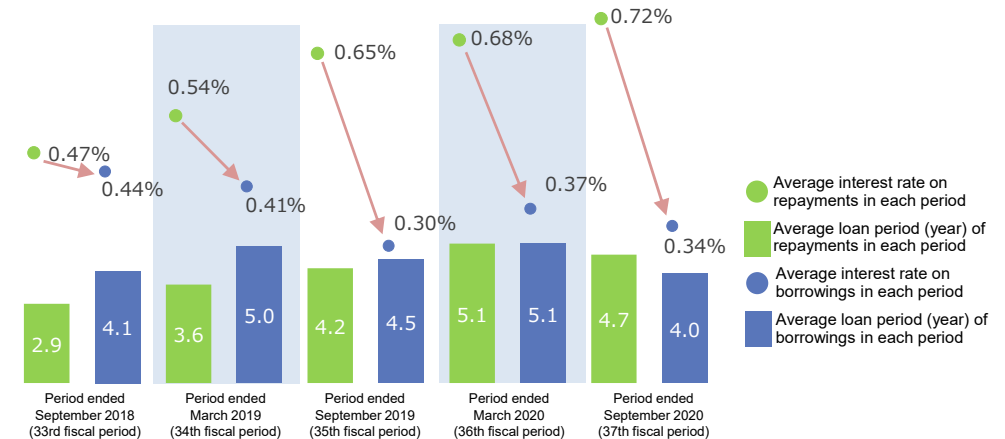
Repayment summary	
Total amount	17,000 million yen
Average loan term	4.7 years
Average interest rate	0.72%



Borrowing summary	
Total amount	17,000 million yen
Average loan term	4.0 years
Average interest rate	0.34%

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

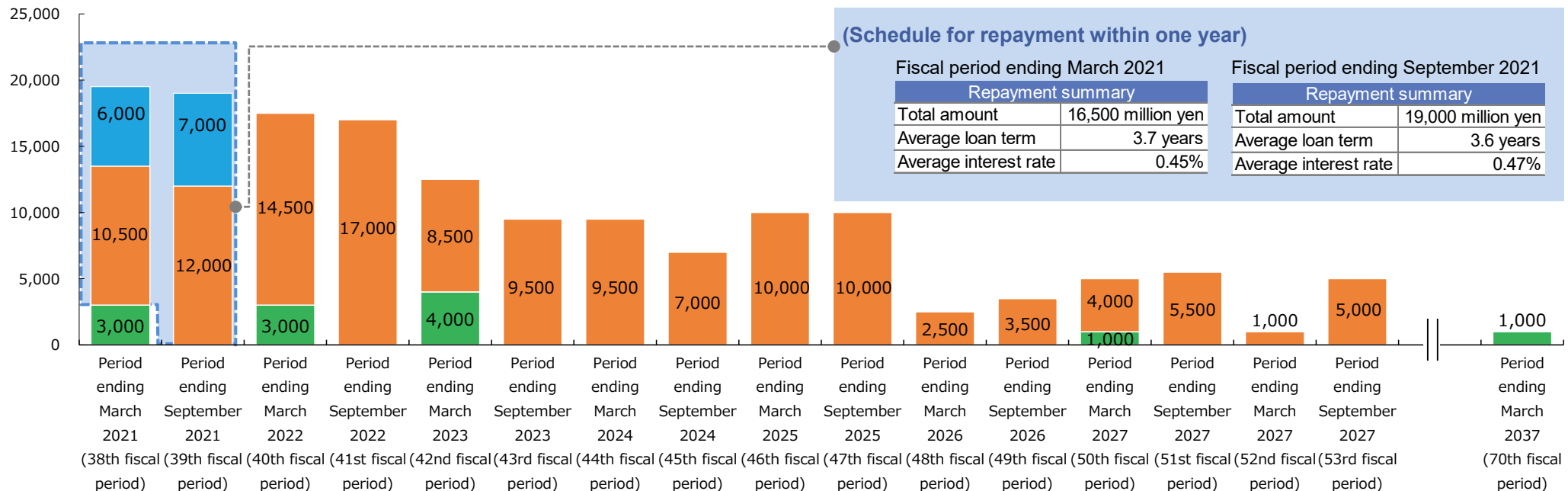
Changes in borrowings



Loan repayment schedule diversification

(Million yen)

■ Investment corporation bonds ■ Long-term loans ■ Short-term loans





Financial Status (Status of Interest-Bearing Liabilities and Rating)

2. Operation Status

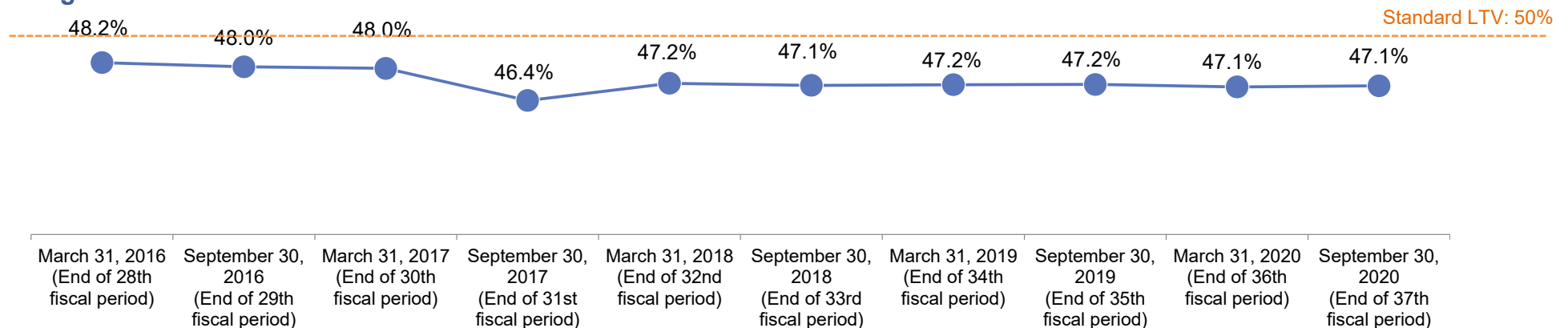
Interest-bearing liabilities

(Million yen)			
	March 31, 2020 (End of the 36th fiscal period)	September 30, 2020 (End of the 37th fiscal period)	Change
Total interest-bearing liabilities	155,000	155,000	—
Short-term loans	10,500	13,000	2,500
Long-term loans (including long-term loans due within one year)	132,500	130,000	- 2,500
Investment corporation bonds (including investment corporation bonds due within one year)	12,000	12,000	—
LTV (Loan To Value ratio)	47.1%	47.1%	0.1%
Long-term interest-bearing liabilities ratio (including loans expected to be repaid or redeemed within one year)	93.2%	91.6%	-1.6%
Fixed interest-bearing liabilities ratio	93.2%	91.6%	-1.6%
Average interest for borrowings during fiscal period	0.51%	0.48%	-0.03%
Short-term loans	0.20%	0.20%	-0.00%
Long-term loans and investment corporation bonds	0.53%	0.50%	-0.03%
Average duration of interest-bearing liabilities	2.8year	2.8year	—

Rating

Rating agency	Japan Credit Rating Agency, Ltd. (JCR)
Liabilities rated	Long-Term Issuer Rating
Rating (outlook)	AA (stable)

Changes in LTV



Breakdown of interest-bearing liabilities (as of the end of September 2020)

(Million yen)			
Classification	Lender	Balance of borrowings	(%)
Loans	Mizuho Bank, Ltd.	31,000	20.0%
	Sumitomo Mitsui Banking Corporation	27,000	17.4%
	MUFG Bank, Ltd.	20,000	12.9%
	Sumitomo Mitsui Trust Bank, Limited.	19,000	12.3%
	Development Bank of Japan Inc.	12,500	8.1%
	Resona Bank, Limited.	6,000	3.9%
	The Bank of Fukuoka, Ltd.	5,500	3.5%
	The Norinchukin Bank	4,500	2.9%
	Aozora Bank, Ltd.	4,000	2.6%
	The Nishi-Nippon City Bank, Ltd.	3,500	2.3%
	Shinkin Central Bank	2,000	1.3%
	The 77 Bank, Ltd.	1,500	1.0%
	The Hachijuni Bank, Ltd.	1,000	0.6%
	Mizuho Trust & Banking Co. Ltd.	1,000	0.6%
	The Ashikaga Bank, Ltd.	1,000	0.6%
	Sumitomo Life Insurance Company	1,000	0.6%
	Shinsei Bank, Limited	1,000	0.6%
	Nippon Life Insurance Company	500	0.3%
	The Dai-ichi Life Insurance Company, Limited.	500	0.3%
	Mitsui Sumitomo Insurance Company, Limited	500	0.3%
	Subtotal	143,000	92.3%
	Investment corporation bonds	12,000	7.7%
	Total	155,000	100.0%

3. Initiatives Related to ESG





Sustainability Policy/System for Promotion of Sustainability

The asset management company of MTR establishes the "sustainability policy" and proceeds with the initiatives for environmental consideration, contribution to society, strengthening of governance in organizations and others in asset management operations to enhance the value of unitholders of the investment corporation in the medium to long term.

Sustainability Policy

1. Promoting energy savings and GHG emissions reduction

Promotion of efficient use of energy in assets under management, introduction of facilities conducive to energy saving and low carbonization

2. Contributing to recycling-oriented society

Promotion of initiatives for effective use of limited resources, including 3R for water saving and waste reduction

3. Streamlining the internal management system and strengthening compliance

Establishment of the internal system for the effective promotion of initiatives under this policy, compliance with laws and regulations, educational and awareness-raising activities concerning ESG directed at employees

4. Promoting health and comfort

Asset management that seeks improvement in health, safety, and comfort of tenants and facility users, as well as creation of effective working environments for employees

5. Collaborating with external stakeholders

Construction of good relationships with tenants, customers, local communities and other external stakeholders

6. Disclosing ESG information

Broad disclosure of this policy and information regarding the situations of initiatives for sustainability, among others

Meeting for promotion of sustainability

To systematically promote initiatives for ESG, the "meeting for promotion of sustainability" is held periodically. Specific future goals are set, progress is checked, and environmental monitoring evaluations of properties held are conducted continuously, among other activities.

Employee training on sustainability

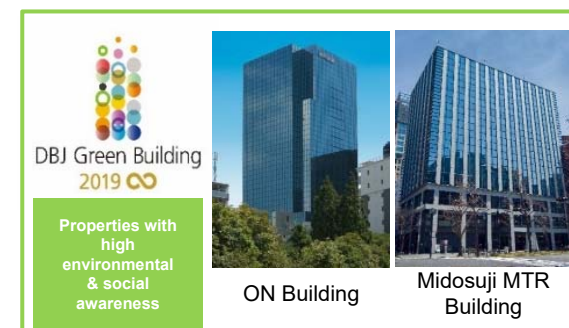
To spread the awareness of sustainability among employees, employee training on sustainability is provided periodically by inviting outside consulting companies as part of the environmental educational and awareness-raising activities.

Acquisition of Outsiders' Recognition

Acquisition of DBJ Green Building certification

In addition to the two properties newly certified in June 2020 (ON Building and Midosuji MTR Building), MTR has acquired DBJ Green Building Certification for three properties it owns.

The ratio of certified properties in the portfolio, excluding land with leasehold interest, is around 33% on a leasable area basis and around 21% on a number of properties basis.



GRESB Real Estate Assessment

MTR was highly regarded for its excellent environmental consideration and actions for sustainability in management and policy and in implementation and measurement in this assessment in 2019. It thus gained a **Green Star rating for the third consecutive year.**



Issuance of Sustainability Report

MTR and the asset management company issued a sustainability report which provides stakeholders with information about their ESG approach and activities and posted the report on MTR's website.

Initiatives Related to ESG (Environment)

Initiatives for Environmental Protection

Measures to improve environmental performance through renewal of systems

<Introduction of LED Lighting>

MTR introduced LED lighting and lighting equipment with human sensors successively in rooms for rent and common areas of the properties held. Energy saving activities for reducing the environmental burden are promoted.

(Examples of introduction)

- ON Building
- Shin-Yokohama TECH Building
- Kioicho Building
- SHIBUYA FLAG
- Osaki MT Building
- Hotel Okura Kobe
- Midosuji MTR Building
- Park Lane Plaza
- Hiroo MTR Building
- Tenjin Prime

etc.



Introduction of LED lighting to entrance hall
(Hiroo MTR Building)

<Introduction of Highly Efficient Heating Systems/ Renewal of air-conditioning systems>

MTR is working on increasing comfort and reducing CO2 through the introduction of highly efficient heating systems whose energy efficiency is excellent and renewal with highly efficient air-conditioning systems whose energy saving performance is high upon the replacement of air-conditioning systems.

(Examples of introduction)

- Shin-Yokohama TECH Building
- Hotel Okura Kobe etc.



Installation of high-efficiency heat-source system
(Shin-Yokoyama TECH Building)

<Water-saving through reduction of water consumption and toilet equipment renewal>

MTR is working to conserve water in the common areas of the properties it owns by installing automatic sink faucets and replacing hygiene equipment with products with high water-saving performance.

(Examples of introduction)

- ON Building
- Osaki MT Building
- Shin-Yokohama TECH Building etc.

Properly Dealing with Environmental Issues such as Contamination

When acquiring real estate, assessing beforehand whether there are harmful substances such as PCBs or asbestos, soil contamination or other environmental issues is an integral part of the process.

We deal with any issues with real estate held such as the presence of harmful substances through appropriate measures, management or treatment in accordance with laws and regulations.

Collaboration with Tenants and Suppliers

<Introduction of green lease>

MTR and tenants of some of the properties owned have concluded a memorandum of understanding for a green lease, aiming to reduce the environmental burden. Information sharing about electricity, gas and water consumption and discussions on the improvement of environmental performance will be conducted on a regular basis.

<Reduction of waste>

When carrying out construction work, MTR is continuously working to reduce waste in collaboration with contractors.

<Supply chain management>

When selecting a property management company, MTR assessed the candidates' activities related to sustainability in addition to their facility operation and management, lease operation and management, and leasing operations.

Cooperation in Zero Emission Tokyo Strategy

To cooperate with the Tokyo government in the Zero Emission Tokyo program targeting zero CO2 emissions by 2050, the Company donated CO2 reduction credit of 15,007 points to the Tokyo government in October 2020 based on Tokyo Cap-and-Trade Program..

Protection of Biodiversity

ON Building and Osaki MT Building, which are owned by MTR, have formed Osaki Business Garden, a large-scale redevelopment project. The site has an open space full of greenery, worthy of the name "Garden", and contributes to symbiosis and coexistence with nature and the protection of biodiversity.



Initiatives Related to ESG (Environment)

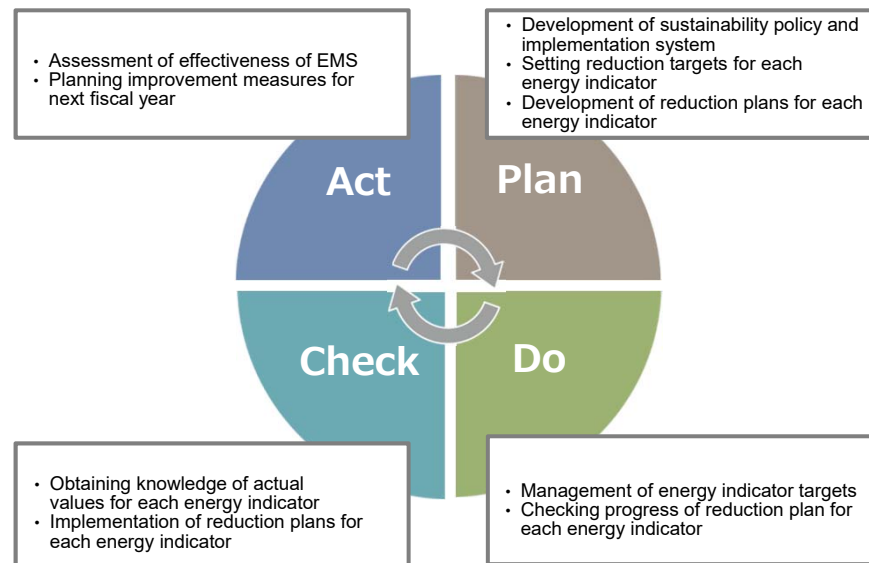
3. Initiatives Related to ESG

Environmental Performance Data

Environmental Management System (EMS)

MTR's asset management company has built an environmental management system to promote energy saving, reduction of greenhouse gas (GHG) emissions, and effective use of resources.

MTR sets targets for energy consumption, CO2 emissions, and water consumption, observes the results, carries out plan-and-result management, and takes measures to contribute to the creation of a sustainable recycling society through the reduction of the environmental burden.



Environmental Performance Targets

MTAM has set reduction targets for total energy consumption, GHG emissions and water consumption across the portfolio, as shown below.

	Short Term	Medium-to-long term (For 5 years from 2016)
Energy	Annual average reduction of 1% in rate throughout period covered by medium-to-long term target	5% reduction in rate from baseline
GHGs		
Water	Maintain previous year's level	Maintenance of status quo

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

* Baseline: Average in 2014 and 2015

* 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

		Baseline	2018	2019	Increase/Decrease (from baseline)
Energy	Consumption (MWh)	101,814	102,433	97,252	—
	Consumption rate (MWh/m ²)	0.246	0.236	0.224	-9.0%
GHGs	Emissions (t-CO ₂)	39,327	37,296	35,633	—
	Emissions rate (t-CO ₂ /m ²)	0.095	0.086	0.082	-13.8%
Water	Consumption (m ³)	546,827	526,507	506,521	—
	Consumption rate (m ³ /m ²)	1.317	1.211	1.164	-11.6%

* All real estate held by MTR at the time the baseline was determined (except sold properties and land with leasehold interest) is included in the aggregation of data. However, areas for which it is difficult to understand data (exclusive use areas of residential properties, etc.) are excluded.

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

Initiatives Related to ESG (Society)

Social Contribution Activities

Contribution to local communities

MTR endeavors to contribute to the sustainable development of local communities, including participating in regular community cleaning activities, attending various meetings on town creation, providing a public cycle system, and joining and cooperating in community events.



Provision of community cycle system
(Kioicho Building)



Midosuji Illuminations
(Midosuji MTR Building)

Improvement of tenant satisfaction

<Tenant satisfaction surveys>

MTR is constantly seeking to improve tenant satisfaction by conducting surveys of tenants who occupy offices and retail properties, etc. and sharing the survey results with building management companies, etc. for use in improving building operation and management.

<Improvement of tenant comfort>

MTR carries out work to renew common areas to improve the comfort of tenants who occupy the properties.



Entrance hall renewal work
(Shin-Yokohama TECH Building)



Barrier-free renovation construction
(Tenjin Prime)

<Efforts for tenants' safety and security (COVID-19 countermeasures)>

- Placed sanitizer in common areas such as entrances and elevator halls of properties owned
- Janitors and security guards wear face shields, masks and disposable gloves when working and patrolling in the buildings
- Display of documents related to measures to prevent infection

Training of asset management company employees

MTR pays for employees to take part in training and exams to gain qualifications to improve their specialist skills and gain the knowledge and skills required for their work. Some employees of the asset management company participate in human resource development programs of the asset management company's sponsor Mori Trust Co., Ltd., such as MT TALK and MT.

(Ref.) Mori Trust's personnel system

Mori Trust, the sponsor of the asset management company, 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.

(1) Promotion of work-life balance and women's participation

MTR has introduced various programs, such as childcare leave, to help employees manage both their work and childcare. Recently, the percentage of employees taking childcare leave and returning to work has reached 100%.

(1) Percentage of female recruitment	20.8%
(2) Percentage of female employees	24.7%
(3) Percentage of female managers	7.8%
(4) Percentage of paid leave taken	75.6%
(5) Percentage of employees taking childcare leave and returning to work (Female career track employees)	100.0%

(Note) Item (1) and (4) and (5): FY2019, items (2) and (3) as of March 30, 2020

(2) Certification as a childcare supporting company and start of childcare business

MTR is recognized as a company supporting childcare and promoting women's activities by the Ministry of Health, Labour and Welfare (MHLW) and certified Kurumin and Eruboshi (two stars).

MTR opened a company-sponsored nursery, Nursery Room Mirai's, in Shiroyama Trust Tower in November 2019, which is available for use of the building's tenants and employees.

(3) Implementation of work-style reforms

- Participation in "Time Difference Biz" led by the Tokyo Metropolitan Government
- Provides free breakfast to promote working in the early morning
- Uses telecommuting and mobile workplace

Initiatives Related to ESG (Governance)

Corporate Governance

Same boat investment by Mori Trust Group

MTR aims to improve unitholder value by aligning sponsor interests with those of unitholders.

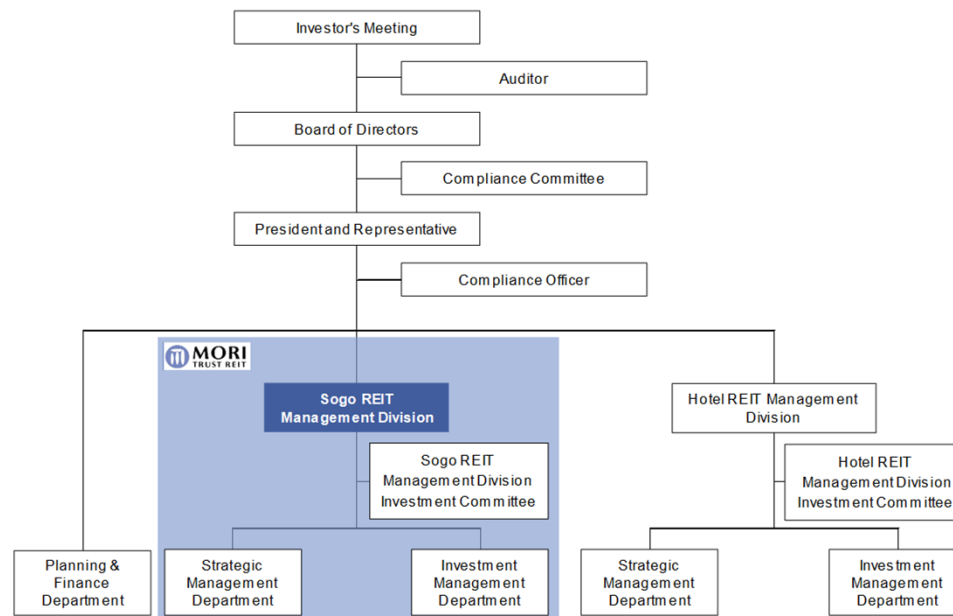
Percentage of investment units
owned by Mori Trust Group

26.5% (as of September 30, 2020)

MTR's Operational Structure

MTR entrusts asset management to MORI TRUST Asset Management Co., Ltd., which is the asset management company. The organizational structure of the asset management company is as shown below.

<Organization Chart>

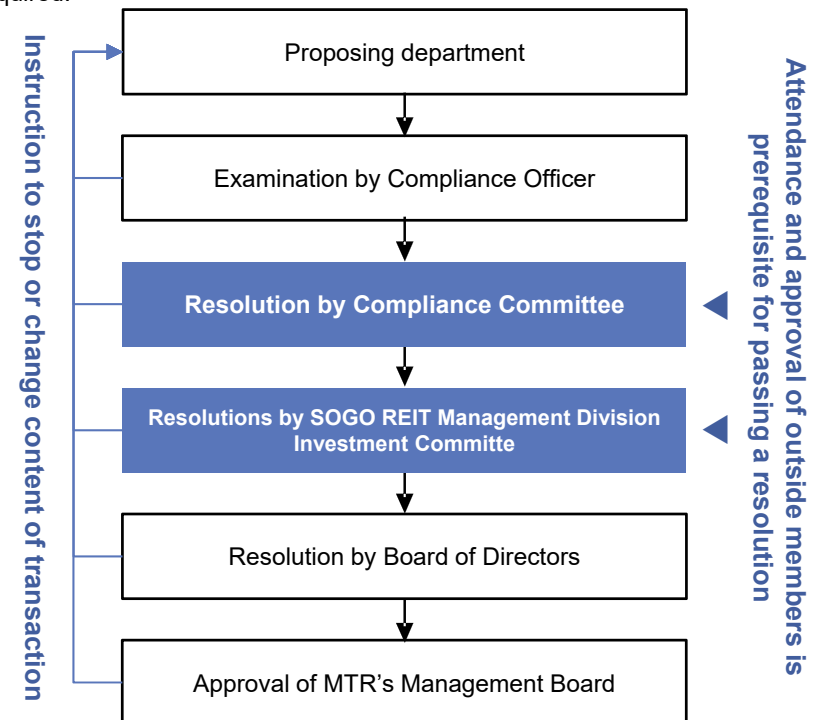


Provision of regular compliance training

Employees are provided with regular training to raise their awareness of compliance.

Procedural flow for related party transactions

MORI TRUST Asset Management Co., Ltd., which is the asset management company, has established a governance structure that prioritizes compliance to ensure prevention of conflicts of interest, risk management and legal compliance. The asset management company has established a Compliance Committee and an Investment Committee and elected outside members to both, and if the acquisition of an asset, etc. is classed as a related party transaction, the approval of the outside members of both committees and the approval of MRT's Board of Management is required.



Information Security

MTAM enacted the Information Management Rules with the aim of properly utilizing company information and preventing information incidents including unauthorized access and the loss or leak of company information.

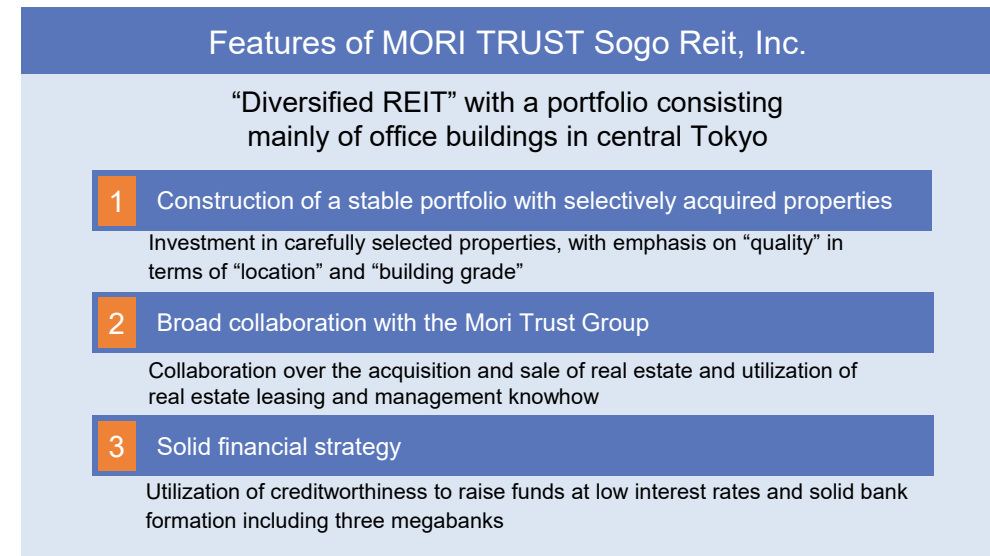
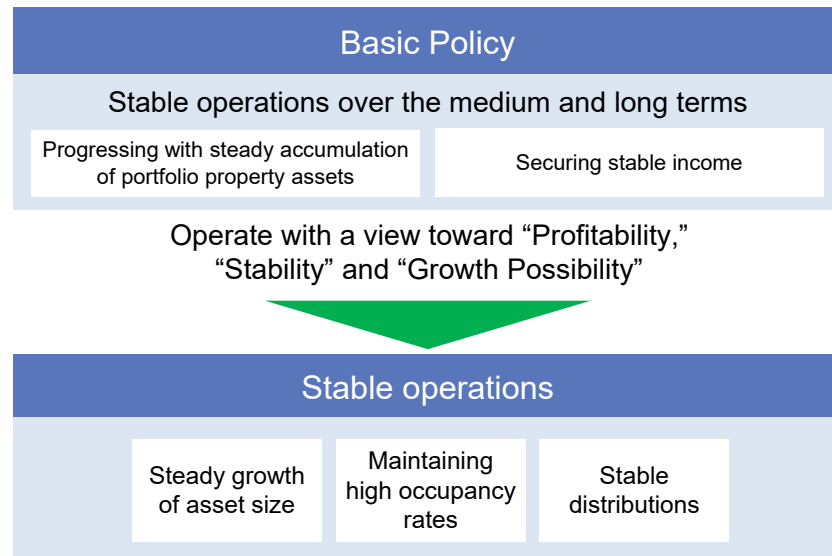
The rules aim to ensure information management by providing for training and audits on the management of confidential information, restriction of unauthorized access, prevention of information leaks, maintenance of information systems and information system.

4. Characteristics of MORI TRUST Sogo Reit, Inc.

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Basic Policy and Characteristics of MORI TRUST Sogo Reit, Inc. (1)

4. Characteristics of MORI TRUST Sogo Reit, Inc.



1 Construction of a stable portfolio with selectively acquired properties

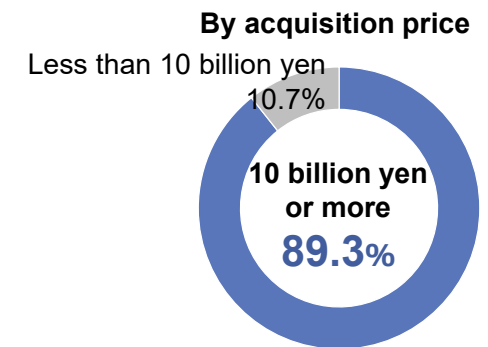
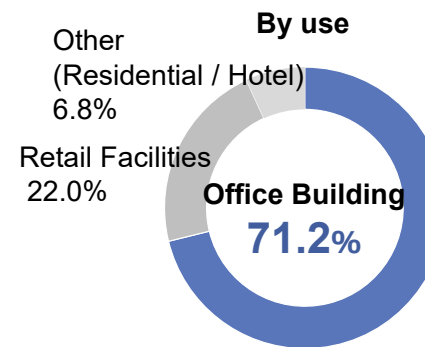
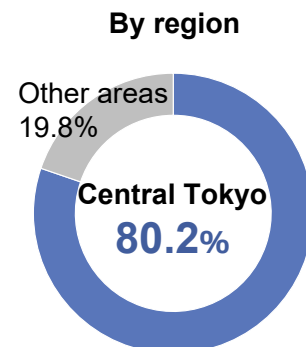
Investment in carefully selected properties which will contribute to stable operations over the medium and long term rather than pursuing hasty expansion in scale

Implementation of an investment strategy focusing on “quality” in terms of “location” and “building grade”

Investments (as of September 30, 2020)

Number of properties: 15 properties

Asset size: 324.0 billion yen
(Total acquisition price)



Target portfolio and actual performance

		Region				Total	
		Central Tokyo (Note 1)		Other areas (Note 2)			
		Target	Actual	Target	Actual	Target	Actual
Use	Office Building	60–70%	63.8%	10–20%	7.4%	70–90%	71.2%
	Retail Facility / Other (Note 3)	0–10%	16.4%	10–20%	12.4%	10–30%	28.8%
Total		60–80%	80.2%	20–40%	19.8%	100%	

(Note 1) “Central Tokyo” refers to Chiyoda, Chuo, Minato, Shinagawa, Shibuya and Shinjuku wards.

(Note 2) “Other Areas” refers to greater Tokyo (Kanagawa, Chiba and Saitama Prefectures, and the Tokyo Metropolitan Area (excluding central Tokyo) and other major regional cities.

(Note 3) Restricted to investments in residential properties and hotels for the foreseeable future.

(Note 4) The investment ratios are based on acquisition prices.

Basic Policy and Characteristics of MORI TRUST Sogo Reit, Inc. (2)

4. Characteristics of MORI TRUST Sogo Reit, Inc.

2 Broad collaboration with the Mori Trust Group

Investment units held by the Mori Trust Group

350,070 units (26.5%) held (as of September 30, 2020)

Pipeline for the acquisition and disposition of real estate

The Investment Corporation and Mori Trust Co., Ltd. have entered into an agreement on the provision of information on real estate, etc. between the Investment Corporation and three companies of the Mori Trust Group.

Acquisitions (as of September, 2020)

Acquisitions Based on Information Provided by the Mori Trust Group



ON Building



Kioicho Building

Shin-Yokohama
TECH Building

Hotel Okura Kobe

31.2%

Acquisitions through
Proprietary Channels
23.3%

Acquisitions
involving the
Mori Trust Group
76.7%

Acquisitions from the Mori Trust Group

45.5%

Tokyo Shiodome
Building

Osaki MT Building

Shinbashi Ekimae
MTR BuildingIto-Yokado
Shonandai

* Percentage based on acquisition price

Recent dispositions

Dispositions to the Mori Trust Group:

Akasaka-Mitsuke MT Building (2010), Mita MT Building (2014)

Dispositions based on information provided by the Mori Trust Group:

Ginza MTR Building (2014 and 2015), Osaka Marubeni Building (2015),
Ito-Yokado Shin-Urayasu (2017)

Harnessing the real estate leasing and management knowhow of the Mori Trust Group

The Investment Corporation seeks to increase the profitability of the portfolio by harnessing the real estate leasing and management knowhow of the Mori Trust Group.

3 Solid financial strategy

- Utilization of creditworthiness to raise funds at low interest rates
- Solid bank formation including three megabanks
- Strike a balance between short-term and long-term debt, taking reduction of financing costs and mitigation of the impact of changes in the financial environment into consideration.

Rating

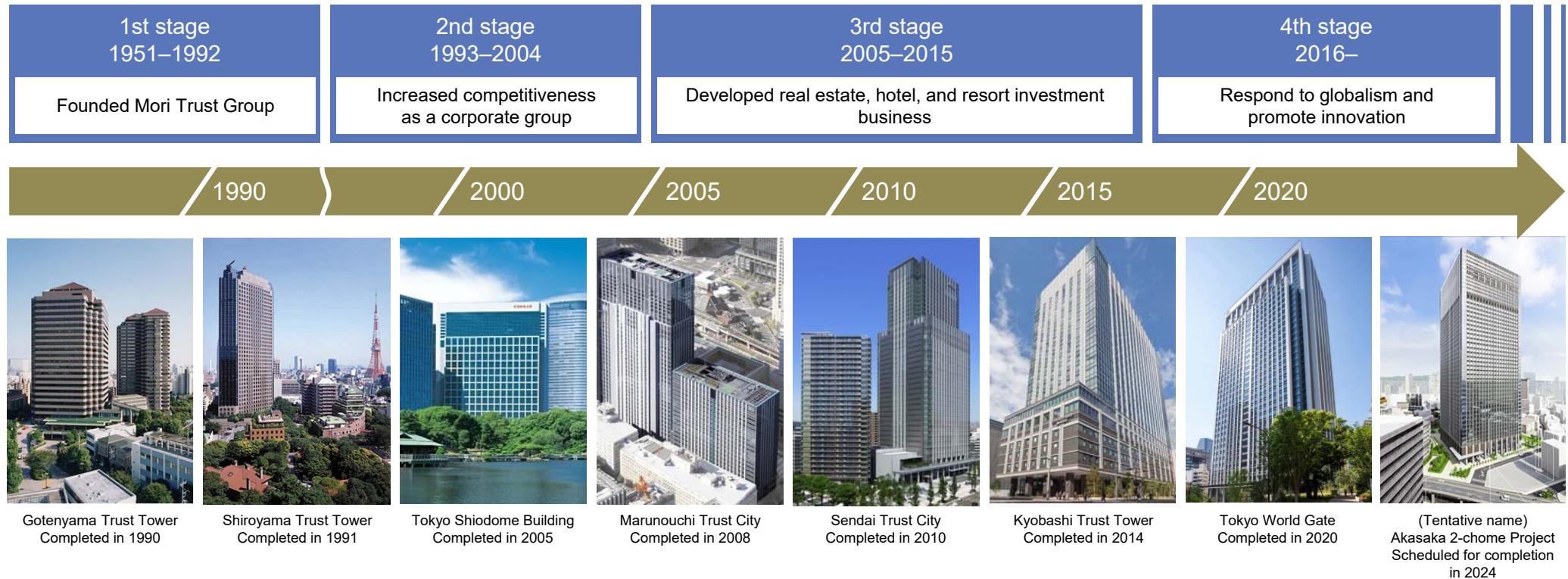
AA (stable)

JCR / Long-Term Issuer Rating (as of the end of September 2020)

Bank formation

Establishment of solid bank formation (20 companies in total), including three megabanks

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 lease operation facilities

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

Total number of facilities: **102**

Operated area:
Approx. **2,050,000** m²

Buildings for lease: **83** buildings, approx. **1,730,000** m²

(As of March 31, 2020)

■ System of real estate development

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



5. Reference

A blue parallelogram graphic, tilted slightly upwards from left to right, positioned below the section header.

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	18,802,219	19,446,362
Cash and deposits in trust	2,977,817	2,835,490
Operating accounts receivable	50,066	249,460
Accounts receivable - other	10,642	-
Prepaid expenses	34,537	71,739
Other	4,213	685
Total current assets	21,879,495	22,603,738
Non-current assets		
Property, plant and equipment		
Buildings	22,033,867	21,394,053
Structures	40,084	39,414
Machinery and equipment	36,421	34,251
Tools, furniture and fixtures	29,207	27,639
Land	136,672,529	136,672,529
Buildings in trust	17,535,611	17,080,629
Structures in trust	22,464	21,233
Machinery and equipment in trust	4,673	4,429
Tools, furniture and fixtures in trust	31,602	40,458
Land in trust	130,939,930	130,939,930
Total property, plant and equipment	307,346,392	306,254,568
Intangible assets		
Other	240	240
Total intangible assets	240	240
Investments and other assets		
Guarantee deposits	10,000	10,000
Long-term prepaid expenses	17,683	6,622
Other	3,602	3,602
Total investments and other assets	31,285	20,225
Total non-current assets	307,377,918	306,275,033
Deferred assets		
Investment corporation bond issuance costs	45,461	36,481
Total deferred assets	45,461	36,481
Total assets	329,302,876	328,915,253

	As of March 31, 2020	As of September 30, 2020
Liabilities		
Current liabilities		
Operating accounts payable	247,690	174,498
Short-term loans payable	10,500,000	13,000,000
Current portion of investment corporation bonds	3,000,000	3,000,000
Current portion of long-term loans payable	23,000,000	22,500,000
Accounts payable – other	550,927	143,117
Accrued expenses	459,108	447,663
Dividends payable	9,206	8,691
Income taxes payable	606	947
Accrued consumption taxes	324,346	283,190
Advances received	1,505,216	1,519,814
Deposits received	1,619	322
Total current liabilities	39,598,721	41,078,244
Non-current liabilities		
Investment corporation bonds	9,000,000	9,000,000
Long-term loans payable	109,500,000	107,500,000
Tenant leasehold and security deposits	9,747,760	9,809,617
Tenant leasehold and security deposits in trust	902,342	911,177
Deferred tax liabilities	493,173	493,156
Total non-current liabilities	129,643,276	127,713,950
Total liabilities	169,241,998	168,792,195
Net assets		
Unitholders' equity		
Unitholders' capital	153,990,040	153,990,040
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	1,074,447	1,074,447
Total voluntary retained earnings	1,074,447	1,074,447
Unappropriated retained earnings	4,996,390	5,058,569
Total surplus	6,070,837	6,133,017
Total unitholders' equity	160,060,877	160,123,057
Total net assets	160,060,877	160,123,057
Total liabilities and net assets	329,302,876	328,915,253

*The balance of internal reserves as of September 30, 2020 was 1,567 million yen (total amount of deferred tax liabilities and a reserve for reduction entry)

Statements of Income and Retained Earnings

5. Reference

Statements of Income

(Unit: thousand yen)

	For the period from October 1, 2019 to March 31, 2020	For the period from April 1, 2020 to September 30, 2020
Operating revenue		
Lease business revenue	8,574,620	8,613,153
Other lease business revenue	294,696	269,397
Total operating revenue	8,869,317	8,882,550
Operating expenses		
Expenses related to rent business	3,013,543	2,991,735
Asset management fee	348,561	341,890
Asset custody fee	13,104	13,111
Administrative service fees	47,193	47,919
Directors' compensations	3,600	3,600
Other operating expenses	45,256	47,105
Total operating expenses	3,471,259	3,445,361
Operating income	5,398,058	5,437,189
Non-operating income		
Interest income	97	103
Reversal of dividends payable	961	1,264
Insurance income	10,642	221
Total non-operating income	11,701	1,589
Non-operating expenses		
Interest expenses	383,678	355,373
Interest expenses on investment corporation bonds	12,405	13,985
Amortization of investment corporation bond issuance costs	9,023	8,980
other	8,334	1,112
Total non-operating expenses	413,442	379,452
Ordinary income	4,996,317	5,059,326
Profit before income taxes	4,996,317	5,059,326
Income taxes - current	620	962
Income taxes - deferred	20	(16)
Total income taxes	641	946
Profit	4,995,675	5,058,379
Retained earnings at beginning of period	714	190
Unappropriated retained earnings	4,996,390	5,058,569

(Breakdown of Real Estate Leasing Business Income)

(Unit: thousand yen)

	For the period from October 1, 2019 to March 31, 2020	For the period from April 1, 2020 to September 30, 2020
A. Rental revenues		
Lease business revenue		
Rent	8,208,106	8,246,811
Common charges	242,905	242,733
Land leasing revenues	123,609	123,609
Other lease business revenue	294,696	269,397
Total rental revenues	8,869,317	8,882,550
B. Property-related expenses		
Property management expenses		
Property management fees	389,626	401,638
Utilities	211,610	205,263
Property and other taxes	946,759	966,633
Casualty insurance	19,258	19,283
Repair expenses	127,149	65,756
Depreciation and amortization	1,292,269	1,308,619
Other expenses	26,869	24,540
Total property-related expenses	3,013,543	2,991,735
C. Profit and losses from real estate business (A-B)	5,855,774	5,890,815



Statement of Cash Distributions / Statements of Cash Flows

5. Reference

■ Statement of Cash Distributions

(Unit: yen)

	The Fiscal Period ended March 31, 2020 (October 1, 2019 to March 31, 2020)	The Fiscal Period ended September 30, 2020 (April 1, 2020 to September 30, 2020)
I. Unappropriated retained earnings	4,996,390,036	5,058,569,966
II. Distribution amount	4,996,200,000	5,058,240,000
(Distribution amount per unit)	(3,785)	(3,832)
III. Retained earnings carried forward	190,036	329,966

■ Statements of Cash Flows

(Unit: thousand yen)

	For the period from October 1, 2019 to March 31, 2020	For the period from April 1, 2020 to September 30, 2020
Cash flows from operating activities		
Profit before income taxes	4,996,317	5,059,326
Depreciation	1,292,269	1,308,619
Amortization of investment corporation bond issuance costs	9,023	8,980
Interest income	(97)	(103)
Interest expenses	396,084	369,359
Decrease (Increase) in operating accounts receivable	2,154	(199,394)
Increase (Decrease) in operating accounts payable	19,413	(42,915)
Increase (Decrease) in accrued consumption taxes	152,119	(41,156)
Increase (Decrease) in advances received	12,280	14,597
Other, net	5,685	(20,148)
Subtotal	6,885,250	6,457,165
Interest income received	97	103
Interest expenses paid	(427,023)	(373,925)
Income taxes paid	(1,043)	(621)
Net cash provided by operating activities	6,457,281	6,082,720
Cash flows from investing activities		
Purchase of property, plant and equipment	(32,240)	(157,457)
Purchase of property, plant and equipment in trust	(129,018)	(467,146)
Repayments of tenant leasehold and security deposits	(8,518)	(52,452)
Proceeds from tenant leasehold and security deposits	156,252	81,467
Repayments of tenant leasehold and security deposits in trust	(14,961)	(6,462)
Proceeds from tenant leasehold and security deposits in trust	18,536	17,860
Net cash used in investing activities	(9,951)	(584,189)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	5,500,000	2,500,000
Proceeds from long-term loans payable	15,000,000	10,000,000
Repayments of long-term loans payable	(20,500,000)	(12,500,000)
Proceeds from issuance of investment corporation bonds	4,000,000	—
Redemption of investment corporation bonds	(4,000,000)	—
Payments for investment corporation bond issuance costs	(18,383)	—
Dividends paid	(4,896,048)	(4,996,715)
Net cash used in financing activities	(4,914,432)	(4,996,715)
Net increase (decrease) in cash and cash equivalents	1,532,898	501,816
Cash and cash equivalents at beginning of period	20,247,138	21,780,036
Cash and cash equivalents at end of period	21,780,036	22,281,852



Changes in Indicators

5. Reference

(Unit: million yen)

	Period ended September 2018 (33rd fiscal period)	Period ended March 2019 (34th fiscal period)	Period ended September 2019 (35th fiscal period)	Period ended March 2020 (36th fiscal period)	Period ended September 2020 (37th fiscal period)	Formula
Operating revenues	8,819	8,771	8,831	8,869	8,882	
Operating expenses	3,556	3,478	3,489	3,471	3,445	
Operating income	5,263	5,293	5,341	5,398	5,437	
Ordinary income	4,802	4,840	4,897	4,996	5,059	
Profit	4,806	4,839	4,898	4,995	5,058	
Total distribution	4,818	4,839	4,895	4,996	5,058	
Total assets	328,770	328,557	328,461	329,302	328,915	
Interest-bearing liabilities	155,000	155,000	155,000	155,000	155,000	
Total net assets	159,880	159,901	159,961	160,060	160,123	
Unrealized gain/loss	41,469	45,159	54,771	56,423	36,215	
NAV	201,350	205,061	214,732	216,484	196,338	NAV = Total net assets + Unrealized gain/loss
Profits from real estate rental business	5,727	5,743	5,807	5,855	5,890	
Depreciation and amortization	1,262	1,268	1,282	1,292	1,308	
NOI	6,990	7,011	7,089	7,148	7,199	NOI = Profits from real estate rental business + Depreciation and amortization
FFO	6,069	6,107	6,180	6,287	6,366	FFO = Profit + Depreciation and amortization – Gain/loss on sale of real estate
Capital improvements	253	408	330	590	216	
Net cash flows	6,736	6,603	6,759	6,557	6,982	NCF = NOI – Capital improvements
ROA (annualized)	2.9%	2.9%	3.0%	3.0%	3.1%	ROA = (Ordinary income / Total assets) / 6 × 12 * Annualized
ROE (annualized)	6.0%	6.1%	6.1%	6.2%	6.3%	ROE = (Profit / Total net assets) / 6 × 12 * Annualized
LTV ratio	47.1%	47.2%	47.2%	47.1%	47.1%	LTV = Interest-bearing liabilities / Total assets
Total number of outstanding investment units	1,320,000 units	1,320,000 units	1,320,000 units	1,320,000 units	1,320,000 units	
Distribution per unit	3,650 yen	3,666 yen	3,709 yen	3,785 yen	3,832 yen	
Total net assets per unit	121,121 yen	121,137 yen	121,182 yen	121,258 yen	121,305 yen	
NAV per unit	152,538 yen	155,349 yen	162,676 yen	164,003 yen	148,741 yen	
FFO per unit	4,597 yen	4,627 yen	4,682 yen	4,763 yen	4,823 yen	

(Note) Investment units were split at a ratio of 1 to 5 as of April 1, 2014. Distribution per unit before the split is the actual distribution per unit divided by five and rounded down to the nearest yen.



Property Portfolio List as of the End of the Fiscal Period

5. Reference

(Million yen)

Use	Name	Location	Construction completion	Acquisition date	Acquisition price		Book value at end of 37th fiscal period	Appraisal value at end of 37th fiscal period	NOI	
						Ratio				Yield
Office Building	Tokyo Shiodome Building	Minato Ward, Tokyo	Jan. 2005	Apr. 2010	110,000	33.9%	100,776	112,000	2,344	4.3%
	ON Building	Shinagawa Ward, Tokyo	Nov. 1990	Aug. 2008	39,900	12.3%	39,123	33,600	635	3.2%
	Kioicho Building	Chiyoda Ward, Tokyo	Nov. 1989	Oct. 2014	34,300	10.6%	33,279	38,000	709	4.1%
	Osaki MT Building	Shinagawa Ward, Tokyo	Jul. 1994	Mar. 2005, etc.	14,386	4.4%	13,019	16,500	317	4.4%
	Midosuji MTR Building	Chuo Ward, Osaka	Mar. 1999	Apr. 2015	10,170	3.1%	9,991	10,600	213	4.2%
	Hiroo MTR Building	Shibuya Ward, Tokyo	Nov. 1992	Jan. 2018	8,100	2.5%	8,375	8,440	162	4.0%
	Tenjin Prime	Chuo Ward, Fukuoka	Oct. 2008	Jul. 2012	6,940	2.1%	6,661	8,930	195	5.6%
	Shin-Yokohama TECH Building	Kohoku Ward, Yokohama	Feb. 1986, etc.	Nov. 2003	6,900	2.1%	6,887	7,570	234	6.8%
Retail Facility	SHIBUYA FLAG	Shibuya Ward, Tokyo	Aug. 2009	Apr. 2013	32,040	9.9%	32,484	40,200	682	4.3%
	Shinbashi Ekimae MTR Building	Minato Ward, Tokyo	Apr. 1999	Apr. 2007	18,000	5.6%	17,308	22,500	424	4.7%
	Ito-Yokado Shonandai	Fujisawa City, Kanagawa	Nov. 2002	Mar. 2003	11,600	3.6%	9,827	11,700	330	5.7%
	Kohnan Sagami-hara-Nishihashimoto	Midori Ward, Sagami-hara	Aug. 2005	Oct. 2012	7,460	2.3%	7,206	8,500	229	6.2%
	Frespo Inage	Inage Ward, Chiba	—	Mar. 2002	2,100	0.6%	2,193	2,620	115	11.0%
Hotel	Hotel Okura Kobe	Chuo Ward, Kobe	Mar. 1989	Sep. 2006	19,000	5.9%	15,977	17,300	520	5.5%
Residential	Park Lane Plaza	Shibuya Ward, Tokyo	Jun. 1988	Dec. 2004	3,200	1.0%	3,141	4,010	83	5.2%
合計		—	—	—	324,096	100%	306,254	342,470	7,199	4.4%

(Note 1) For details, please refer to "Appraisal Value of Portfolio Properties at the Fiscal Period-End" and "Portfolio Summary and Breakdown of Property-Related Revenues/Expenses" described below.

(Note 2) NOI earnings yield: NOI in the fiscal period ended September 2020 (annual basis) / Acquisition price



Appraisal Values of Portfolio Properties at the Fiscal Period-End

5. Reference

(Million yen)

Use	Name	Acquisition price	End-of-period book value		End-of-period appraisal value			Direct reduction method			Discounted cash flow (DCF) method		Appraiser (Note 3)
			Period ended March 2020	Period ended September 2020	Period ended March 2020	Period ended September 2020	Difference	Cap rate		Comparison with the previous fiscal period	Discount rate	Terminal cap rate	
								Period ended March 2020	Period ended September 2020				
Office Building	Tokyo Shiodome Building	110,000	101,286	100,776	134,000	112,000	- 22,000	3.3%	3.3%	—	3.2%	3.3%	Richi Appraisal
	ON Building	39,900	39,208	39,123	33,600	33,600	—	3.5%	3.5%	—	3.2%	3.7%	Japan Real Estate
	Kioicho Building	34,300	33,394	33,279	38,000	38,000	—	3.2%	3.2%	—	3.0%	3.4%	Daiwa Real Estate
	Osaki MT Building	14,386	13,071	13,019	16,300	16,500	200	3.4%	3.4%	—	3.1%	3.6%	Japan Real Estate
	Midosuji MTR Building	10,170	10,034	9,991	10,600	10,600	—	3.6%	3.6%	—	3.4%	3.8%	Daiwa Real Estate
	Hiroo MTR Building	8,100	8,381	8,375	8,440	8,440	—	3.6%	3.6%	—	3.4%	3.8%	Daiwa Real Estate
	Tenjin Prime	6,940	6,690	6,661	8,760	8,930	170	3.9%	3.9%	—	3.6%	4.1%	Japan Real Estate
	Shin-Yokohama TECH Building	6,900	6,859	6,887	7,530	7,570	40	4.6%	4.6%	—	4.4%	4.9%	Nippon Tochi-Tatemono
Retail Facility	SHIBUYA FLAG	32,040	32,503	32,484	40,200	40,200	—	3.2%	3.2%	—	3.0%	3.4%	Japan Real Estate
	Shinbashi Ekimae MTR Building	18,000	17,325	17,308	22,500	22,500	—	3.6%	3.6%	—	3.4%	3.8%	Nippon Tochi-Tatemono
	Ito-Yokado Shonandai	11,600	9,881	9,827	11,700	11,700	—	5.3%	5.3%	—	5.0%	5.5%	Japan Real Estate
	Kohnan Sagamihara-Nishihashimoto	7,460	7,243	7,206	8,500	8,500	—	5.2%	5.2%	—	4.9%	5.4%	Japan Real Estate
	Frespo Inage	2,100	2,193	2,193	2,630	2,620	- 10	— (Note1)	— (Note1)	—	7.9%	— (Note2)	Japan Real Estate
Hotel	Hotel Okura Kobe	19,000	16,128	15,977	17,000	17,300	300	4.8%	4.8%	—	4.6%	4.9%	Richi Appraisal
Residential	Park Lane Plaza	3,200	3,143	3,141	4,010	4,010	—	3.4%	3.4%	—	4.1%	3.1%	Nippon Tochi-Tatemono

	Acquisition price	End-of-period book value		End-of-period appraisal value			Difference		
		Period ended March 2020 (A)	Period ended September 2020 (B)	Period ended March 2020 (C)	Period ended September 2020 (D)	Difference	Period ended March 2020 (C-A)	Period ended September 2020 (D-B)	Difference
Total	324,096	307,346	306,254	363,770	342,470	- 21,300	56,423	36,215	- 20,208

(Note 1) For Frespo Inage, the direct reduction method is not adopted.

(Note 2) For Frespo Inage, the cap rate and the terminal cap rate have not been established.

(Note 3) Richi Appraisal: Richi Appraisal Institute, Japan Real Estate: Japan Real Estate Institute, Daiwa Real Estate: Daiwa Real Estate Appraisal Co., Ltd., Nippon Tochi-Tatemono: Nippon Tochi-Tatemono Co., Ltd.



Changes in Occupancy Rate

5. Reference

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

Use	(Period ended March 2020) March 31, 2020	April 30, 2020	May 31, 2020	June 30, 2020	July 31, 2020	August 31, 2020	(Period ended September 2020) September 30, 2020
Office Building Master lease basis (Sublease basis)	99.9% (99.7%)	99.9% (99.7%)	99.9% (99.7%)	99.9% (99.8%)	99.9% (99.6%)	99.9% (99.7%)	99.9% (99.7%)
Retail Facility	100%	100%	100%	100%	100%	100%	100%
Other	99.6%	99.6%	99.8%	100%	100%	100%	100%
Total Master lease basis (Sublease basis)	99.9% (99.8%)	99.9% (99.8%)	99.9% (99.8%)	99.9% (99.9%)	99.9% (99.8%)	99.9% (99.9%)	99.9% (99.9%)

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

Use	Name	September 30, 2018 (End of 33rd fiscal period)	March 31, 2019 (End of 34th fiscal period)	September 30, 2019 (End of 35th fiscal period)	March 31, 2020 (End of 36th fiscal period)	September 30, 2020 (End of 37th fiscal period)
Office Building	Tokyo Shiodome Building	100%	100%	100%	100%	100%
	ON Building	100%	100%	100%	100%	100%
	Kioicho Building (Note 2)	99.9% (99.9%)	99.9% (99.9%)	99.9% (98.5%)	99.9% (98.7%)	99.9% (98.7%)
	Osaki MT Building (Note 3)	100% (100%)	100% (91.8%)	100% (91.8%)	100% (97.8%)	100% (99.1%)
	Midosuji MTR Building (Note 4)	100% (96.4%)	100% (100%)	100% (100%)	100% (100%)	100% (98.4%)
	Hiroo MTR Building (Note 5)	84.2%	100%	100%	100%	100%
	Tenjin Prime (Note 5)	89.1%	100%	100%	100%	100%
	Shin-Yokohama TECH Building	98.7%	98.7%	100%	100%	100%
Retail Facility	SHIBUYA FLAG (Note 5)	100%	100%	100%	100%	100%
	Shinbashi Ekimae MTR Building	100%	100%	100%	100%	100%
	Ito-Yokado Shonandai	100%	100%	100%	100%	100%
	Kohnan Sagamiyara-Nishihashimoto	100%	100%	100%	100%	100%
Hotel	Frespo Inage	100%	100%	100%	100%	100%
Hotel	Hotel Okura Kobe	100%	100%	100%	100%	100%
Residential	Park Lane Plaza	100%	100%	95.9%	92.9%	100%
Total (Note 6)		99.6% (99.5%)	99.9% (99.7%)	99.9% (99.6%)	99.9% (99.8%)	99.9% (99.9%)

(Note 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.

(Note 2) 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.

(Note 3) 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.

(Note 4) 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.

(Note 5) 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.

(Note 6) The occupancy rate in brackets is the total that was calculated based on occupancy rates in the sublease agreements for Kioicho Building, Osaki MT Building and the Midosuji MTR Building.

Overview of Occupancy Rate and Lease Contracts at the Fiscal Period-End

5. Reference

Use	Name	Occupancy rate (Note 1)	Total number of tenants (Note 1)	Major tenant/master lessee				
					Type of lease contract		Lease contract expiry	
Office Building	Tokyo Shiodome Building	100%	1	Mori Trust Co., Ltd.	Master lease	Fixed-term building lease	(Offices/retailers) March 31, 2021 (Note 2) (Hotel) December 31, 2035	No cancellation
	ON Building	100%	1	Kobe Steel Ltd.	Direct lease	Building lease	March 31, 2023	No cancellation
	Kioicho Building (Note 3)	99.9% (98.7%)	34 (67)	—	—	—	—	
	Osaki MT Building (Note 4)	100% (99.1%)	1 (17)	Mori Trust Co., Ltd.	Master lease (Note 2)	Fixed-term building lease	March 31, 2022	No cancellation
	Midosuji MTR Building (Note 5)	100% (98.4%)	1 (31)	Japan Property Solutions Co., Ltd.	Master lease (Note 3)	Building lease	March 31, 2021	
	Hiroo MTR Building (Note 6)	100%	8	—	—	—	—	
	Tenjin Prime (Note 6)	100%	15	—	—	—	—	
	Shin-Yokohama TECH Building	100%	10	Fujitsu Co., Ltd.	Direct lease	Building lease	September 30, 2022	
Retail Facility	SHIBUYA FLAG (Note 6)	100%	3	H&M Hennes & Mauritz Japan KK	Direct lease (Note 6)	Undisclosed (Note 7)	Undisclosed (Note 7)	
	Shinbashi Ekimae MTR Building	100%	1	Yamada Denki Co., Ltd.	Direct lease	Building lease	May 31, 2021	
	Ito-Yokado Shonandai	100%	1	Ito-Yokado Co., Ltd.	Master lease	Building lease	November 20, 2022	No cancellation
	Kohnan Sagami-hara-Nishihashimoto	100%	1	Kohnan Shoji Co., Ltd.	Master lease	Fixed-term building lease	September 27, 2023	No cancellation
	Frespo Inage	100%	1	Daiwa Lease Co, Ltd.	Direct lease	Land lease	December 2, 2027	No cancellation
Hotel	Hotel Okura Kobe	100%	1	Hotel Okura Kobe	Direct lease	Fixed-term building	March 31, 2022 (Note 2)	No cancellation
Residential	Park Lane Plaza	100%	18	—	—	—	—	
Total (Note 8)		99.9% (99.9%)	97 (176)					

(Note 1) The figures in brackets for the occupancy rate and the total number of tenants are the occupancy rate and the total number of tenants based on the sublease agreements.

(Note 2) For the office and store section of Tokyo Shiodome Building, a fixed-term building lease contract (Master lease) for the period between April 1, 2021 and March 31, 2026, was signed on September 30, 2020. For the Hotel Okura Kobe, a fixed-term building lease contract for the period between April 1, 2022 and March 31, 2032, was signed on September 30, 2020.

(Note 3) Regarding the office portion of the Kioicho Building, MTR leases the office portion of the Kioicho Building from a fiduciary trust company under a master lease agreement and subleases it to tenants. Regarding the residential portion, the agreement used is the master lease pass-through model. The occupancy rate and the total number of tenants stated above are those under the sublease agreement for the office portion and the master lease agreement for the residential portion.

(Note 4) A master lease agreement under which rent income is linked to rents under a sublease agreement has been concluded for Osaki MT Building.

(Note 5) The agreement used for the Midosuji MTR Building is the master lease pass-through model.

(Note 6) For Hiroo MTR Building, Tenjin Prime and SHIBUYA FLAG, MORI TRUST Sogo Reit has adopted a scheme under which it subleases the land and the building it rents to tenants in accordance with the master lease contract with the trustee. The types of contracts with major tenants represent the types of sublease contracts.

(Note 7) Lease contract expiry is not shown, as consent from tenants has not been obtained.

(Note 8) The occupancy rate and the total number of tenants in brackets is the total that was calculated based on the occupancy rate and the total number of tenants in the sublease agreements for Kioicho Building, Osaki MT Building and the Midosuji MTR Building. 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.

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

5. Reference

Office Building												
	Tokyo Shiodome Building		ON Building		Kioicho Building		Osaki MT Building		Midosuji MTR Building		Hiroo MTR Building	
												
Location	Minato Ward, Tokyo		Shinagawa Ward, Tokyo		Chiyoda Ward, Tokyo		Shinagawa Ward, Tokyo		Chuo Ward, Osaka		Shibuya Ward, Tokyo	
Construction completion	January, 2005		November 1990		November 1989		July 1994 (Renovated in 2008)		March 1999		November 1992	
Acquisition date	April 2010		August 2008		October 2014		March 2005, and other		April 2015		January 2018	
Acquisition price	110,000 million yen		39,900 million yen		34,300 million yen		14,386 million yen		10,170 million yen		8,100 million yen	
Book value	100,776 million yen		39,123 million yen		33,279 million yen		13,019 million yen		9,991 million yen		8,375 million yen	
Appraisal value	112,000 million yen		33,600 million yen		38,000 million yen		16,500 million yen		10,600 million yen		8,440 million yen	
Total floor space	191,394.06㎡(Note1)		32,812.27㎡		63,535.55㎡(Note2)		26,980.68㎡(Note3)		15,129.16㎡		6,709.80㎡	
PML (Note 4)	6.0%		8.0%		11.3%		11.5%		2.1%		7.3%	
Rental revenues (thousand yen)	Period ended March 2020	Period ended September 2020	Period ended March 2020	Period ended September 2020	Period ended March 2020	Period ended September 2020	Period ended March 2020	Period ended September 2020	Period ended March 2020	Period ended September 2020	Period ended March 2020	Period ended September 2020
Rental revenues	2,795,000	2,795,000	Undisclosed (Note 5)		1,106,796	1,102,437	353,844	365,335	309,043	311,671	199,220	204,734
Rent	2,795,000	2,795,000			999,027	1,004,476	345,898	364,818	270,061	271,514	150,275	155,611
Common charges	—	—			10,168	10,168	—	—	6,745	6,745	22,888	22,888
Land leasing revenues	—	—			—	—	—	—	—	—	—	—
Other rental revenues	—	—			97,600	87,792	7,945	516	32,236	33,411	26,056	26,234
Property-related expenses	946,616	959,686	Undisclosed (Note 5)		525,696	536,486	99,011	104,944	147,609	143,531	66,913	60,789
Property and other taxes	433,512	446,628			89,387	89,448	37,649	38,742	40,883	40,858	11,691	11,751
Property taxes	433,512	446,628			88,062	88,123	37,649	38,742	40,883	40,858	11,568	11,628
Other taxes	—	—			1,325	1,325	—	—	—	—	122	122
Overhead expenses	3,742	3,738			295,471	303,876	4,925	9,430	61,428	57,596	37,701	30,587
Property management fees	—	—	Undisclosed (Note 5)		211,287	222,844	—	1,395	28,679	27,961	5,214	5,298
Utilities	—	—			61,753	63,151	—	—	24,720	25,716	17,905	17,841
Casualty insurance	3,742	3,738			1,411	1,448	794	794	557	556	230	230
Trust fees	—	—			800	800	—	—	500	500	400	400
Other expenses	—	—			20,218	15,631	4,130	7,241	6,970	2,860	13,950	6,817
Depreciation and amortization	509,361	509,319	Undisclosed (Note 5)		140,838	143,161	56,437	56,770	45,297	45,076	17,521	18,450
Profits and losses from real estate business	1,848,383	1,835,313			581,099	565,951	254,832	260,391	161,433	168,140	132,306	143,944
Earnings before depreciation and amortization (NOI)	2,357,745	2,344,633			721,937	709,112	311,269	317,161	206,730	213,216	149,827	162,395
NOI yield (Note 6)	4.3%		3.2%		4.1%		4.4%		4.2%		4.0%	

(Note 1) The Tokyo Shiodome Building is a co-owned building and the floor area of 95,697.03m² is calculated by multiplying MTR's co-owned interest (ratio of 50/100) with the total floor space.(Note 2) 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.(Note 3) 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.


(Note 4) 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.

(Note 5) The rental revenues and property-related expenses of ON Building are not disclosed because tenants' consent to disclosure has not been obtained.

(Note 6) NOI earnings yield is calculated by converting NOI in the fiscal period ended September 2020 to an annual basis.

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




5. Reference

	Office Building				Retail Facility							
	Tenjin Prime	Shin-Yokohama TECH Building	SHIBUYA FLAG	Shinbashi Ekimae MTR Building	Ito-Yokado Shonandai	Kohnan Sagami-hara-Nishihashimoto						
												
Location	Chuo Ward, Fukuoka	Kohoku Ward, Yokohama	Shibuya Ward, Tokyo	Minato Ward, Tokyo	Fujisawa City, Kanagawa	Midori Ward, Sagami-hara						
Construction completion	October 2008	Building A: February 1986 Building B: February 1988	August 2009	April 1999	November 2002	August 2005						
Acquisition date	July 2012	November 2003	April 2013	April 2007	March 2003	October 2012						
Acquisition price	6,940 million yen	6,900 million yen	32,040 million yen	18,000 million yen	11,600 million yen	7,460 million yen						
Book value	6,661 million yen	6,887 million yen	32,484 million yen	17,308 million yen	9,827 million yen	7,206 million yen						
Appraisal value	8,930 million yen	7,570 million yen	40,200 million yen	22,500 million yen	11,700 million yen	8,500 million yen						
Total floor space	7,722.04m ²	25,187.22m ²	7,766.49m ²	7,820.45m ²	53,393.66m ²	40,283.77m ²						
PML (Note 4)	6.4%	8.7%	11.9%	12.2%	14.0%	13.5%						
Rental revenues (thousand yen)	Period ended March 2020	Period ended September 2020	Period ended March 2020	Period ended September 2020	Period ended March 2020	Period ended September 2020	Period ended March 2020	Period ended September 2020	Period ended March 2020	Period ended September 2020	Period ended March 2020	Period ended September 2020
Rental revenues	249,702	253,051	352,618	355,592	460,200	460,200	375,049	375,045	Undisclosed (Note 7)			
Rent	212,496	215,109	317,195	324,367	459,000	459,000	375,000	375,000				
Common charges	20,560	20,388	—	—	—	—	—	—				
Land leasing revenues	—	—	—	—	—	—	—	—				
Other rental revenues	16,645	17,552	35,423	31,225	1,200	1,200	49	45				
Property-related expenses	87,593	88,004	194,173	191,050	53,358	52,898	120,767	103,753				
Property and other taxes	25,714	27,354	30,408	30,328	34,475	34,478	39,282	39,459				
Property taxes	25,714	27,354	30,408	30,328	34,475	34,478	39,282	39,459				
Other taxes	—	—	—	—	—	—	—	—				
Overhead expenses	31,303	29,961	96,319	90,846	1,855	1,404	19,258	4,773				
Property management fees	7,848	8,400	54,970	53,819	1,200	1,200	1,620	1,620				
Utilities	12,396	12,745	30,819	27,966	—	—	—	—				
Casualty insurance	205	205	806	805	205	204	981	980				
Trust fees	750	750	—	—	—	—	—	—				
Other expenses	10,103	7,859	9,724	8,256	450	—	16,657	2,172				
Depreciation and amortization	30,575	30,688	67,445	69,876	17,027	17,015	62,226	59,520				
Profits and losses from real estate business	162,109	165,046	158,445	164,542	658,346	658,660	406,841	407,301	254,282	271,291	192,068	191,968
Earnings before depreciation and amortization (NOI)	192,684	195,735	225,891	234,418	682,213	682,559	423,869	424,316	316,508	330,812	229,636	229,636
NOI yield	5.6%	6.8%	4.3%	4.7%	5.7%	6.2%						

(Note 7) The rental revenues and property-related expenses of SHIBUYA FLAG and Kohnan Sagami-hara-Nishihashimoto are not disclosed because tenants' consent to disclosure has not been obtained.

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

5. Reference

	Retail Facility Frespo Inage		Hotel Hotel Okura Kobe		Residential Park Lane Plaza		Total	
								
Location	Inage Ward, Chiba		Chuo Ward, Kobe		Shibuya Ward, Tokyo		—	
Construction completion	—		March 1989 (Expanded March 1995)		June 1988		—	
Acquisition date	March 2002		September 2006		December 2004		—	
Acquisition price	2,100 million yen		19,000 million yen		3,200 million yen		324,096 million yen	
Book value	2,193 million yen		15,977 million yen		3,141 million yen		306,254 million yen	
Appraisal value	2,620 million yen		17,300 million yen		4,010 million yen		342,470 million yen	
Total floor space	(39,556.71m ²) (注8)		72,246.86m ²		5,246.78m ²		—	
PML (Note 4)	—		17.8%		14.9%		5.4% (Note9)	
Rental revenues (thousand yen)	Period ended March 2020	Period ended September 2020	Period ended March 2020	Period ended September 2020	Period ended March 2020	Period ended September 2020	Period ended March 2020	Period ended September 2020
Rental revenues	123,609	123,609	625,605	625,435	105,290	105,594	8,869,317	8,882,550
Rent	—	—	625,605	625,435	95,376	95,387	8,208,106	8,246,811
Common charges	—	—	—	—	9,043	9,043	242,905	242,733
Land leasing revenues	123,609	123,609	—	—	—	—	123,609	123,609
Other rental revenues	—	—	—	—	869	1,162	294,696	269,397
Property-related expenses	8,019	8,019	311,719	298,625	34,397	34,945	3,013,543	2,991,735
Property and other taxes	7,269	7,269	73,409	73,300	7,394	7,488	946,759	966,633
Property taxes	7,269	7,269	73,409	73,300	7,394	7,488	945,308	963,234
Other taxes	—	—	—	—	—	—	1,451	3,399
Overhead expenses	750	750	55,683	31,772	15,030	14,358	774,514	716,482
Property management fees	—	—	—	—	9,373	9,638	389,626	401,638
Utilities	—	—	—	—	2,064	1,531	211,610	205,263
Casualty insurance	—	—	8,339	8,337	160	160	19,258	19,283
Trust fees	750	750	2,000	2,200	—	—	6,850	7,050
Other expenses	—	—	45,344	21,235	3,432	3,026	147,168	83,247
Depreciation and amortization	—	—	182,626	193,551	11,972	13,099	1,292,269	1,308,619
Profits and losses from real estate business	115,589	115,589	313,885	326,809	70,892	70,648	5,855,774	5,890,815
Earnings before depreciation and amortization (NOI)	115,589	115,589	496,512	520,361	82,865	83,747	7,148,044	7,199,434
NOI yield	11.0%		5.5%		5.2%		4.4%	

(Note 8) The floor area of Frespo Inage is the area of the real estate trust associated with the real estate trust's beneficiary rights.

(Note 9) Portfolio PML is calculated by assuming an earthquake with an epicenter close to Tokyo's Minato Ward out of multiple earthquake scenarios.



Interest-Bearing Liabilities

Fiscal Period Ended September 2020 (37th Fiscal Period) Information Package

5. Reference

Short-term loans

(Million yen)

Lender	Outstanding balance at end of period	Average interest rate	Draw down date	Repayment date
Sumitomo Mitsui Banking Corporation	5,500	0.19%	October 11, 2019	October 9, 2020
Resona Bank, Limited	500	0.19%	October 18, 2019	October 16, 2020
Mizuho Bank, Ltd.	2,000	0.19%	April 10, 2020	April 9, 2021
MUFG Bank, Ltd.	4,000	0.19%	April 24, 2020	April 23, 2021
Resona Bank, Limited	1,000	0.18%	August 31, 2020	August 31, 2021
Total	13,000			

Long-term loans

(Million yen)

Lender	Outstanding balance at end of period	Interest rate	Draw down date	Repayment date
Sumitomo Mitsui Banking Corporation	3,000	1.09%	October 11, 2013	October 9, 2020
MUFG Bank, Ltd.	1,000	0.34%	December 26, 2017	December 25, 2020
Mizuho Bank, Ltd.	1,000	0.32%	January 19, 2018	January 19, 2021
Development Bank of Japan Inc.	500	0.32%	January 19, 2018	January 19, 2021
Sumitomo Mitsui Trust Bank, Limited.	1,500	0.27%	February 29, 2016	February 26, 2021
Mizuho Bank, Ltd.	1,000	0.27%	February 29, 2016	February 26, 2021
Development Bank of Japan Inc.	1,000	1.02%	March 12, 2014	March 12, 2021
MUFG Bank, Ltd.	1,500	0.30%	March 31, 2016	March 31, 2021
Sumitomo Mitsui Banking Corporation	5,000	1.02%	April 11, 2014	April 9, 2021
MUFG Bank, Ltd.	2,500	0.34%	April 13, 2018	April 13, 2021
Resona Bank, Limited	1,000	0.28%	April 22, 2016	April 22, 2021
Resona Bank, Limited	500	0.28%	May 31, 2016	May 31, 2021
Mizuho Bank, Ltd.	500	0.35%	August 30, 2018	August 30, 2021
Mizuho Bank, Ltd.	1,500	0.37%	August 31, 2017	August 31, 2021
Mizuho Bank, Ltd.	1,000	0.34%	August 31, 2016	August 31, 2021
MUFG Bank, Ltd.	1,500	0.89%	October 1, 2014	October 1, 2021
Sumitomo Mitsui Banking Corporation	1,000	0.83%	December 26, 2014	December 24, 2021
Sumitomo Mitsui Trust Bank, Limited.	1,000	0.41%	December 26, 2017	December 24, 2021
Aozora Bank, Ltd.	500	0.83%	December 26, 2014	December 24, 2021
Sumitomo Mitsui Banking Corporation	2,500	0.38%	January 19, 2018	January 19, 2022
Mizuho Bank, Ltd.	500	0.38%	January 19, 2018	January 19, 2022
The Bank of Fukuoka, Ltd.	2,000	0.47%	January 31, 2017	January 31, 2022
Development Bank of Japan Inc.	3,000	0.84%	February 27, 2015	February 28, 2022
Sumitomo Mitsui Banking Corporation	1,500	0.42%	February 28, 2018	February 28, 2022
MUFG Bank, Ltd.	500	0.42%	February 28, 2018	February 28, 2022
The Dai-ichi Life Insurance Company, Ltd.	500	0.45%	February 28, 2017	February 28, 2022
Mizuho Bank, Ltd.	4,000	0.47%	April 11, 2017	April 11, 2022
Aozora Bank, Ltd.	1,000	0.47%	April 11, 2017	April 11, 2022
MUFG Bank, Ltd.	2,000	0.41%	April 13, 2018	April 13, 2022
The Ashikaga Bank, Ltd.	1,000	0.44%	April 24, 2017	April 22, 2022
Sumitomo Mitsui Banking Corporation	2,000	0.80%	April 30, 2015	April 28, 2022
Sumitomo Mitsui Trust Bank, Limited.	500	0.43%	August 30, 2018	August 30, 2022
Sumitomo Mitsui Trust Bank, Limited.	3,500	0.44%	August 31, 2017	August 31, 2022
Sumitomo Mitsui Trust Bank, Limited.	2,000	0.40%	August 31, 2016	August 31, 2022
Sumitomo Mitsui Trust Bank, Limited.	1,000	0.47%	September 29, 2017	September 30, 2022
Sumitomo Mitsui Trust Bank, Limited.	1,500	0.44%	January 19, 2018	January 19, 2023
Mizuho Bank, Ltd.	500	0.44%	January 19, 2018	January 19, 2023
MUFG Bank, Ltd.	2,500	0.49%	February 28, 2018	February 28, 2023
Mizuho Bank, Ltd.	2,000	0.49%	February 28, 2018	February 28, 2023
Sumitomo Mitsui Trust Bank, Limited.	1,000	0.45%	February 29, 2016	February 28, 2023
Mizuho Trust & Banking, Co., Ltd.	1,000	0.45%	February 29, 2016	February 28, 2023
Mizuho Bank, Ltd.	3,500	0.47%	April 12, 2016	April 12, 2023
The Bank of Fukuoka, Ltd.	1,000	0.43%	April 22, 2016	April 21, 2023
The Nishi-Nippon City Bank, Ltd.	500	0.49%	April 24, 2018	April 24, 2023
Mizuho Bank, Ltd.	1,500	0.48%	August 31, 2016	August 31, 2023
Development Bank of Japan Inc.	1,000	0.51%	August 31, 2018	August 31, 2023
Resona Bank, Limited	1,000	0.48%	August 31, 2016	August 31, 2023
MUFG Bank, Ltd.	500	0.43%	August 31, 2018	August 31, 2023

Development Bank of Japan Inc.	500	0.54%	September 29, 2017	September 29, 2023
Resona Bank, Limited	1,000	0.46%	October 18, 2016	October 18, 2023
Mizuho Bank, Ltd.	3,000	0.17%	August 30, 2019	February 29, 2024
Development Bank of Japan Inc.	1,500	0.64%	February 28, 2017	February 29, 2024
Aozora Bank, Ltd.	2,000	0.54%	March 11, 2016	March 11, 2024
Shinkin Central Bank	2,000	0.57%	March 19, 2018	March 19, 2024
Development Bank of Japan Inc.	2,000	0.36%	April 11, 2019	April 11, 2024
Mizuho Bank, Ltd.	1,000	0.36%	April 11, 2019	April 11, 2024
Mizuho Bank, Ltd.	3,000	0.56%	April 24, 2018	April 24, 2024
The Bank of Fukuoka, Ltd.	1,000	0.56%	May 31, 2018	May 31, 2024
The Nishi-Nippon City Bank, Ltd.	500	0.43%	December 26, 2019	December 26, 2024
Mizuho Bank, Ltd.	1,500	0.56%	January 19, 2018	January 17, 2025
MUFG Bank, Ltd.	500	0.56%	January 19, 2018	January 17, 2025
Sumitomo Mitsui Trust Bank, Limited.	3,000	0.32%	February 28, 2020	February 28, 2025
Mizuho Bank, Ltd.	1,000	0.65%	February 28, 2018	February 28, 2025
Sumitomo Mitsui Banking Corporation	1,000	0.65%	February 28, 2018	February 28, 2025
The Hachijuni Bank, Ltd.	1,000	0.34%	February 28, 2020	February 28, 2025
MUFG Bank, Ltd.	500	0.65%	February 28, 2018	February 28, 2025
Development Bank of Japan Inc.	1,000	0.64%	March 19, 2018	March 19, 2025
Sumitomo Mitsui Trust Bank, Limited.	4,000	0.37%	April 13, 2020	April 11, 2025
Sumitomo Mitsui Banking Corporation	3,000	0.46%	April 24, 2019	April 24, 2025
MUFG Bank, Ltd.	3,000	0.68%	August 31, 2018	August 29, 2025
The Bank of Fukuoka, Ltd.	1,000	0.42%	January 31, 2020	January 30, 2026
Sumitomo Mitsui Banking Corporation	1,000	0.52%	February 28, 2019	February 27, 2026
Nippon Life Insurance Company	500	0.36%	September 30, 2020	March 31, 2026
Aozora Bank, Ltd.	500	0.72%	April 24, 2018	April 24, 2026
Development Bank of Japan Inc.	1,000	0.33%	August 30, 2019	August 31, 2026
The Nishi-Nippon City Bank, Ltd.	1,000	0.41%	August 31, 2020	August 31, 2026
The 77 Bank, Ltd.	500	0.31%	August 30, 2019	August 31, 2026
Mitsui Sumitomo Insurance Company, Ltd.	500	0.39%	September 30, 2020	September 30, 2026
The Bank of Fukuoka, Ltd.	500	0.56%	December 26, 2019	December 25, 2026
Resona Bank, Limited	500	0.56%	December 26, 2019	December 25, 2026
The Norinchukin Bank	3,000	0.38%	February 28, 2020	February 26, 2027
Sumitomo Life Insurance Company	500	0.59%	December 26, 2019	June 25, 2027
The Norinchukin Bank	1,500	0.38%	August 30, 2019	August 31, 2027
The Nishi-Nippon City Bank, Ltd.	1,500	0.48%	August 31, 2020	August 31, 2027
Resona Bank, Limited	500	0.48%	August 31, 2020	August 31, 2027
Sumitomo Life Insurance Company	500	0.38%	August 30, 2019	August 31, 2027
Development Bank of Japan Inc.	1,000	0.43%	March 12, 2020	September 10, 2027
Mizuho Bank, Ltd.	1,000	0.63%	December 26, 2019	December 24, 2027
Sumitomo Mitsui Banking Corporation	1,500	0.51%	October 11, 2019	April 11, 2028
Mizuho Bank, Ltd.	1,500	0.51%	October 17, 2019	April 17, 2028
The 77 Bank, Ltd.	1,000	0.54%	August 31, 2020	August 31, 2028
Shinsei Bank, Limited	1,000	0.53%	August 31, 2020	August 31, 2028
Total	130,000			

Investment corporation bonds

(Million yen)

Issue	Balance at end of period	Interest rate	Issue date	Maturity date
10th unsecured investment corporation bonds	3,000	0.01%	June 21, 2018	February 26, 2021
11th unsecured investment corporation bonds	3,000	0.07%	February 22, 2019	February 22, 2022
12th unsecured investment corporation bonds	4,000	0.10%	February 20, 2020	February 20, 2023
6th unsecured investment corporation bonds	1,000	1.07%	February 26, 2015	February 26, 2027
9th unsecured investment corporation bonds	1,000	1.08%	February 23, 2017	February 23, 2037
Total	12,000			

(Note) The short-term loans, long-term loans, and investment corporation bonds are all unsecured and unguaranteed.

**Total interest-bearing liabilities at the end of the period:
¥155,000 million**

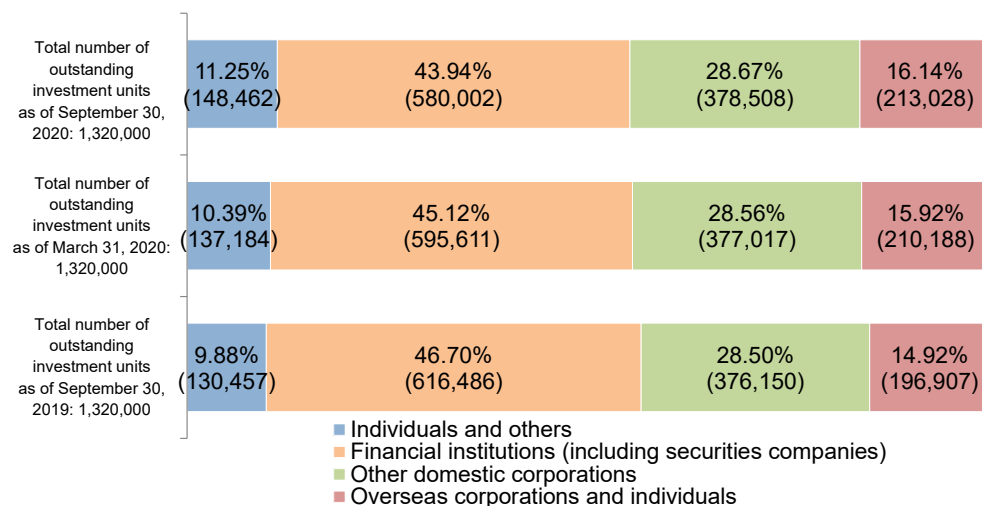
Borrowed and issued during the 37th period ended September 2020.

■ Top 10 Unitholders (Total number of outstanding investment units: 1,320,000)

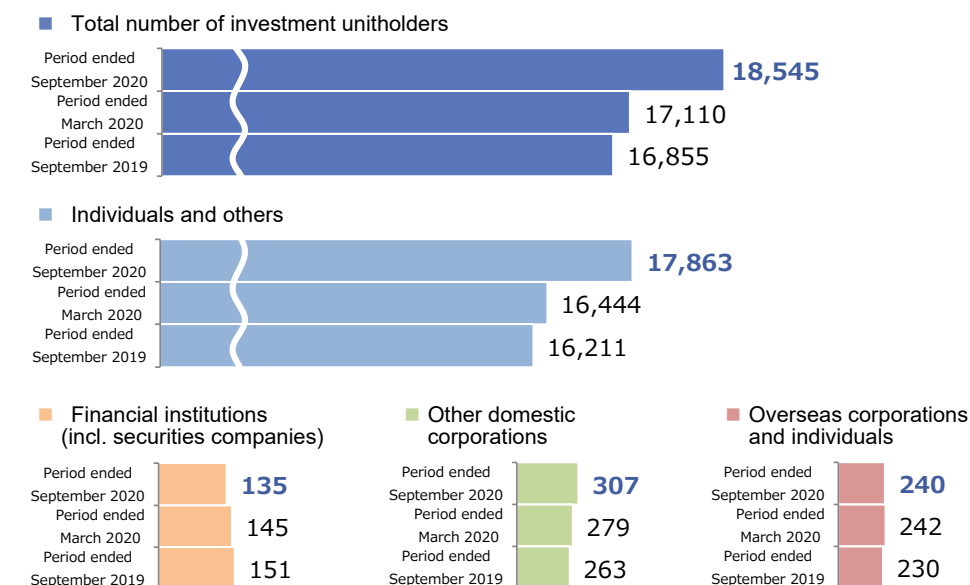
(As of September 30, 2020)

Unitholders	Number of units held	Ownership ratio
MORI TRUST Holdings, Inc.	350,070	26.52%
Custody Bank of Japan, Ltd.(Trust accounts)	201,506	15.27%
The Master Trust Bank of Japan, Ltd. (trust account)	121,127	9.18%
The Nomura Trust and Banking Co., Ltd. (investment trust)	48,210	3.65%
Custody Bank of Japan, Ltd.(Securities investment trust accounts)	28,305	2.14%
STATE STREET BANK WEST CLIENT - TREATY 505234	15,010	1.14%
LEGAL + GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	14,277	1.08%
MorganStanleyMUFGSecuritiesCo.,Ltd.	13,124	0.99%
THE HACHIJUNI BANK,LTD.	13,085	0.99%
DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	12,650	0.96%
Total of top 10 unitholders	817,364	61.92%

■ Changes in investment unitholder ratio by owner (End of each fiscal period)



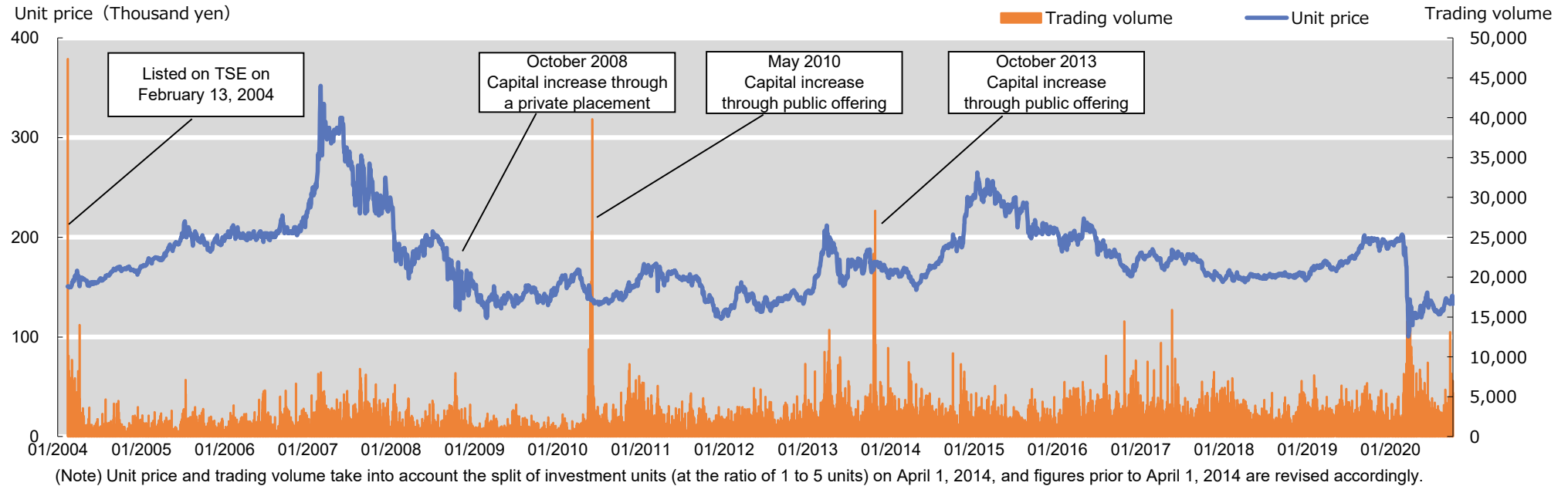
■ Changes in number of investment unitholders by owner (End of each fiscal period)



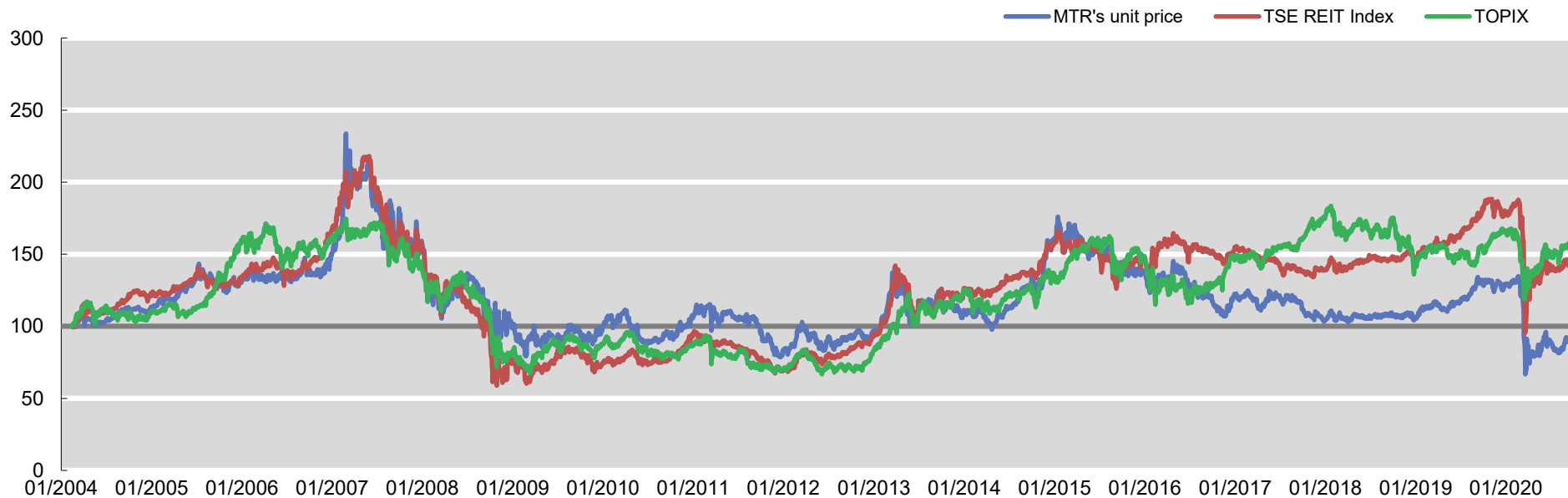
Changes in Unit Prices

5. Reference

Closing Unit price and trading volume February 13, 2004 to September 30, 2020



Comparative performance of closing Unit price February 13, 2004 to September 30, 2020

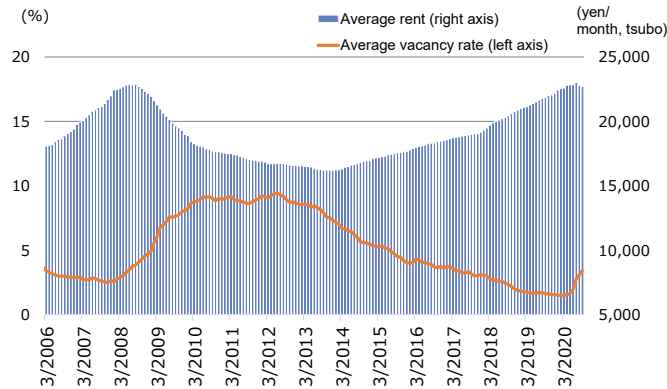




Changes in Vacancy Rate and Rent per Unit in Major Cities

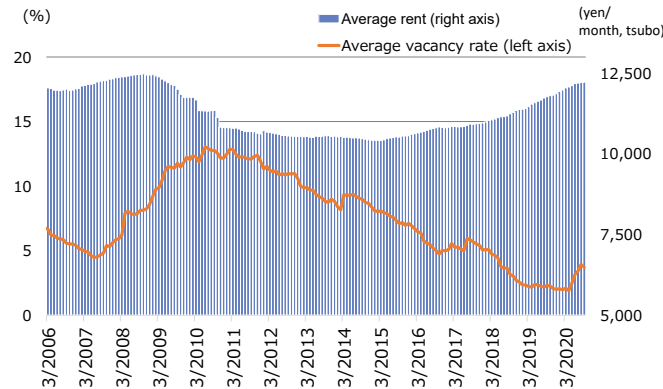
5. Reference

Tokyo business districts



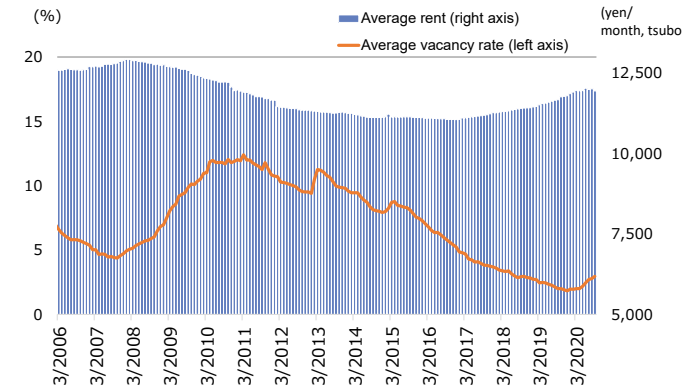
Tokyo business districts: Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, and Shibuya-ku

Yokohama business districts



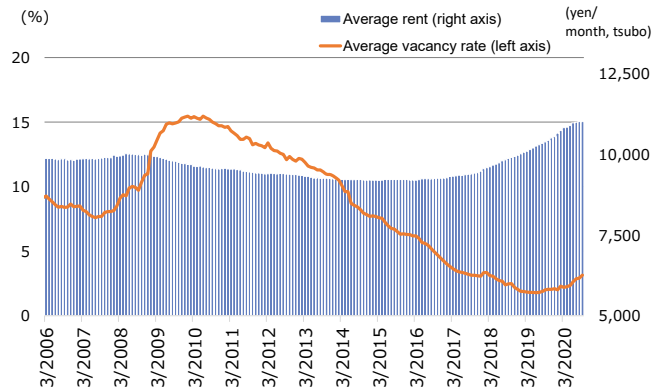
Yokohama business districts: Kannai, Yokohama Station, Shin-Yokohama, and Minato Mirai 21

Osaka business districts



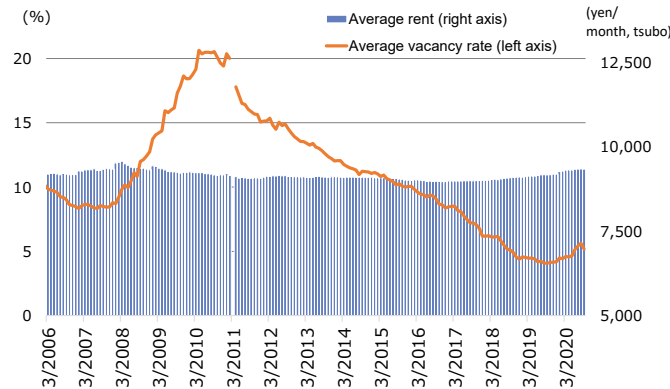
Osaka business districts: Umeda, Minami-Morimachi, Yodoyabashi and Honmachi, Senba, Shinsaibashi and Namba, and Shin-Osaka

Fukuoka business districts



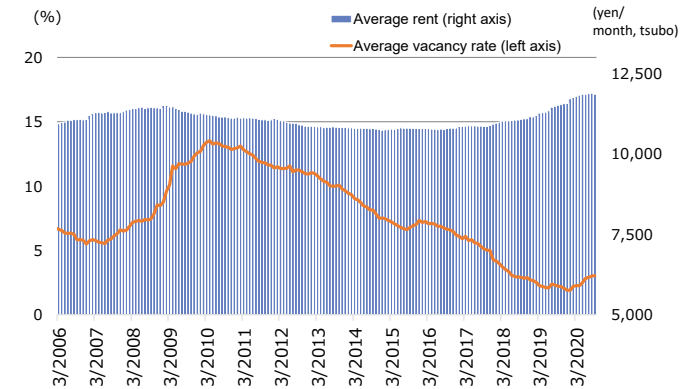
Fukuoka business districts: Akasaka Daimyo, Tenjin, Yakuin and Watanabe Dori, Gion and Gofukumachi, Hakata Station front, Hakata Station East and South

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

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



Asset Management Company Remuneration Methods

(The end of the fiscal period ended September 2020)

	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)	(Total appraisal value of assets at relevant fiscal period-end + Total appraisal value of assets at prior fiscal period-end) ÷ 2 x 0.15% x 1/2
Remuneration Method 2	As determined at the Board of Management meeting, the amount of remuneration shall equal a maximum rate of 3% of distributable income for the relevant fiscal period. Based on standard accounting principles generally accepted in Japan, distributable income is determined as the sum of profit before income taxes and losses carried forward.	1.5% (Note 2)	Distributable income x 1.5%
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. The percentages below may be reduced depending on the surrounding circumstances. - 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%

(Note 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.

(Note 2) At a Board of Management meeting held on November 27, 2003, it was decided that the calculation rate for remuneration in the rate stated above will be reduced.



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■ Contact Information

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