



# MORI TRUST Sogo Reit, Inc.

Fiscal Period Ended September 2021 (39th 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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# 1. Overview of the Settlement and Forecasts



# Fiscal Period Ended September 2021 Settlement Highlights

## Distribution Per Unit

**¥3,550** (down ¥325 vs. the fiscal period ended March 2021, up ¥158 vs. forecast)

As of September 30, 2021 (change from the previous fiscal period in parentheses)

## Asset

**Number of property: 16 properties** (up 1 property)

**Asset size: ¥324.3 billion** (up ¥0.2 billion) (Note 1)

**Occupancy rate: 99.1%** (down 0.2%)

\* Sublease basis **91.9%** (down 6.7%) (Note 2)

**Appraisal values of portfolio properties at the fiscal period end: ¥341.3 billion** (down ¥1.2 billion)

**Unrealized profit: ¥35.0 billion** (down ¥1.9 billion) (Note 3)

### Investment ratio:

[by area] **Tokyo metropolitan area 80.2%** (up 0.0%)

[by use] **Office building 71.2%** (up 0.0%)

## Debt

**Balance of interest-bearing debt: ¥155.0 billion**  
(down ¥2 billion)

**Average interest rate for borrowings during fiscal period: 0.45%** (down 0.00%)

**LTV: 47.2%** (down 0.3%)

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

## Equity

**Number of units issued: 1,320,000 units** (–)

**NAV per unit: ¥147,877** (down 1.0%)  
(Note 4)

**Investment unit price: ¥148,100**  
/ closing price on September 30, 2021)

\* The notes on this page constitute an integral part of this presentation. See P.49~P50

# Overview of the Settlement for the Fiscal Period Ended September 2021

Operating revenues increased by 412 million yen from the previous period due to the posting of gain on the sale of part of Tokyo Shiodome Building, despite the impact of the vacation of end tenants from the building

(Some of the gain on sale are reserved internally for prolonged leasing)

Distribution per unit increased by 158 yen to 3,550 compared to the forecast, because of the increased profit due to the lower decrease of rents and decreased intermediate fees and repair expenses.

(Unit: Million yen)

	Period ended March 2021 actual (A)	Period ended September 2021 forecast (B)	Period ended September 2021 actual (C)	Vs. previous fiscal period (C-A)	Change from the previous forecast (C-B)
Operating revenues	8,789	9,180	9,202	412	21
Rental revenues (a)	8,789	7,751	7,768	-1,021	16
Gain on sale of real estate	—	1,429	1,433	1,433	4
Operating expenses	3,325	3,830	3,638	313	-191
Property-related expenses (b)	2,880	3,341	3,152	272	-189
Property and other taxes	964	964	958	-6	-5
Overhead expenses	788	1,262	1,080	291	-182
Depreciation (c)	1,126	1,114	1,113	-12	-1
Selling, general and administrative expenses	445	489	486	41	-2
Profits and losses from real estate rental business (d)=(a)-(b)	5,909	4,409	4,615	-1,293	205
Earnings before depreciation and amortization (NOI) (d)+(c)	7,036	5,524	5,729	-1,306	204
Operating income	5,464	5,350	5,563	98	213
Non-operating revenues	36	0	0	-35	0
Non-operating expenses	385	373	358	-26	-14
Ordinary income	5,116	4,976	5,205	89	228
Profit before income taxes	5,116	4,976	5,205	89	228
Income taxes - current	0	1	0	-0	-0
Income taxes - deferred	-0	156	163	163	6
Profit	5,115	4,819	5,041	-73	222
Net increase of reserve for reduction entry	—	341	355	355	14
Total distribution	5,115	4,477	4,686	-429	208
Distribution per unit (yen)	3,875	3,392	3,550	-325	158
Total number of outstanding investment units	1,320,000	1,320,000	1,320,000	—	—

## Balance of internal reserves

(Unit: Million yen)

Period ended Mar. 2021 (Actual)	Period ended Sep.2021 (Actual)	Vs. previous fiscal period (*)
1,567	2,086	519

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

## Main factors in change

Vs. previous fiscal period

(Unit: Million yen)

### Operating revenues

<Rental revenues>

● Impact of property replacement	25
● Contract cancellation fees (presence – absence)	20
● Impact of tenant occupation and vacation at the Tokyo Shiodome Building (“Shiodome Bldg.”)	-938
● Occupation and vacation on other properties	-123
● Impact on the revision of rents	-10
<Gains on sale of real estate>	
● Gain on sale of part of Shiodome Bldg.	1,433

### Operating expenses

<Property-related expenses>

● Increase in property management fees (revision of ML contract for Shiodome Bldg., new purchase of properties, etc.)	297
● Mainly an increase in utilities expenses due in part to seasonal fluctuations	19
● Decrease in repair expenses	-26
● Decrease in depreciation and amortization	-12
<Selling, general and administrative expenses>	

● Increase in consumption tax not eligible for deduction (fall in taxable sales due to sale of land)	24
● Expenses associated with Investors' Meeting	13

### Non-operating revenues / non-operating expenses

● Absence of work covered by insurance	-8
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Vs. forecast

### Operating revenues

<Rental revenues>

● Difference of assumption of rent reductions	29
● Difference of assumption of occupation and vacation	15
● Presence of adjustments of vacation from Tokyo Shiodome Bldg.	10
● Decrease in utilities revenues due in part to decrease in tenants because of the impact of COVID-19 pandemic.	-39

### Operating expenses

<Property-related expenses>

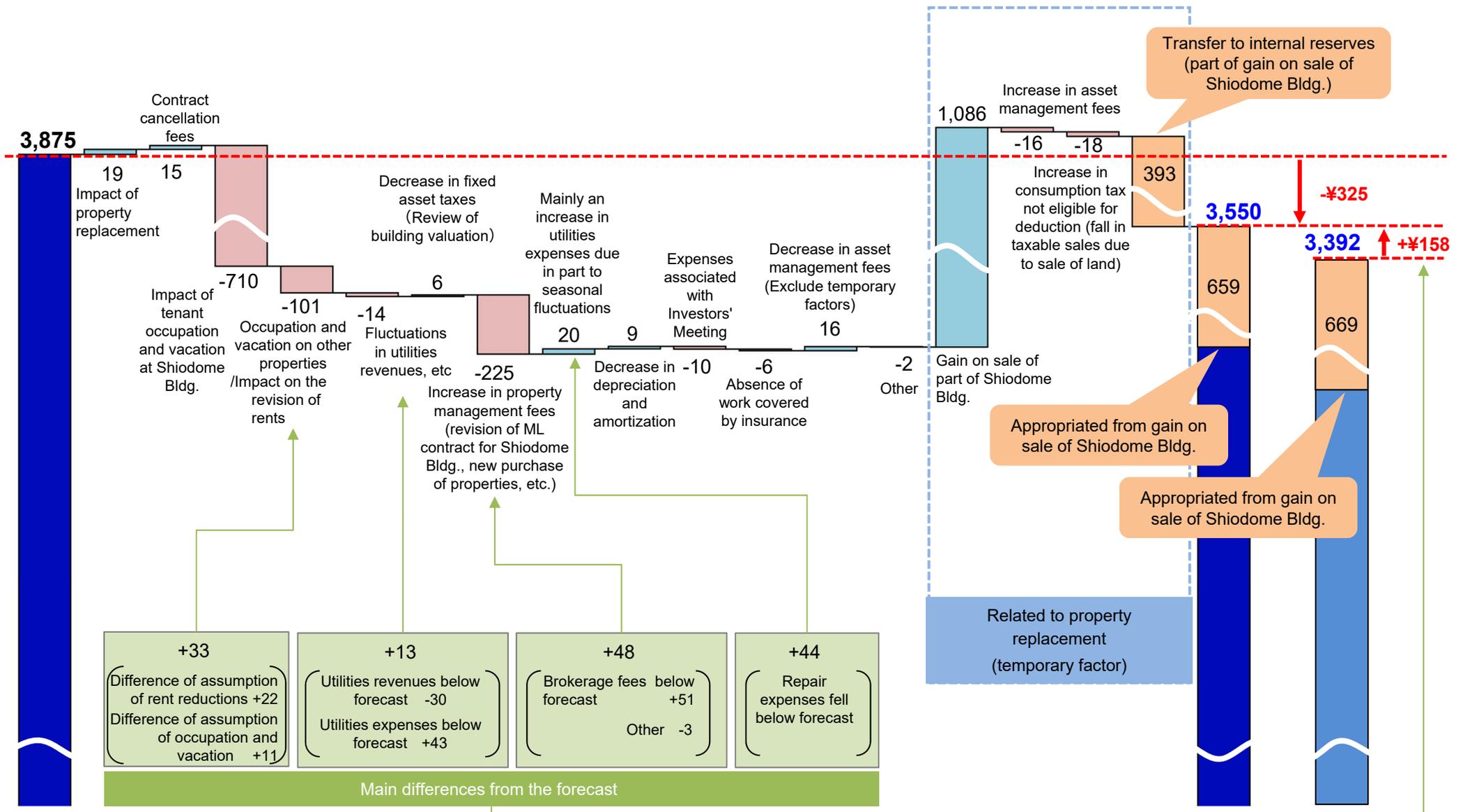
● Brokerage fees below forecast	-68
● Repair expenses fell below forecast	-58
● Utilities expenses fell below forecast due in part to decrease in tenants because of the impact of the COVID-19 pandemic.	-57

### Non-operating expenses

● Interest paid fell below forecast	-14
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# Factors for Change in Distributions per Unit (the fiscal period ended September 2021)

(Unit: Yen)



Period ended  
March 2021  
Actual

Period ended  
September 2021  
Actual

Period ended  
September 2021  
Forecast

**Current fiscal period** (Announced May 2021)

# Forecasts for the Fiscal Period Ending March 2022

1. Overview of the Settlement and Forecasts

Because of posting of gains on sale of real estate of the same level from the previous period and progress in leasing, and decrease in vacation and rent reductions, income from rents was revised upward.

(Some of the gain on sale are reserved internally for prolonged leasing)

The income forecast was revised upward due in part to the downward revision of property and other taxes, property management fees, repair expenses, and interest payment.

Distribution per unit is expected to increase by 75 yen from the previous forecast to 3,075 yen.

(Unit: Million yen)

	Period ended September 2021	Previous forecast for the fiscal period ending March 2022	New forecast for the fiscal period ending March 2022	Vs. previous fiscal period	Vs. previous fiscal period
	(A)	(B)	(C)	(C-A)	(C-B)
Operating revenues	9,202	8,277	8,415	- 787	137
Rental revenues (a)	7,768	6,846	6,983	- 784	137
Gain on sale of real estate	1,433	1,431	1,431	- 2	—
Operating expenses	3,638	3,569	3,541	- 97	- 28
Property-related expenses (b)	3,152	3,101	3,075	- 76	- 25
Property and other taxes	958	878	872	- 85	- 5
Overhead expenses	1,080	1,095	1,076	- 4	- 19
Depreciation (c)	1,113	1,127	1,127	13	- 0
Selling, general and administrative expenses	486	468	465	- 20	- 2
Profits and losses from real estate rental business (d)=(a)-(b)	4,615	3,744	3,908	- 707	163
Earnings before depreciation and amortization (NOI) (d)+(c)	5,729	4,872	5,035	- 694	162
Operating income	5,563	4,707	4,873	- 689	165
Non-operating revenues	0	0	0	- 0	—
Non-operating expenses	358	379	362	3	- 17
Ordinary income	5,205	4,328	4,511	- 694	183
Profit before income taxes	5,205	4,328	4,511	- 694	183
Income taxes - current	0	1	1	0	—
Income taxes - deferred	163	115	142	- 21	26
Profit	5,041	4,211	4,368	- 673	156
Net increase of reserve for reduction entry	355	252	309	- 46	57
Total distribution	4,686	3,960	4,059	- 627	99
Distribution per unit (yen)	3,550	3,000	3,075	- 475	75
Total number of outstanding investment units	1,320,000	1,320,000	1,320,000	—	—

## Balance of internal reserves

(million yen)

Period ended Sep.2021 (Actual)	Period ending Mar. 2022 (Previous forecast)	Period ending Mar. 2022 (New forecast)	Vs. previous fiscal period (*)	Vs. previous forecast
2,086	2,433	2,538	451	105

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

## Forecast Distribution Per Unit

**¥3,075** (down ¥475 from the previous fiscal period, up ¥75 vs. previous forecast)

## Main factors in change

### Vs. previous fiscal period

(Unit: Million yen)

#### Operating revenues

- Impact of property replacement 205
- Impact mainly of tenant occupation and vacation at Shiodome Bldg. -655
- Decrease in vacation at Shinbashi Ekimae MTR Building -229
- Impact of occupation and vacation at other properties -55
- Absence of contract cancellation fees -31
- Impact on the revision of rents -10

#### Operating expenses

##### <Property-related expenses>

- Decrease in fixed asset taxes due to sale of part of Tokyo Shiodome Bldg. -83
- Increase in utilities due to increase in energy adjustments 22
- Decrease in repair expenses -28
- Increase in depreciation due to replacement of properties 13

##### <Selling, general and administrative expenses>

- Absence of expenses associated with the Investors' Meeting -13
- Decrease in asset management fees -10

### Vs. previous forecast

#### Operating revenues

- Upward revision due to occupation and vacation of tenants 78
- Upward revision due in part to decrease in vacation of tenants 58
- Upward revision due to decrease in rent reductions 11

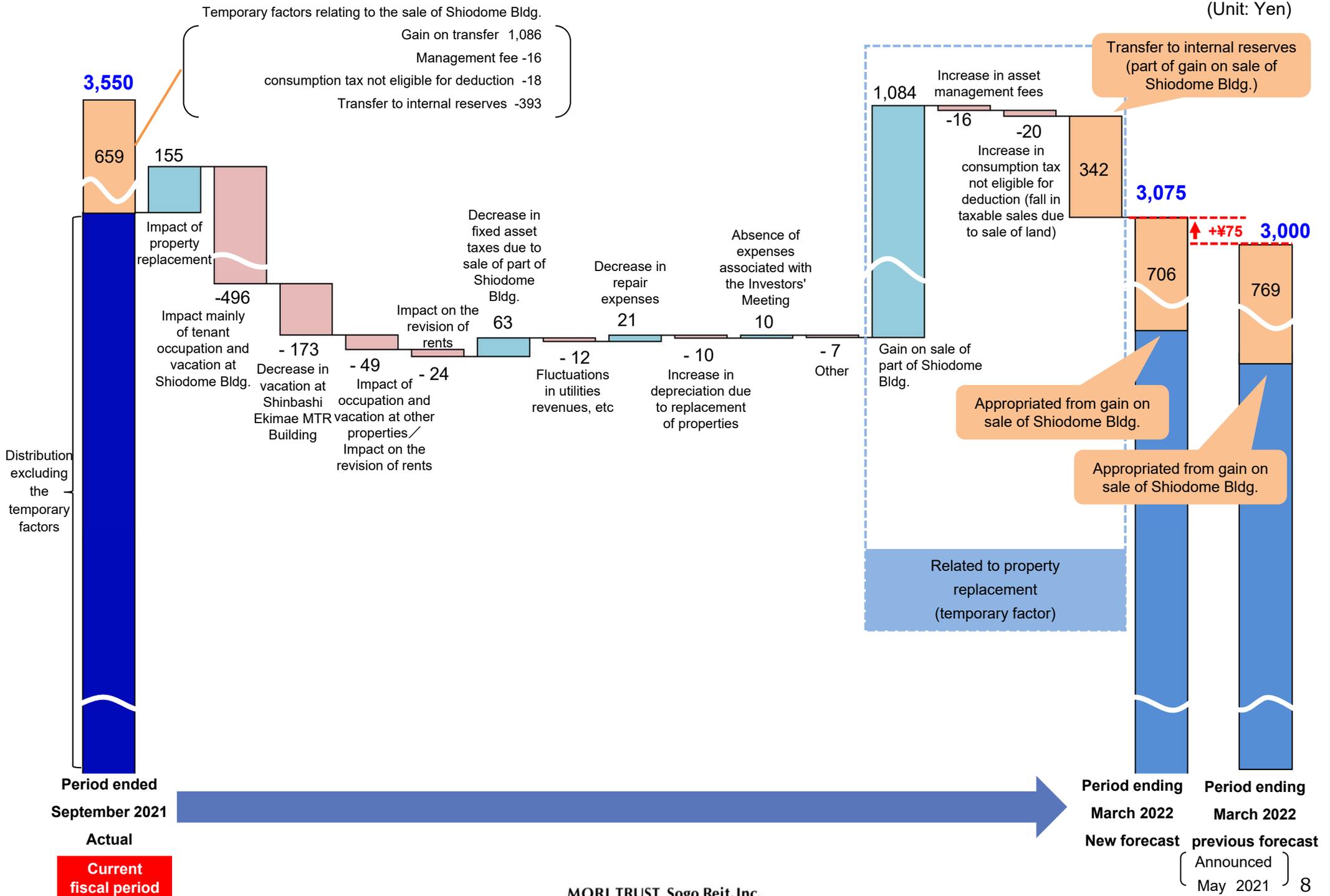
#### Operating expenses

- Downward revision of property and other taxes -5
- Downward revision of property management fees -16
- Downward revision of repair expenses -7

#### Non-operating expenses

- Downward revision of Interest paid -7

# Factors for Change in Distributions per Unit (the fiscal period ending March 2022)



# Forecasts for the Fiscal Period Ending September 2022

## Forecast Distribution Per Unit

**¥3,000** (down ¥75 vs. forecast for fiscal period ending March 2022)

### (Expectation on performance forecast)

- Vacancy continues for units where no new tenant is found, and a certain amount of vacation is expected for offices and residences.
- No selling-off of properties is expected.
- Fixed asset taxes due to the acquisition of Kamiyacho Trust Tower and increase in fixed asset taxes because of fair value adjustments
- Distribution is maintained to be 3,000 yen-level (internal reserves will be used for insufficiency)

(Unit: Million yen)

	Period ending March 2022 Forecast (40th fiscal period)	Period ending September 2022 Forecast (41st fiscal period)	Change (B-A)
	(A)	(B)	(B-A)
Operating revenues	8,415	6,818	- 1,596
Rental revenues	6,983	6,818	- 165
gains on sale of real estate	1,431	—	- 1,431
Operating income	4,873	3,270	- 1,602
Ordinary income	4,511	2,891	- 1,619
Income taxes - deferred	142	- 336	- 478
Profit	4,368	3,226	- 1,141
Net increase of reserve for reduction	309	- 733	- 1,042
Total distribution	4,059	3,960	- 99
Distribution per unit (yen)	3,075	3,000	- 75
Total number of outstanding investm	1,320,000	1,320,000	—

### ■ Balance of internal reserves

(million yen)

Period ending Mar. 2022 forecast	Period ending Sep. 2022 forecast	Vs. previous fiscal period (*)
2,538	1,468	- 1,069

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

## ■ Main factors in change

(Unit: Million yen)

### Operating revenues

#### <Rental revenues>

- Impact of occupation and vacation of tenants and revision of rents 42
- Increase in income from utilities due in part to seasonal variations 21
- Decrease in vacation at Shinbashi Ekimae MTR Building -229

#### <Gains on sale of real estate>

- Absence of gain on sale -1,431

### Operating expenses

#### <Property-related expenses>

- Fixed asset taxes due to the acquisition of Kamiyacho Trust Tower and increase in fixed asset taxes because of fair value adjustments 73
- Decrease in repair expenses -11

#### <Selling, general and administrative expenses>

- Decrease in consumption tax not eligible -27
- Decrease in asset management fees -24

## 2. Operation Status





### Recognition of Present Conditions

- In the real estate market during the state of emergency declared because of the COVID-19 pandemic, the office vacancy rate is showing a rising trend, while rents are trending downward. Recently, however, the degree of the increase/decrease has become smaller and smaller.
- The increase of the number of people who have been vaccinated and a decrease in new office building supply are expected to promote the gradual recovery of demand for offices.



### Future Policies

- Focus on ensuring occupancy while flexibly responding to market conditions and tenant needs because the vacancy rate trend is rising.
- Negotiate rent revisions while paying attention to corporate performance when there is the potential for upward rent revisions.
- 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, rent gaps, leasing difficulty, impact on portfolio revenue, and portfolio occupancy status)

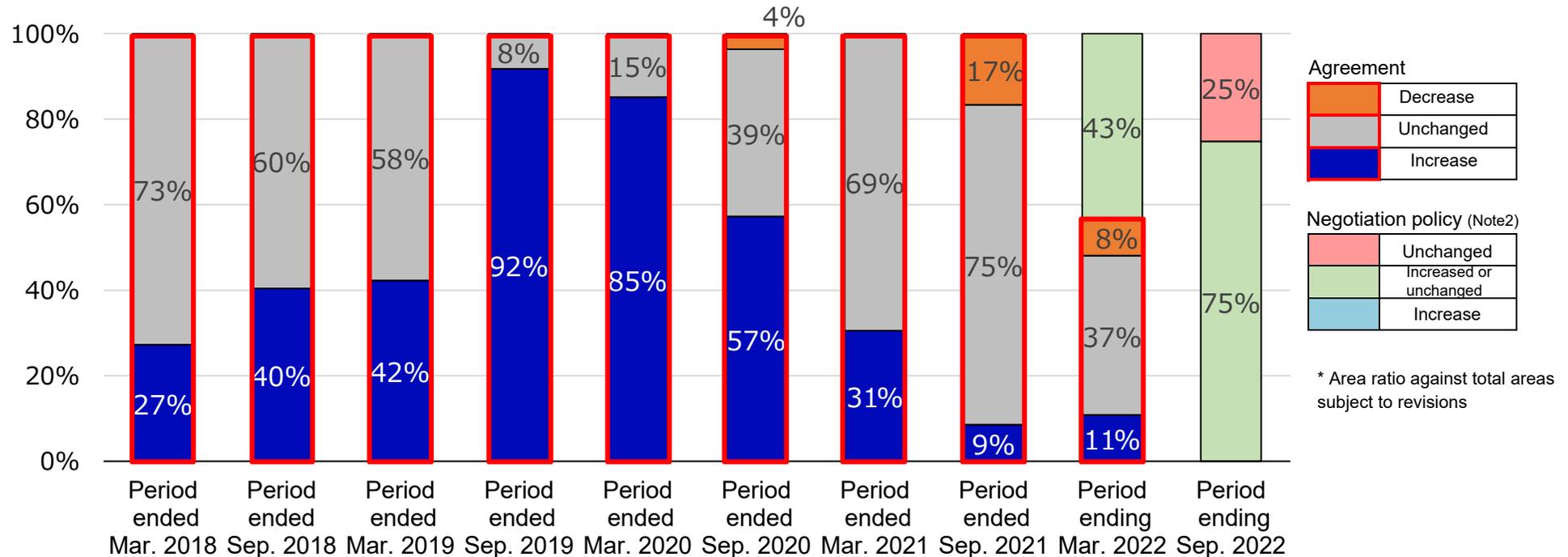
Tenant trends in the current fiscal period

• In the current fiscal period, there were three rent reductions and one exit due to the COVID-19 pandemic.

Situation of Rent Revision for Six Office Buildings (Kioicho Building, Osaki MT Building, Midosuji MTR Building, Hiroo MTR Building, Tenjin Prime and Shin-Yokohama TECH Building)

- Of the tenants whose rent has been revised during the current fiscal period, 9% were revised upward, 17% were revised downward, and 75% were unchanged. (Area base)
- Negotiation policies for the fiscal period ending March 2022 and fiscal period ending September 2022 were developed conservatively considering the state of the leasing market, in which the vacancy rate for offices is on the rise.

Actual revisions and negotiation policy for contracts that will be revised



Area subject to revision (Note1)

5,410m <sup>2</sup>	9,603m <sup>2</sup>	22,442m <sup>2</sup>	9,865m <sup>2</sup>	10,891m <sup>2</sup>	10,895m <sup>2</sup>	25,006m <sup>2</sup>	9,694m <sup>2</sup>	12,323m <sup>2</sup>	10,972m <sup>2</sup>
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\* The notes on this page constitute an integral part of this presentation. See P.49~P50

## Management situation of properties owned

### Tokyo Shiodome Building

- Continue to focus on leasing to secure occupancy for this period, but due to the resurgence of COVID-19, the relocation of offices remained stalled and leasing did not progress as expected.
- As of the date of earnings announcement, occupancy at office and store units was 44.8%, with the overall occupancy being 61.3% (on the basis of contract conclusion).
- Expect the relocation of offices due to the termination of the state of emergency (demand for offices is expected to recover due to increase in attendance rate in companies and decrease in supply of new offices).

(Reference) • Sale of part of Tokyo Shiodome Building and acquisition of Kamiyacho Trust Tower

- Replacement of properties was conducted in two stages: first on July 1, 2021 and second on October 4, 2021)
- Because of this sale, a total of 1.4 billion yen (sale of properties) will be posted for each of the periods: Fiscal period ending September 2021 and fiscal period ending March 2022.

### Shinbashi Ekimae MTR Building

- A tenant occupying an entire building is to exit at the end of December 2021.
- Continue to consider from the standpoint of both leasing and sale.
- Confirmed clients with a strong intention to acquire.
- Will determine the policy through comprehensive consideration of the overall management of portfolio.

### Shin-Yokohama TECH Building

- Main tenants that account for about 55% of the total properties (as of the end of September 2021) are scheduled to leave by the end of December 2021, while continuing to rent some of the units.
- A certain amount of demand for tenants are in place, and recovery at an early date is targeted.
  - Occupancy recovered to about 60% including those, for which final adjustments are underway.
  - Rents for new tenants increased about 30% on average from those for previous tenants.

### Tenjin Prime

- With respect to leased land (2.6% of the total premise), in accordance with the intention of the owner to sell, acquisition is scheduled for December 1, 2021 to improve liquidity and income. (Acquisition price: 110 million yen)

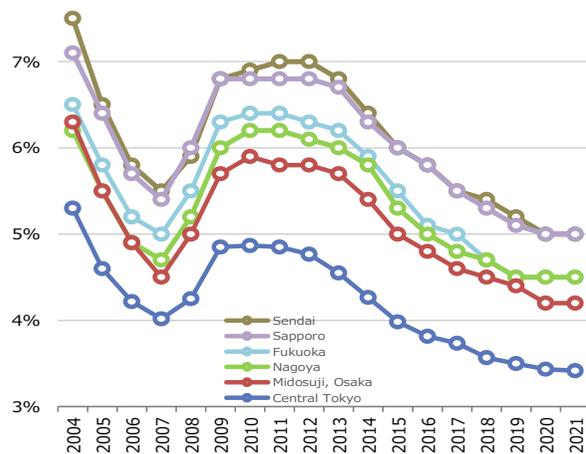
# External Growth (Recognition of Conditions and Future Policies)

## Recognition of Present Conditions

- Demand for property purchases from domestic and foreign investors remains high, and the transaction yields continue to be low.
- Although multiple companies sold assets to improve their balance sheet, the sale of properties that could be invested in remain limited.
- In real estate investors' perception of market cycles, currently more investors think that the market has peaked.

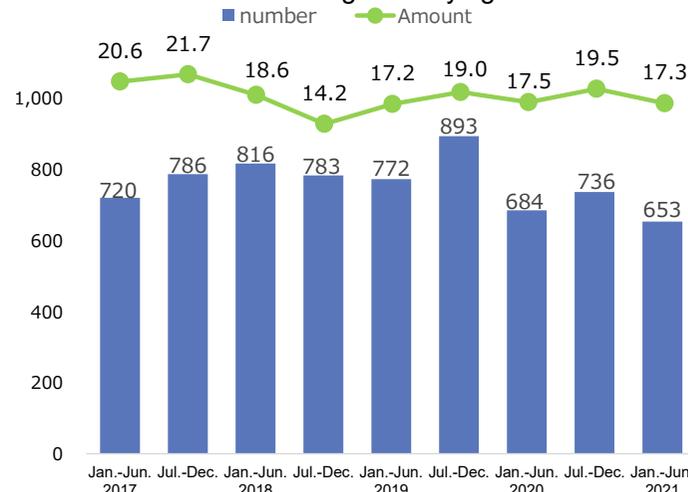
### Conditions of Investment Market

■ Trend in transaction yield of standard Class-A buildings



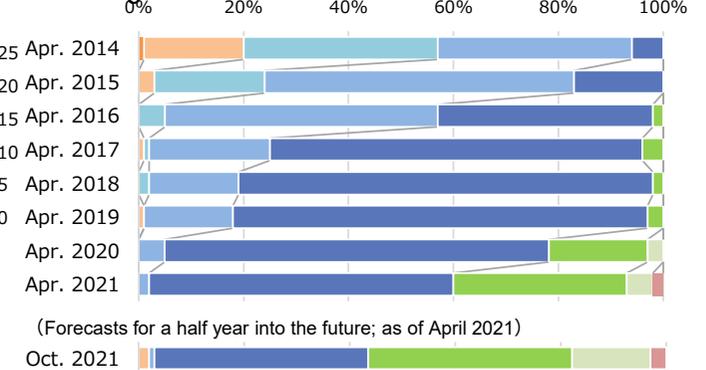
Source: Prepared by the Company based on Japan Real Estate Institute: The Japanese Real Estate Investor Survey  
 The figure for Central Tokyo represents the simple mean value of the data obtained in the survey in Marunouchi-Otemachi, Nihonbashi, Toranomon, Nishi-Shinjuku, Shibuya and Osaka.  
 \*The data were current as of October of each year. The data for 2021 were Current as of April

■ Trends in the number of transactions and values in real estate selling and buying

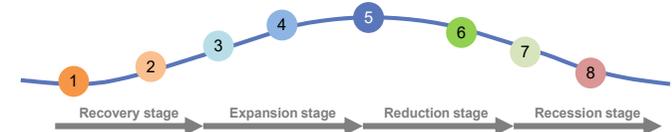


Source: Prepared by the Company based on Nikkei BP: Nikkei Real Estate Market Report May 2017, Aug. 2017, Nov. 2017, Feb. 2018, May 2018, Aug. 2018, Nov. 2018, Feb. 2019, May 2019, Aug. 2019, Nov. 2019, Feb. 2020, Feb. 2020, May 2020, Aug. 2020, Nov. 2020, Feb. 2021 and Aug. 2021  
 \*Based on articles in the Nikkei Real Estate Market Report

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



(Forecasts for a half year into the future; as of April 2021)



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

- Maintain the policy of highly selective investment focusing on the medium- to long-term value of properties (monitor changes in investment environment taking into account the adjustment phase of real estate prices)
- Continue to develop strategies to increase the stability and quality of the portfolio.



### Management results for the fiscal period under review

#### (Results of loans)

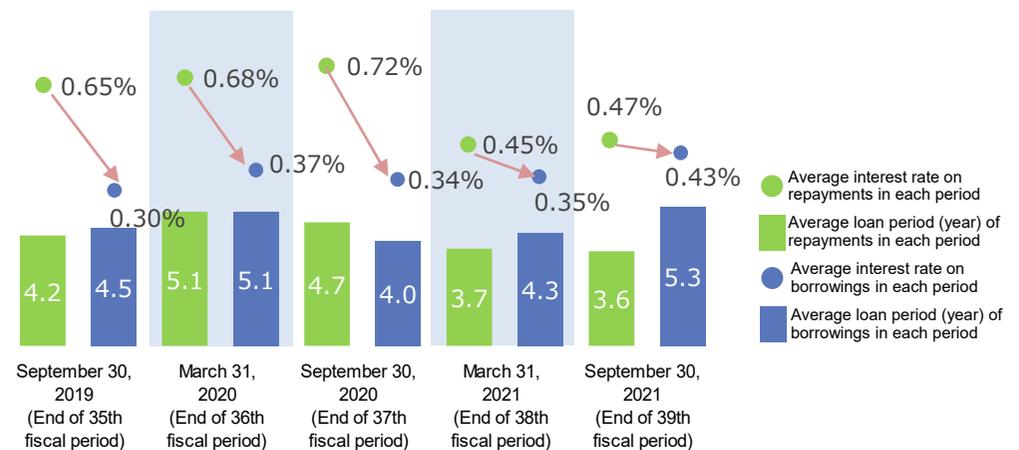
As the low interest rate environment continues, it is possible to both reduce the cost of raising funds and prolong the terms of loans by refinancing.

Repayment summary	
Total amount	19,000 million yen
Average loan term	3.6year
Average interest rate	0.47%

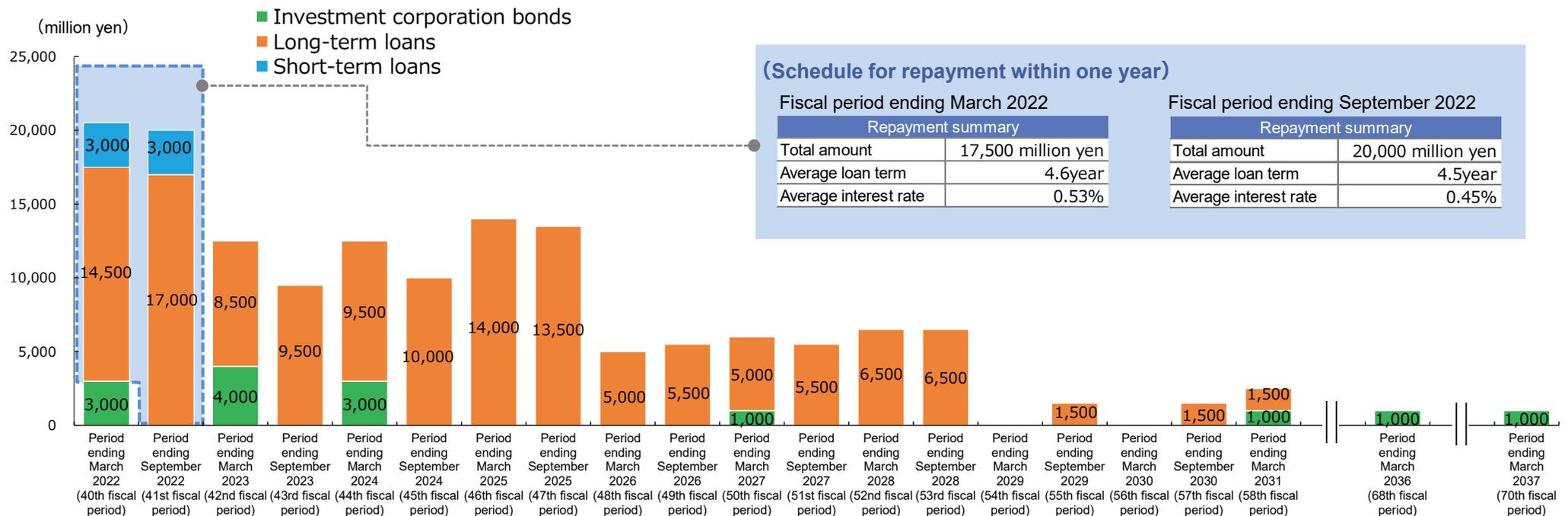
Borrowing summary	
Total amount	17,000 million yen
Average loan term	5.3year
Average interest rate	0.43%

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

#### Changes in borrowings



### Loan repayment schedule diversification



#### (Schedule for repayment within one year)

Fiscal period ending March 2022	
Repayment summary	
Total amount	17,500 million yen
Average loan term	4.6year
Average interest rate	0.53%

Fiscal period ending September 2022	
Repayment summary	
Total amount	20,000 million yen
Average loan term	4.5year
Average interest rate	0.45%

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

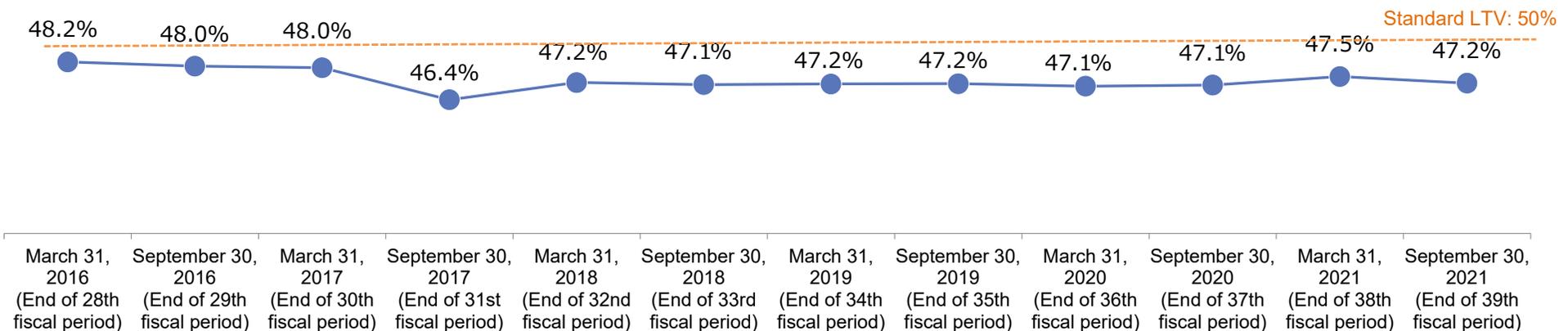
## Interest-bearing liabilities

	(Million yen)		
	March 31, 2021 (End of the 38th fiscal period)	September 30, 2021 (End of the 39th fiscal period)	Change
Total interest-bearing liabilities	157,000	155,000	- 2,000
Short-term loans	10,000	6,000	- 4,000
Long-term loans (including long-term loans due within one year)	133,000	135,000	2,000
Investment corporation bonds (including investment corporation bonds due within one year)	14,000	14,000	—
LTV (Loan To Value ratio)	47.5%	47.2%	-0.3%
Long-term interest-bearing liabilities ratio (including loans expected to be repaid or redeemed within one year)	93.6%	96.1%	2.5%
Fixed interest-bearing liabilities ratio	93.6%	96.1%	2.5%
Average interest for borrowings during fiscal period	0.45%	0.45%	-0.00%
Short-term loans	0.20%	0.21%	0.01%
Long-term loans and investment corporation bonds	0.47%	0.46%	-0.01%
Average duration of interest-bearing liabilities	2.9year	3.0year	0.1year

## 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 2021)

Classification	Lender	(Million yen)	
		Balance of borrowings	(%)
Loans	Mizuho Bank, Ltd.	31,000	20.0%
	Sumitomo Mitsui Banking Corporation	27,000	17.4%
	Sumitomo Mitsui Trust Bank, Limited.	19,000	12.3%
	MUFG Bank, Ltd.	16,000	10.3%
	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%
	Aozora Bank, Ltd.	5,500	3.5%
	The Norinchukin Bank	4,500	2.9%
	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	1,000	0.6%
	The Dai-ichi Life Insurance Company, Limited.	500	0.3%
	Mitsui Sumitomo Insurance Company, Limited.	500	0.3%
Subtotal	141,000	91.0%	
Investment corporation bonds		14,000	9.0%
Total		155,000	100.0%

### 3. Initiatives Related to ESG



## Sustainability Policy

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. Responding to climate change and improving resilience

Promotion of climate change adaptation and mitigation efforts

#### 6. Collaborating with external stakeholders

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

#### 7. Disclosing ESG information

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

## System for Promotion of Sustainability

### ■ Meeting for Promotion of Sustainability

Meetings for promotion of sustainability are held regularly to ensure that Sustainability Policy is implemented and the sustainability goals are achieved.

#### (Attendees)

- President & Director (Chief Officer with the authority to make final decisions on matters related to the promotion of sustainability)
- Other Directors
- General Managers of the Strategic Management Departments and Investment Departments of the Management Divisions (Operating Officers of matters related to the promotion of sustainability)
- General Manager of the Planning & Finance Department
- Compliance Officer
- Other members whose attendance is considered necessary by operating officers

#### (Details of discussions and reports, frequency of meetings and examination process)

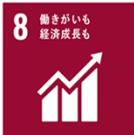
- At meetings, policies regarding sustainability are established, revised or abolished, and a range of measures that should be taken in line with the Sustainability Policy are discussed and reported.
- Meetings are held four times a year. We are working on continuous improvement through the repetition of the PDCA cycle, including the examination and planning of measures, the reporting and evaluation of progress, the analysis of results, and the examination and planning of improvement measures.
- Matters discussed at the meetings are to be decided upon and implemented according to the asset management company's Rules Regarding Administrative Authorities.

### ■ 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.

### Relevance to materiality and the SDGs

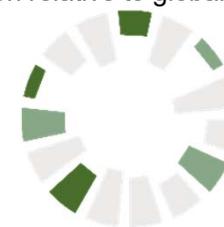
We identify issues, taking into consideration recognized issues in the REIT sector, external organizations' ESG evaluations, current social trends and other factors, and then evaluate materiality from MTR's perspectives by factoring in the main initiatives advanced by MTR as well as the importance and priority of these initiatives. In addition, we seek to contribute to the achievement of the Sustainable Development Goals (SDGs) through the implementation of these materiality-linked initiatives.

Field	Materiality	Relevance to the SDGs
E	Responding to climate change and improving resilience (Saving energy and reducing greenhouse gas (GHG) emissions)	 
	Contributing to a recycling-oriented society	 
	Reducing environmental load of buildings through collaboration with tenants and suppliers	 
S	Promoting the health and comfort of tenants	 
	Creating comfortable workplace environments for employees	  
	Contributing to local areas and communities	  
G	Ensuring full-scale implementation of compliance and risk management	
	Initiatives for the disclosure of ESG information	

### GRESB Real Estate Assessment

MTR has earned "Green Star" in this assessment in 2021 designation for the fifth consecutive year by achieving high performance both in "Management Component" that evaluates policies and organizational structure for ESG promotion, and "Performance Component" that assesses environmental performance and tenant engagement of properties owned.

MTR received a "4 Stars" in GRESB Rating, which is based on GRESB Overall Score and its quintile position relative to global participants.



GRESB  
★★★★☆ 2021

MTR has received the highest "A level" for the five-grade GRESB Public Disclosure", which assess the width of ESG disclosure practices in connection with sustainability initiatives, for the second consecutive year.



GRESB®  
Public Disclosure 2021

### Issuance of Sustainability Report

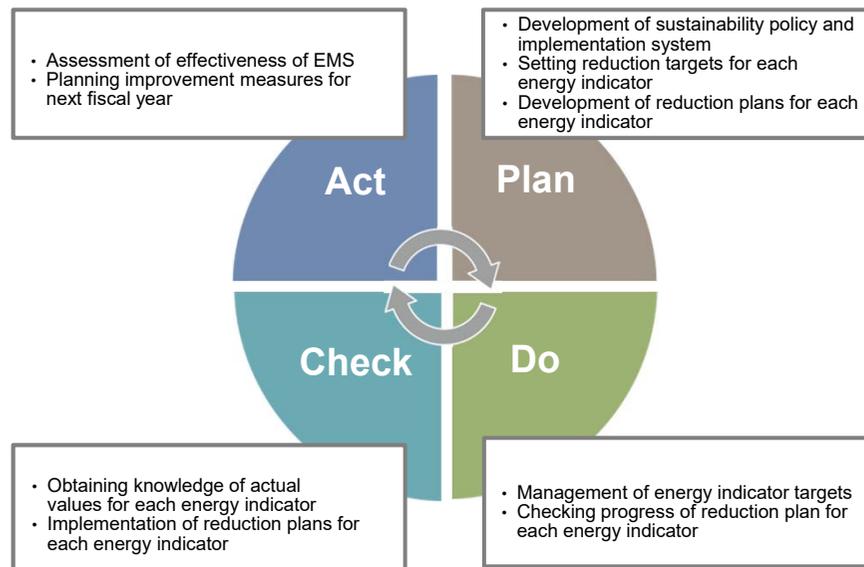
MTR and the asset management company issued a sustainability report which provides stakeholders with information about their ESG approach and activities and posted the report on MTR's website.

## 環境パフォーマンスデータ

### 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 CO2 emissions, energy consumption 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.



\* The confirmation of a third party (Yasui Architects & Engineers, Inc.) has been obtained regarding total CO2 emissions, energy consumption and water consumption across the portfolio (excluding land with leasehold interest).

### Environmental Performance Targets

In FY2021, MTAM has set reduction targets for total CO2 emissions, energy consumption and water consumption across the portfolio for FY2021 to FY2025, as shown below. We have set its targets for CO2 emissions reduction, bearing in mind the Japanese government target of reducing CO2 emissions in fiscal 2030 by 46% from their level in fiscal 2013.

CO2	Energy	Water
<b>30%</b> reduction (in intensity : compared to Baseline)	<b>15%</b> reduction (in intensity : compared to Baseline)	<b>12%</b> reduction (in intensity : compared to Baseline)

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

\* Baseline: Average in FY2014 and FY2015

\* 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

Item		Baseline	2018	2019	2020
CO2	Emissions (t-CO2)	39,327	37,296	35,633	29,425
	Emissions intensity (t-CO2/m <sup>2</sup> )	0.095	0.086	0.082	0.068
Energy	Consumption (MWh)	101,814	102,433	97,252	82,561
	Consumption intensity (MWh/m <sup>2</sup> )	0.246	0.236	0.224	0.190
Water	Consumption (m <sup>3</sup> )	546,827	526,507	506,521	319,966
	Consumption intensity (m <sup>3</sup> /m <sup>2</sup> )	1.317	1.211	1.164	0.737

\* 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.

## Examples of Environment Initiatives

### <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.

In the current fiscal period, LED lighting was introduced in the exclusive use areas on all of the office floors and the first floor lobby of the Tokyo Shiodome Building.

Additionally, in the Midosuji MTR Building, LED lighting was introduced in the common areas on the first basement level and first floor and lighting equipment with human sensors was introduced in the toilets on the first floor.

(Examples of introduction)

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

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

MTR is working on increasing comfort and reducing CO<sub>2</sub> 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)

- Tokyo Shiodome Building・ON Building・Kioicho Building・Osaki MT Building
- Midosuji MTR Building・ Tenjin Prime・Shin-Yokohama TECH Building
- Ito-Yokado Shonandai・Hotel Okura Kobe etc

### <Utilization of power sources that do not emit CO<sub>2</sub>>

At Shibuya Flag, we achieved the use of CO<sub>2</sub>-emission free power (virtually zero CO<sub>2</sub> emissions) through non-fossil certificates.

### <Introduction of smart meters>

At the Osaki MT Building, we introduced smart meters to ensure that energy is used effectively through an understanding of details such as the amount of power that is consumed and the time it is consumed.

### <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.

### <Management of waste>

We are working on the continuous reduction of waste by properly managing waste in our portfolio.

Item	2020
Total amount of waste (t)	2,274

\*Excluding properties (residential houses, etc.) whose data cannot be easily assessed.

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

### Examples of Environment Initiatives

#### ■ 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.

#### ■ 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.

ON Building

Osaki MT Building



### Acquisition of DBJ Green Building certification

#### ■ DBJ Green Building certification

MTR has acquired DBJ Green Building Certification for five properties it owns.

The ratio of certified properties in the portfolio, excluding land with leasehold interest, is around 39% on a leasable area basis and around 33% on a number of properties basis.



DBJ Green Building



Properties with exceptionally high environmental & social awareness

Tokyo Shiodome Building(2018)



Properties with excellent environmental & social awareness

Kioicho Building (Office)(2020)  
Kioicho Building(Residential) (2020)



Properties with high environmental & social awareness

ON Building (2019)  
Midosuji MTR Building (2019)  
SHIBUYA FLAG (Office) (2020)



Properties with high environmental & social awareness

SHIBUYA FLAG (Retail) (2020)

\* Figures in parentheses indicate the year of acquisition or reacquisition

## Initiatives Related to ESG (Society)

### Contribution to local communities / Improvement of tenant satisfaction and comfort etc.

#### Contribution to local communities

##### <Installation of Bicycles for the Community / Cooperation with Local Events>

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 (Kioicho Building and Ito-Yokado Shonandai), and joining and cooperating in community events.



Provision of community cycle system  
(Kioicho Building)



Midosuji Illuminations  
(Midosuji MTR Building)

##### <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..

##### <Cooperation in the activities of the Japanese Red Cross Society>

Cooperation in the activities of the Japanese Red Cross Society  
As a gesture of its endorsement of the activities of the Japanese Red Cross Society, MTR has been cooperating with the educational activities of the Red Cross by displaying its posters in owned properties.

#### Collaboration with Property Management Companies, Suppliers and Other Business Partners

When selecting and evaluating property management companies, suppliers and other business partners, we assess their environmental policy and corporate framework and their cooperation with MTAM's Sustainability Policy.

#### 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

## Initiatives for Employees / Information Disclosure etc.

### ■ Initiatives for Employees

#### <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.

#### <Implementation of employee satisfaction surveys>

The asset management company conducts an employee satisfaction survey every year. It respects each employee and has been working on the provision of healthy and comfortable workplace environments to ensure that all employees are able to fully demonstrate their capabilities.

### ■ Information Disclosure

We seek to protect investors, etc., by setting forth policies and procedures to ensure that MTR and MTAM disclose information in a timely and appropriate manner in accordance with relevant laws and regulations. We have also set out the Information Disclosure Regulations and the Detailed Regulations on Fair Disclosure Rules to help maintain and improve public trust in MTR and MTAM.

In accordance with the Companies Act, the Act on Investment Trusts and Investment Corporations, the Financial Instruments and Exchange Act, the Tokyo Stock Exchange regulations, and other applicable laws and regulations, we endeavor to disclose to the public in a timely and appropriate fashion information requiring disclosure in relation to MTR and MTAM and other information that will help investors make investment decisions.

### (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	36.0%
(2) Percentage of female employees	27.0%
(3) Percentage of female managers	5.6%
(4) Percentage of paid leave taken	63.2%
(5) Percentage of employees taking childcare leave and returning to work (Female career track employees)	100.0%

(Note) Item (1) and (4) and (5): FY2020, items (2) and (3) as of March 31, 2021

#### (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
- Uses telecommuting and mobile workplace

#### (4) Health and productivity management

The company, employees, their families, and the health insurance society work together on health management-related initiatives.

These initiatives have been favorably received, and Mori Trust was certified as a "Health and Productivity Management Organization" in 2021 (Ministry of Economy, Trade, and Industry).

# Initiatives Related to ESG (Governance)

## Corporate Governance

### Same boat investment by Mori Trust Group

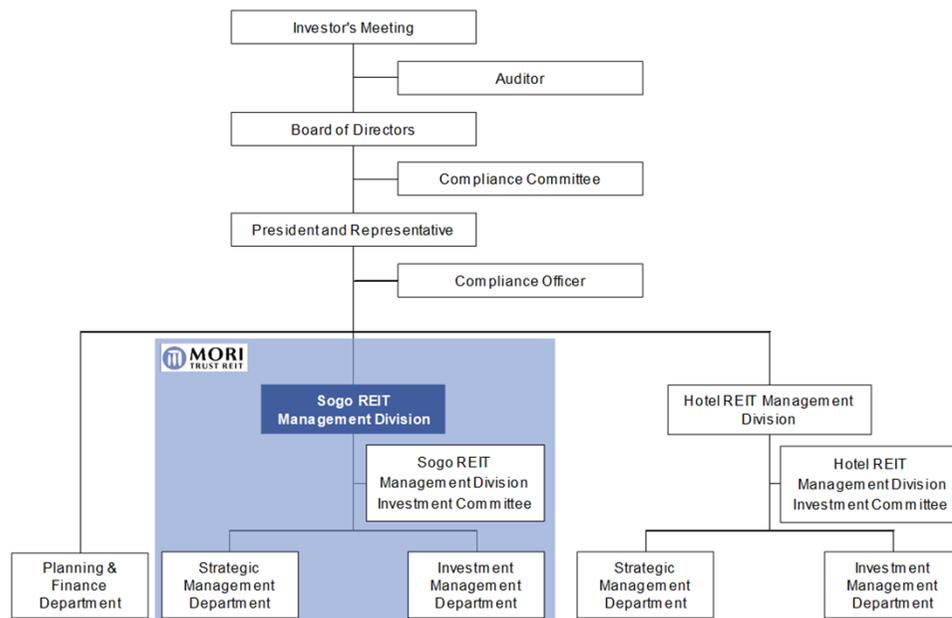
MTR aims to improve unitholder value by aligning sponsor interests with those of unitholders.

Percentage of investment units owned by Mori Trust Group  
**26.5%** (as of September 30, 2021)

### 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>



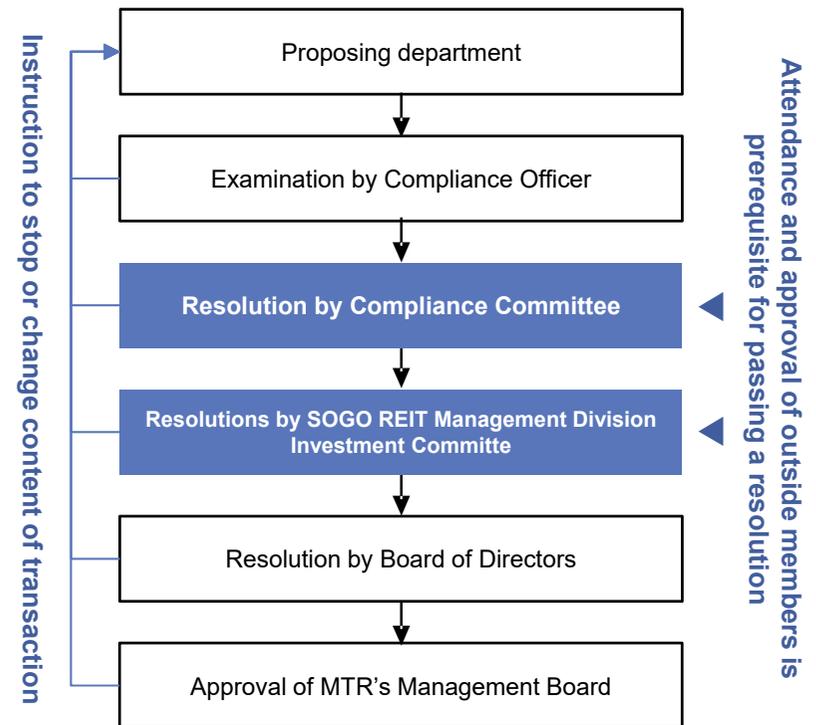
### Provision of regular compliance training

MTAM provides all its officers and employees (including temporary employees, contract employees, and employees on loan or dispatched from other companies) with training mainly aimed at raising compliance awareness on a regular basis.

### 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 is required.



### Information Security

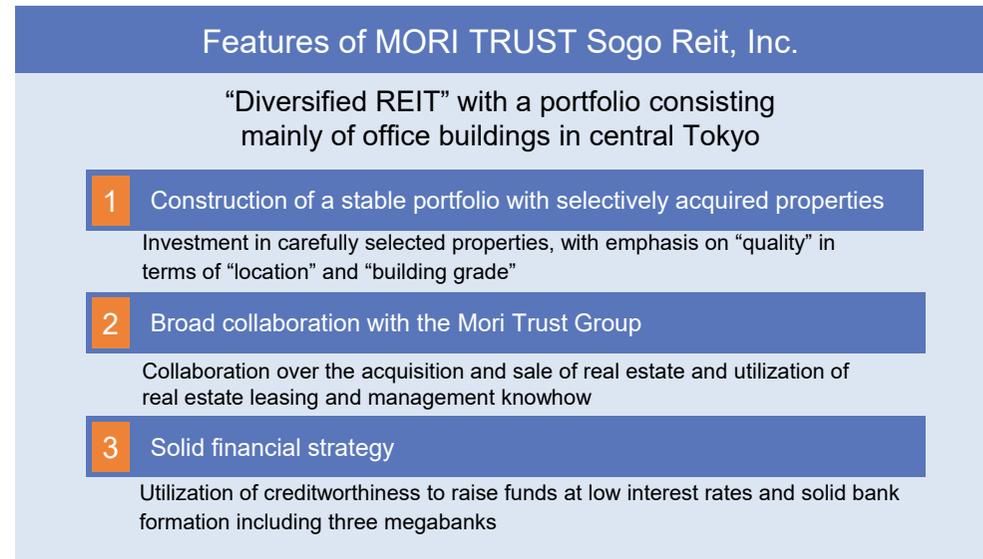
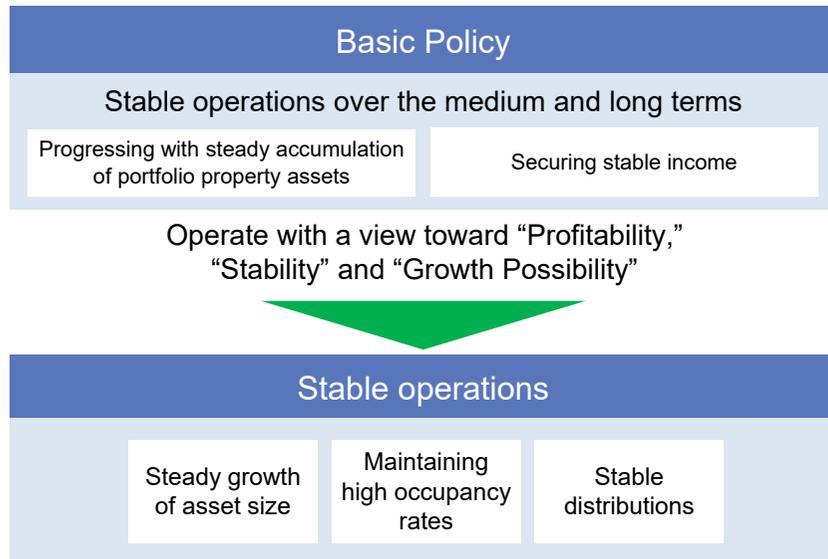
MTAM enacted the Information Management Rules with the aim of properly utilizing company information and preventing information incidents including unauthorized access and the loss or leak of company information.

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.



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

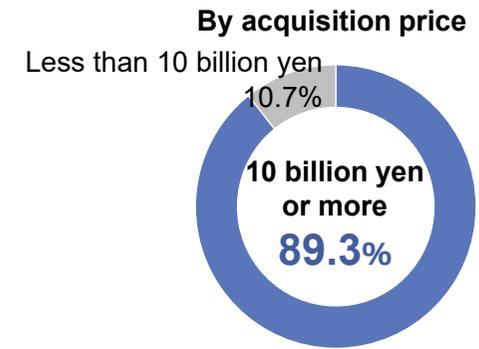
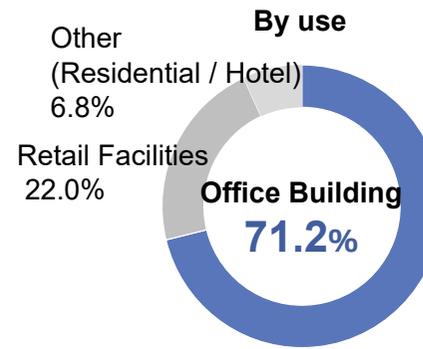
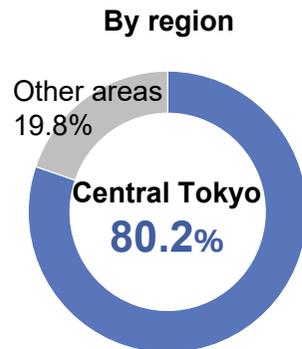


## 1 Construction of a stable portfolio with selectively acquired properties

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, 2021)

**Number of properties: 16 properties**  
**Asset size: 324.3 billion yen**  
 (Total acquisition price)



### Target portfolio and actual performance

		Region				Total	
		Central Tokyo (Note 1)		Other areas (Note 2)		Total	
		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%	

\* The notes on this page constitute an integral part of this presentation. See P.49~P50

**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, 2021)

**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.

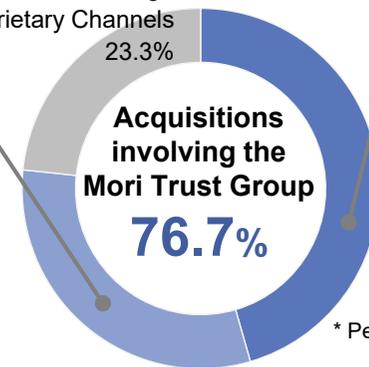
**Acquisitions (as of September, 2021)**

**Acquisitions Based on Information Provided by the Mori Trust Group**



**31.2%**

Acquisitions through Proprietary Channels 23.3%



**Acquisitions from the Mori Trust Group**

**45.5%**



\* Percentage based on acquisition price

**Recent dispositions**

**Acquisitions from the Mori Trust Group:**

Kamiyacho Trust Tower (2021)

**Dispositions to the Mori Trust Group:**

Akasaka-Mitsuke MT Building (2010), Mita MT Building (2014), Tokyo Shiodome Building (2021(Partial Sale))

**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.

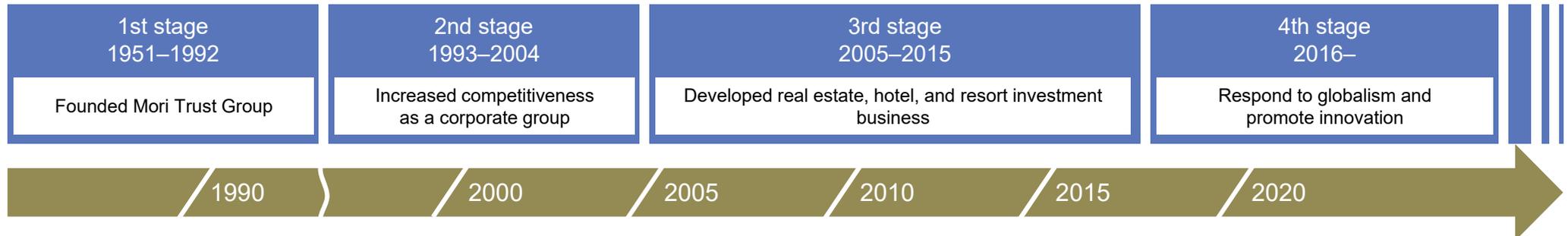
**Rating**

**AA (stable)** JCR / Long-Term Issuer Rating (as of the end of September 2021)

**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 facilities

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

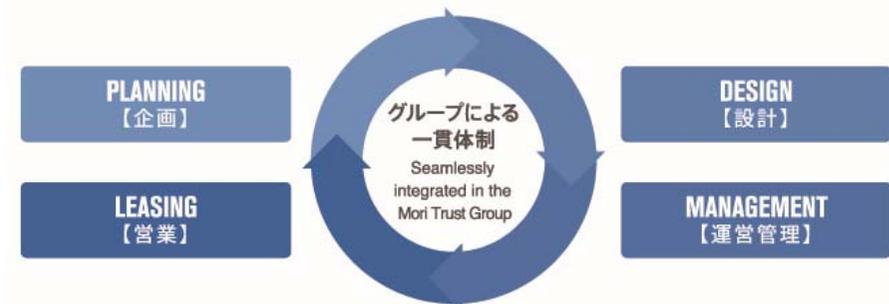
Total number of facilities: **101**

Operated area:  
Approx. **2,140,000** m<sup>2</sup>

Buildings for lease: **80** buildings, approx. **1,790,000** m<sup>2</sup>

### ■ System of real estate development

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



(As of March 31, 2021)

## 5. Reference



# Balance Sheets

5. Reference

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	21,460,919	18,883,962
Cash and deposits in trust	3,118,666	2,979,150
Operating accounts receivable	48,279	45,140
Accounts receivable – other	2,839	395
Prepaid expenses	33,639	54,831
Other	8,160	9,290
<b>Total current assets</b>	<b>24,672,505</b>	<b>21,972,770</b>
Non-current assets		
Property, plant and equipment		
Buildings	20,921,830	19,098,719
Structures	38,778	34,892
Machinery and equipment	33,454	31,048
Tools, furniture and fixtures	27,073	26,086
Land	136,672,529	125,628,932
Buildings in trust	16,847,433	18,994,259
Structures in trust	20,196	49,597
Machinery and equipment in trust	4,185	29,922
Tools, furniture and fixtures in trust	39,075	36,907
Land in trust	130,939,930	142,307,259
<b>Total property, plant and equipment</b>	<b>305,544,488</b>	<b>306,237,624</b>
Intangible assets		
Other	240	240
<b>Total intangible assets</b>	<b>240</b>	<b>240</b>
Investments and other assets		
Guarantee deposits	10,000	10,000
Long-term prepaid expenses	12,402	16,004
Other	3,602	3,208
<b>Total investments and other assets</b>	<b>26,004</b>	<b>29,212</b>
<b>Total non-current assets</b>	<b>305,570,733</b>	<b>306,267,077</b>
Deferred assets		
Investment corporation bond issuance costs	57,923	48,777
<b>Total deferred assets</b>	<b>57,923</b>	<b>48,777</b>
<b>Total assets</b>	<b>330,301,163</b>	<b>328,288,624</b>

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	363,723	340,740
Short-term loans payable	10,000,000	6,000,000
Current portion of investment corporation bonds	3,000,000	3,000,000
Current portion of long-term loans payable	26,500,000	31,500,000
Accounts payable – other	193,587	95,457
Accrued expenses	446,312	518,246
Dividends payable	7,922	8,289
Income taxes payable	956	606
Accrued consumption taxes	197,513	9,626
Advances received	1,010,197	999,415
Deposits received	322	322
<b>Total current liabilities</b>	<b>41,720,536</b>	<b>42,472,704</b>
Non-current liabilities		
Investment corporation bonds	11,000,000	11,000,000
Long-term loans payable	106,500,000	103,500,000
Tenant leasehold and security deposits	9,460,564	9,618,022
Tenant leasehold and security deposits in trust	946,890	934,875
Deferred tax liabilities	493,156	656,564
<b>Total non-current liabilities</b>	<b>128,400,610</b>	<b>125,709,462</b>
<b>Total liabilities</b>	<b>170,121,147</b>	<b>168,182,166</b>
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital	153,990,040	153,990,040
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	1,074,447	1,074,447
<b>Total voluntary retained earnings</b>	<b>1,074,447</b>	<b>1,074,447</b>
Unappropriated retained earnings	5,115,527	5,041,970
<b>Total surplus</b>	<b>6,189,975</b>	<b>6,116,418</b>
<b>Total unitholders' equity</b>	<b>160,180,015</b>	<b>160,106,458</b>
<b>Total net assets</b>	<b>160,180,015</b>	<b>160,106,458</b>
<b>Total liabilities and net assets</b>	<b>330,301,163</b>	<b>328,288,624</b>

\*The balance of internal reserves as of September 30, 2021 was 1,731 million yen (total amount of deferred tax liabilities and a reserve for reduction entry)

# Statements of Income and Retained Earnings

## Statements of Income

	Thousands of yen	
	For the period from October 1, 2020 to March 31, 2021	For the period from April 1, 2021 to September 30, 2021
<b>Operating revenue</b>		
Lease business revenue	8,530,598	7,485,180
Other lease business revenue	259,331	283,283
Gain on sale of investment property	-	1,433,905
<b>Total operating revenue</b>	<b>8,789,929</b>	<b>9,202,368</b>
<b>Operating expenses</b>		
Expenses related to rent business	2,880,013	3,152,474
Asset management fee	334,798	335,797
Asset custody fee	13,129	12,893
Administrative service fees	48,455	58,358
Directors' compensations	3,600	3,600
Other operating expenses	45,200	75,764
<b>Total operating expenses</b>	<b>3,325,198</b>	<b>3,638,888</b>
<b>Operating income</b>	<b>5,464,731</b>	<b>5,563,480</b>
<b>Non-operating income</b>		
Interest income	110	107
Reversal of dividends payable	1,034	782
Insurance income	35,405	-
<b>Total non-operating income</b>	<b>36,550</b>	<b>890</b>
<b>Non-operating expenses</b>		
Interest expenses	334,045	325,876
Interest expenses on investment corporation bonds	15,410	22,802
Amortization of investment corporation bond issuance costs	8,994	9,146
Other	26,661	1,071
<b>Total non-operating expenses</b>	<b>385,112</b>	<b>358,895</b>
<b>Ordinary income</b>	<b>5,116,169</b>	<b>5,205,474</b>
<b>Profit before income taxes</b>	<b>5,116,169</b>	<b>5,205,474</b>
Income taxes - current	973	623
Income taxes - deferred	(0)	163,408
<b>Total income taxes</b>	<b>972</b>	<b>164,031</b>
<b>Profit</b>	<b>5,115,197</b>	<b>5,041,443</b>
Retained earnings at beginning of period	329	527
<b>Unappropriated retained earnings</b>	<b>5,115,527</b>	<b>5,041,970</b>

## (Breakdown of Real Estate Leasing Business Income)

	Thousands of yen	
	For the period from October 1, 2020 to March 31, 2021	For the period from April 1, 2021 to September 30, 2021
<b>A. Rental revenues</b>		
<b>Lease business revenue</b>		
Rent	8,165,114	7,122,682
Common charges	241,875	238,888
Land leasing revenues	123,609	123,609
Other lease business revenue	259,331	283,283
<b>Total rental revenues</b>	<b>8,789,929</b>	<b>7,768,463</b>
<b>B. Property-related expenses</b>		
<b>Property management expenses</b>		
Property management fees	424,006	721,885
Utilities	166,455	186,415
Property and other taxes	964,655	958,141
Casualty insurance	18,545	17,371
Repair expenses	152,966	126,339
Depreciation and amortization	1,126,895	1,113,968
Other expenses	26,489	28,353
<b>Total property-related expenses</b>	<b>2,880,013</b>	<b>3,152,474</b>
<b>C. Profit and losses from real estate rental business (A-B)</b>	<b>5,909,915</b>	<b>4,615,989</b>



## Statement of Cash Distributions / Statements of Cash Flows

5. Reference

## ■ Statement of Cash Distributions

	(yen)	
	For the period from October 1, 2020 to March 31, 2021	For the period from April 1, 2021 to September 30, 2021
I. Unappropriated retained earnings	5,115,527,248	5,041,970,716
II. Reversal of voluntary retained earnings		
Reversal of reserve for reduction entry	-	134,114,736
III. Distribution amount	5,115,000,000	4,686,000,000
(Distribution amount per unit)	(3,875)	(3,550)
IV. Voluntary retained earnings		
Provision of reserve for reduction entry	-	490,085,452
V. Retained earnings carried forward	527,248	-

## ■ Statements of Cash Flows

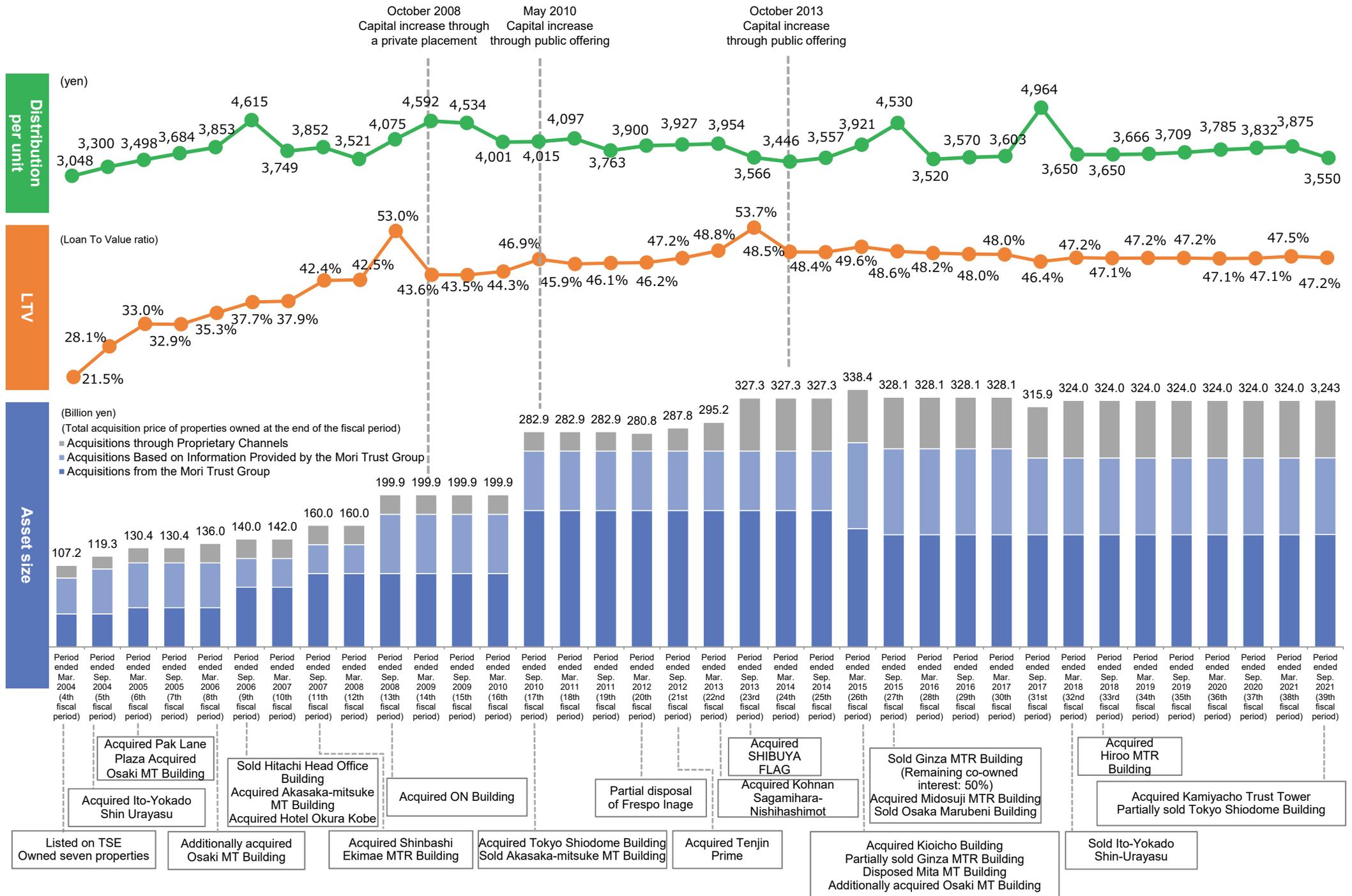
	Thousands of yen	
	For the period from October 1, 2020 to March 31, 2021	For the period from April 1, 2021 to September 30, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	5,116,169	5,205,474
Depreciation	1,126,895	1,113,968
Amortization of investment corporation bond issuance costs	8,994	9,146
Interest income	(110)	(107)
Interest expenses	349,456	348,678
Decrease (Increase) in operating accounts receivable	209,847	(1,727)
Increase (Decrease) in operating accounts payable	83,620	69,932
Increase (Decrease) in accrued consumption taxes	(85,676)	(187,887)
Increase (Decrease) in advances received	(509,616)	(10,782)
Decrease due to sale of investment property	-	12,538,270
Other, net	24,911	53,598
Subtotal	6,324,491	19,138,564
Interest income received	110	107
Interest expenses paid	(353,711)	(353,821)
Income taxes paid	(964)	(972)
Net cash provided by operating activities	5,969,926	18,783,877
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(69,997)	(263,209)
Purchase of property, plant and equipment in trust	(296,347)	(14,180,295)
Repayments of tenant leasehold and security deposits	(405,972)	(195,043)
Proceeds from tenant leasehold and security deposits	161,616	250,001
Repayments of tenant leasehold and security deposits in trust	(17,528)	(55,395)
Proceeds from tenant leasehold and security deposits in trust	45,481	57,831
Other	-	393
	(582,747)	(14,385,718)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(3,000,000)	(4,000,000)
Proceeds from long-term loans payable	13,500,000	14,000,000
Repayments of long-term loans payable	(10,500,000)	(12,000,000)
Proceeds from issuance of investment corporation bonds	5,000,000	-
Redemption of investment corporation bonds	(3,000,000)	-
Payments for investment corporation bond issuance costs	(30,437)	-
Dividends paid	(5,059,009)	(5,114,632)
	(3,089,446)	(7,114,632)
Net increase (decrease) in cash and cash equivalents	2,297,733	(2,716,473)
Cash and cash equivalents at beginning of period	22,281,852	24,579,586
Cash and cash equivalents at end of period	24,579,586	21,863,112

# Changes in Indicators

(Unit: million yen)

	Period ended September 2019 (35th fiscal period)	Period ended March 2020 (36th fiscal period)	Period ended September 2020 (37th fiscal period)	Period ended March 2021 (38th fiscal period)	Period ended September 2021 (39th fiscal period)	Formula
Operating revenues	8,831	8,869	8,882	8,789	9,202	
Gain on sale of real estate	—	—	—	—	1,433	
Operating expenses	3,489	3,471	3,445	3,325	3,638	
Operating income	5,341	5,398	5,437	5,464	5,563	
Ordinary income	4,897	4,996	5,059	5,116	5,205	
Profit	4,898	4,995	5,058	5,115	5,041	
Total distribution	4,895	4,996	5,058	5,115	4,686	
Total assets	328,461	329,302	328,915	330,301	328,288	
Interest-bearing liabilities	155,000	155,000	155,000	157,000	155,000	
Total net assets	159,961	160,060	160,123	160,180	160,106	
Unrealized gain/loss	54,771	56,423	36,215	37,005	35,092	
NAV	214,732	216,484	196,338	197,185	195,198	NAV = Total net assets + Unrealized gain/loss
Profits from real estate rental business	5,807	5,855	5,890	5,909	4,615	
Depreciation and amortization	1,282	1,292	1,308	1,126	1,113	
NOI	7,089	7,148	7,199	7,036	5,729	NOI = Profits from real estate rental business + Depreciation and amortization
FFO	6,180	6,287	6,366	6,242	4,721	FFO = Profit + Depreciation and amortization – Gain/loss on sale of real estate
Capital improvements	330	590	216	416	287	
Net cash flows	6,759	6,557	6,982	6,619	5,442	NCF = NOI – Capital improvements
ROA (annualized)	3.0%	3.0%	3.1%	3.1%	3.2%	ROA = (Ordinary income / Total assets) / 6 × 12 * Annualized
ROE (annualized)	6.1%	6.2%	6.3%	6.4%	6.3%	ROE = (Profit / Total net assets) / 6 × 12 * Annualized
LTV ratio	47.2%	47.1%	47.1%	47.5%	47.2%	LTV = Interest-bearing liabilities / Total assets
Total number of outstanding investment units	1,320,000units	1,320,000units	1,320,000units	1,320,000units	1,320,000units	
Distribution per unit	3,709yen	3,785yen	3,832yen	3,875yen	3,550yen	
Total net assets per unit	121,182yen	121,258yen	121,305yen	121,348yen	121,292yen	
NAV per unit	162,676yen	164,003yen	148,741yen	149,382yen	147,877yen	
FFO per unit	4,682yen	4,763yen	4,823yen	4,728yen	3,576yen	

# Changes in Asset Size, LTV and Distribution Per Unit



(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 39th fiscal period	Appraisal value at end of 39th fiscal period	NOI	
						Ratio				Yield
Office Building	Tokyo Shiodome Building	Minato Ward, Tokyo	Jan. 2005	Apr. 2010	96,269	29.7%	87,783	94,900	1,095	2.1%
	ON Building	Shinagawa Ward, Tokyo	Nov. 1990	Aug. 2008	39,900	12.3%	38,982	33,800	635	3.2%
	Kioicho Building	Chiyoda Ward, Tokyo	Nov. 1989	Oct. 2014	34,300	10.6%	33,112	38,000	566	3.3%
	Kamiyacho Trust Tower	Minato Ward, Tokyo	Mar. 2020	Jul. 2021	13,980	4.3%	14,036	15,550	63	1.8%
	Osaki MT Building	Shinagawa Ward, Tokyo	Jul. 1994	Mar. 2005, etc.	14,386	4.4%	12,954	16,800	291	4.0%
	Midosuji MTR Building	Chuo Ward, Osaka	Mar. 1999	Apr. 2015	10,170	3.1%	9,949	10,500	197	3.9%
	Hiroo MTR Building	Shibuya Ward, Tokyo	Nov. 1992	Jan. 2018	8,100	2.5%	8,354	8,440	149	3.7%
	Tenjin Prime	Chuo Ward, Fukuoka	Oct. 2008	Jul. 2012	6,940	2.1%	6,605	9,080	190	5.5%
	Shin-Yokohama TECH Building	Kohoku Ward, Yokohama	Feb. 1986, etc.	Nov. 2003	6,900	2.1%	6,774	7,970	232	6.7%
Retail Facility	SHIBUYA FLAG	Shibuya Ward, Tokyo	Aug. 2009	Apr. 2013	32,040	9.9%	32,437	40,500	635	4.0%
	Shinbashi Ekimae MTR Building	Minato Ward, Tokyo	Apr. 1999	Apr. 2007	18,000	5.5%	17,274	22,000	424	4.7%
	Ito-Yokado Shonandai	Fujisawa City, Kanagawa	Nov. 2002	Mar. 2003	11,600	3.6%	9,779	11,700	295	5.1%
	Kohnan Sagamihara-Nishihashimoto	Midori Ward, Sagamihara	Aug. 2005	Oct. 2012	7,460	2.3%	7,130	8,500	225	6.0%
	Frespo Inage	Inage Ward, Chiba	—	Mar. 2002	2,100	0.6%	2,193	2,610	115	11.0%
Hotel	Hotel Okura Kobe	Chuo Ward, Kobe	Mar. 1989	Sep. 2006	19,000	5.9%	15,747	16,900	525	5.5%
Residential	Park Lane Plaza	Shibuya Ward, Tokyo	Jun. 1988	Dec. 2004	3,200	1.0%	3,121	4,080	86	5.4%
Total		—	—	—	324,346	100.0%	306,237	341,330	5,729	3.5%

\* The notes on this page constitute an integral part of this presentation. See P.49~P50



# 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 5)
			Period ended March 2021	Period ended September 2021	Period ended March 2021	Period ended September 2021	Difference	Cap rate		Comparison with the previous fiscal period	Discount rate	Terminal cap rate	
								Period ended March 2021	Period ended September 2021				
Office Building	Tokyo Shiodome Building (Deducting the amount equivalent to the share in the applicable sale) (Note1)	96,269	100,459 (87,919)	87,783 (87,783)	112,000 (98,019)	94,900 (94,900)	- 17,100 (- 3,119)	3.3%	3.3%	-	3.2%	3.3%	Richi Appraisal
	ON Building	39,900	39,058	38,982	33,700	33,800	100	3.5%	3.5%	-	3.2%	3.7%	Japan Real Estate
	Kioicho Building	34,300	33,254	33,112	38,000	38,000	-	3.2%	3.2%	-	3.0%	3.4%	Daiwa Real Estate
	Kamiyacho Trust Tower (Note2)	13,980	-	14,036	-	15,550	15,550	-	2.6%	-	2.5%	2.7%	Daiwa Real Estate
	Osaki MT Building	14,386	13,007	12,954	16,900	16,800	- 100	3.4%	3.4%	-	3.1%	3.6%	Japan Real Estate
	Midosuji MTR Building	10,170	9,984	9,949	10,600	10,500	- 100	3.6%	3.6%	-	3.4%	3.8%	Daiwa Real Estate
	Hiroo MTR Building	8,100	8,360	8,354	8,440	8,440	-	3.6%	3.6%	-	3.4%	3.8%	Daiwa Real Estate
	Tenjin Prime	6,940	6,636	6,605	9,040	9,080	40	3.9%	3.9%	-	3.6%	4.1%	Japan Real Estate
	Shin-Yokohama TECH Building	6,900	6,837	6,774	7,620	7,970	350	4.6%	4.6%	-	4.4%	4.9%	Chuo-Nittochi
Retail Facility	SHIBUYA FLAG	32,040	32,460	32,437	40,300	40,500	200	3.2%	3.2%	-	3.0%	3.4%	Japan Real Estate
	Shinbashi Ekimae MTR Building	18,000	17,291	17,274	22,200	22,000	- 200	3.6%	3.6%	-	3.4%	3.8%	Chuo-Nittochi
	Ito-Yokado Shonandai	11,600	9,795	9,779	11,700	11,700	-	5.3%	5.3%	-	5.0%	5.5%	Japan Real Estate
	Kohnan Sagamihara-Nishihashimoto	7,460	7,168	7,130	8,500	8,500	-	5.2%	5.2%	-	4.9%	5.4%	Japan Real Estate
	Frespo Inage	2,100	2,193	2,193	2,620	2,610	- 10	-(Note3)	-(Note3)	-	7.9%	-(Note4)	Japan Real Estate
Hotel	Hotel Okura Kobe	19,000	15,900	15,747	16,900	16,900	-	4.9%	4.9%	-	4.7%	5.0%	Richi Appraisal
Residential	Park Lane Plaza	3,200	3,133	3,121	4,030	4,080	50	3.4%	3.4%	-	4.1%	3.1%	Chuo-Nittochi

	Difference		
	Period ended March 2021	Period ended September 2021	Difference
Total	37,005	35,092	- 1,913

\* The notes on this page constitute an integral part of this presentation. See P.49~P50

# Changes in Occupancy Rate

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

Use	(Period ended March 2021) March 31, 2021	April 30, 2021	May 31, 2021	June 30, 2021	July 31, 2021	August 31, 2021	(Period ended September 2021) September 30, 2021
Office Building Master lease basis (Sublease basis)	98.9% (97.3%)	98.6% (96.6%)	98.6% (96.5%)	98.3% (96.3%)	98.3% (79.2%)	98.4% (79.5%)	98.4% (80.6%)
Retail Facility	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%
Other	99.8%	99.8%	99.8%	100%	100%	100%	100%
Total Master lease basis (Sublease basis)	99.3% (98.6%)	99.2% (98.4%)	99.2% (98.4%)	99.1% (98.3%)	99.1% (91.3%)	99.1% (91.5%)	99.1% (91.9%)

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

Use	Name	September 30, 2019 (End of 35th fiscal period)	March 31, 2020 (End of 36th fiscal period)	September 30, 2020 (End of 37th fiscal period)	March 31, 2021 (End of 38th fiscal period)	September 30, 2021 (End of 39th fiscal period)
Office Building	Tokyo Shiodome Building (Note2)	100%	100%	100%	100%	100% (53.5%)
	ON Building	100%	100%	100%	100%	100%
	Kioicho Building (Note3)	99.9% (98.5%)	99.9% (98.7%)	99.9% (98.7%)	90.8% (89.5%)	89.7% (89.7%)
	Kamiyacho Trust Tower (Note4)	–	–	–	–	100% (97.3%)
	Osaki MT Building (Note5)	100% (91.8%)	100% (97.8%)	100% (99.1%)	100% (85.0%)	100% (85.8%)
	Midosuji MTR Building (Note6)	100% (100%)	100% (100%)	100% (98.4%)	100% (95.6%)	100% (100%)
	Hiroo MTR Building (Note7)	100%	100%	100%	100%	87.5%
	Tenjin Prime (Note7)	100%	100%	100%	100%	100%
	Shin-Yokohama TECH Building	100%	100%	100%	100%	100%
Retail Facility	SHIBUYA FLAG (Note7)	100%	100%	100%	92.2%	92.2%
	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%
	Frespo Inage	100%	100%	100%	100%	100%
Hotel	Hotel Okura Kobe	100%	100%	100%	100%	100%
Residential	Park Lane Plaza	95.9%	92.9%	100%	95.9%	100%
Total (Note 8)		99.9% (99.6%)	99.9% (99.8%)	99.9% (99.9%)	99.3% (98.6%)	99.1% (91.9%)

\* The notes on this page constitute an integral part of this presentation. See P.49~P50

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

Use	Name	Occupancy rate	Total number of tenants	Major tenant/master lessee				
					Type of lease contract		Lease contract expiry	
Office Building	Tokyo Shiodome Building (Note1)	100% (53.5%)	1 (9)	Mori Trust Co., Ltd.	Master lease(Note1)	Fixed-term building lease	(Offices/retailers) March 31, 2026 (Hotel) December 31, 2035	No cancellation
	ON Building	100%	1	Kobe Steel Ltd.	Direct lease	Building lease	March 31, 2023	No cancellation
	Kioicho Building (Note2)	89.7% (89.7%)	34 (69)	–	–	–	–	
	Kamiyacho Trust Tower (Note3)	100.0% (97.3%)	1 (5)	Mori Trust Co., Ltd.	Master lease(Note3)	Building lease	March 31,2030	No cancellation
	Osaki MT Building (Note4)	100% (85.8%)	1 (13)	Mori Trust Co., Ltd.	Master lease(Note1)	Fixed-term building lease	March 31, 2022	No cancellation
	Midosuji MTR Building (Note5)	100% (100%)	1 (32)	Japan Property Solutions Co., Ltd.	Master lease(Note4)	Building lease	March 31, 2023	
	Hiroo MTR Building (Note6)	87.5%	8	–	–	–	–	
	Tenjin Prime (Note6)	100%	14	–	–	–	–	
	Shin-Yokohama TECH Building	100%	13	Fujitsu Co., Ltd.	Direct lease	Building lease	September 30,2022(Note7)	
Retail Facility	SHIBUYA FLAG (Note6)	92.2%	2	H&M Hennes & Mauritz Japan KK	Direct lease (Note6)	Undisclosed (Note8)	Undisclosed(Note8)	
	Shinbashi Ekimae MTR Building	100%	1	Yamada Denki Co., Ltd.	Direct lease	Building lease	December 31,2021 (scheduled to leave by the end of December 2021)	
	Ito-Yokado Shonandai	100%	1	Ito-Yokado Co., Ltd.	Master lease	Building lease	November 20, 2022	No cancellation
	Kohnan Sagamihara-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	building lease	March 31, 2022(Note9)	No cancellation
Residential	Park Lane Plaza	100%	18	–	–	–	–	
Total (Note10)		99.1% (91.9%)	99 (189)					

\* The notes on this page constitute an integral part of this presentation. See P.49~P50

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

5. Reference

	Office Building											
	Tokyo Shiodome Building		ON Building		Kioicho Building		Kamiyacho Trust Tower		Osaki MT Building		Midosuji MTR Building	
Location	Minato Ward, Tokyo		Shinagawa Ward, Tokyo		Chiyoda Ward, Tokyo		Minato Ward, Tokyo		Shinagawa Ward, Tokyo		Chuo Ward, Osaka	
Construction completion	January, 2005		November 1990		November 1989		March, 2020		July 1994 (Renovated in 2008)		March 1999	
Acquisition date	April 2010		August 2008		October 2014		July 2021		March 2005, and other		April 2015	
Acquisition price	96,269million yen		39,900million yen		34,300million yen		13,980million yen		14,386million yen		10,170million yen	
Book value	87,783million yen		38,982million yen		33,112million yen		14,036million yen		12,954million yen		9,949million yen	
Appraisal value	94,900million yen		33,800million yen		38,000million yen		15,550million yen		16,800million yen		10,500million yen	
Total floor space	191,394.06㎡(Note1)		32,812.27㎡		63,535.55㎡(Note2)		196,037.12㎡(Note3)		26,980.68㎡(Note4)		15,129.16㎡	
PML (Note 5)	6.0%		8.0%		11.3%		6.5%		11.5%		2.1%	
Rental revenues (thousand yen)	Period ended March 2021	Period ended September 2021	Period ended March 2021	Period ended September 2021	Period ended March 2021	Period ended September 2021						
Rental revenues	2,795,000	1,829,798			1,043,584	964,625	–	78,950	365,988	334,026	309,754	302,332
Rent	2,795,000	1,798,067			954,476	876,052	–	77,092	359,490	333,522	271,424	266,024
Common charges	–	–			10,168	10,168	–	–	–	–	6,745	6,745
Land leasing revenues	–	–			–	–	–	–	–	–	–	–
Other rental revenues	–	31,730			78,939	78,404	–	1,857	6,497	504	31,584	29,562
Property-related expenses	778,270	1,012,450			553,138	546,431	–	36,575	98,717	101,261	142,830	150,429
Property and other taxes	446,629	446,018			89,448	88,401	–	–	38,733	38,154	40,858	40,586
Property taxes	446,629	446,018	Undisclosed (Note6)	Undisclosed (Note6)	88,123	87,076	–	–	38,733	38,154	40,858	40,586
Other taxes	–	–			1,325	1,325	–	–	–	–	–	–
Overhead expenses	13,927	288,531			316,265	309,723	–	15,476	2,779	4,826	57,970	64,640
Property management fees	10,447	277,719			231,372	243,723	–	11,303	–	–	30,663	31,111
Utilities	–	–			46,201	52,973	–	3,688	–	–	22,523	22,598
Casualty insurance	3,480	3,004			1,442	1,451	–	73	789	794	553	557
Trust fees	–	–			800	800	–	375	–	–	500	500
Other expenses	–	7,807			36,449	10,775	–	36	1,989	4,032	3,729	9,872
Depreciation and amortization	317,714	277,901			147,425	148,305	–	21,098	57,204	58,280	44,001	45,202
Profits and losses from real estate rental business	2,016,729	817,347	524,987	543,843	490,445	418,194	–	42,374	267,270	232,764	166,923	151,903
Earnings before depreciation and amortization (NOI)	2,334,443	1,095,248	615,819	635,751	637,871	566,500	–	63,473	324,475	291,045	210,924	197,106
NOI yield (Note 7)	2.1%		3.2%		3.3%		1.8%		4.0%		3.9%	

\* The notes on this page constitute an integral part of this presentation. See P.49~P50

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

5. Reference

	Office Building			Retail Facility								
	Hiroo MTR Building	Tenjin Prime	Shin-Yokohama TECH Building	SHIBUYA FLAG	Shinbashi Ekimae MTR Building	Ito-Yokado Shonandai						
Location	Shibuya Ward, Tokyo	Chuo Ward, Fukuoka	Kohoku Ward, Yokohama	Shibuya Ward, Tokyo	Minato Ward, Tokyo	Fujisawa City, Kanagawa						
Construction completion	November 1992	October 2008	Building A: February 1986 Building B: February 1988	August 2009	April 1999	November 2002						
Acquisition date	January 2018	July 2012	November 2003	April 2013	April 2007	March 2003						
Acquisition price	8,100million yen	6,940million yen	6,900million yen	32,040million yen	18,000million yen	11,600million yen						
Book value	8,354million yen	6,605million yen	6,774million yen	32,437million yen	17,274million yen	9,779million yen						
Appraisal value	8,440million yen	9,080million yen	7,970million yen	40,500million yen	22,000million yen	11,700million yen						
Total floor space	6,709.80㎡	7,722.04㎡	25,187.22㎡	7,766.49㎡	7,820.45㎡	53,393.66㎡						
PML (Note 5)	7.3%	6.4%	8.7%	11.9%	12.2%	14.0%						
Rental revenues (thousand yen)	Period ended March 2021	Period ended September 2021	Period ended March 2021	Period ended September 2021	Period ended March 2021	Period ended September 2021	Period ended March 2021	Period ended September 2021	Period ended March 2021	Period ended September 2021	Period ended March 2021	Period ended September 2021
Rental revenues	204,407	185,378	253,916	251,456	349,707	354,797			460,200	460,200	375,045	375,045
Rent	155,611	141,295	217,843	214,643	319,592	325,775			459,000	459,000	375,000	375,000
Common charges	22,888	19,901	19,530	19,530	—	—			—	—	—	—
Land leasing revenues	—	—	—	—	—	—			—	—	—	—
Other rental revenues	25,907	24,180	16,542	17,281	30,115	29,022			1,200	1,200	45	45
Property-related expenses	57,975	51,300	85,903	91,520	206,845	193,335			52,888	52,684	110,281	139,991
Property and other taxes	11,751	11,698	27,354	27,318	30,324	29,707			34,474	34,268	39,456	39,003
Property taxes	11,628	11,575	27,354	27,318	30,324	29,707	Undisclosed (Note6)	Undisclosed (Note6)	34,474	34,268	39,456	39,003
Other taxes	122	122	—	—	—	—			—	—	—	—
Overhead expenses	27,819	24,358	27,715	33,272	106,407	92,852			1,403	1,404	10,886	40,110
Property management fees	5,223	5,155	7,432	8,978	57,221	57,590			1,200	1,200	1,620	1,620
Utilities	15,147	15,666	11,666	13,590	23,129	23,606			—	—	—	—
Casualty insurance	229	230	204	205	800	805			203	204	975	981
Trust fees	400	400	750	750	—	—			—	—	—	—
Other expenses	6,820	2,906	7,661	9,747	25,255	10,850			—	—	8,291	37,509
Depreciation and amortization	18,404	15,242	30,833	30,930	70,113	70,775			17,010	17,010	59,938	60,877
Profits and losses from real estate rental business	146,432	134,078	168,012	159,935	142,862	161,462	635,864	611,197	407,311	407,515	264,763	235,053
Earnings before depreciation and amortization (NOI)	164,836	149,321	198,846	190,866	212,976	232,238	659,796	635,146	424,322	424,526	324,702	295,930
NOI yield (Note 7)	3.7%		5.5%		6.7%		4.0%		4.7%		5.1%	

\* The notes on this page constitute an integral part of this presentation. See P.49~P50

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

	Retail Facility		Hotel		Residential		Total			
	Kohnan Sagamihara-Nishihashimoto	Frespo Inage	Hotel Okura Kobe	Park Lane Plaza						
Location	Midori Ward, Sagamihara	Inage Ward, Chiba	Chuo Ward, Kobe	Shibuya Ward, Tokyo						
Construction completion	August 2005	–	March 1989 (Expanded March 1995)	June 1988						
Acquisition date	October 2012	March 2002	September 2006	December 2004						
Acquisition price	7,460million yen	2,100million yen	19,000million yen	3,200million yen	324,346million yen					
Book value	7,130million yen	2,193million yen	15,747million yen	3,121million yen	306,237million yen					
Appraisal value	8,500million yen	2,610million yen	16,900million yen	4,080million yen	341,330million yen					
Total floor space	40,283.77㎡	(39,556.71㎡) (Note8)	72,246.86㎡	5,246.78㎡	–					
PML (Note 5)	13.5%	–	17.8%	14.9%	5.4% (Note9)					
Rental revenues (thousand yen)	Period ended March 2021	Period ended September 2021	Period ended March 2021	Period ended September 2021	Period ended March 2021	Period ended September 2021	Period ended March 2021	Period ended September 2021		
Rental revenues			123,609	123,609	625,353	622,372	104,708	108,405	8,789,929	7,768,463
Rent			–	–	625,353	622,372	94,734	98,109	8,165,114	7,122,682
Common charges			–	–	–	–	9,043	9,043	241,875	238,888
Land leasing revenues			123,609	123,609	–	–	–	–	123,609	123,609
Other rental revenues			–	–	–	–	930	1,252	259,331	283,283
Property-related expenses			8,019	8,020	308,916	298,262	38,852	35,134	2,880,013	3,152,474
Property and other taxes			7,269	7,270	73,300	70,245	7,484	7,539	964,655	958,141
Property taxes	Undisclosed (Note6)	Undisclosed (Note6)	7,269	7,270	73,300	70,245	7,484	7,539	963,204	954,741
Other taxes			–	–	–	–	–	–	1,451	3,399
Overhead expenses			750	750	37,316	26,806	17,850	13,988	788,462	1,080,365
Property management fees			–	–	–	–	9,461	9,730	424,006	721,885
Utilities			–	–	–	–	1,364	1,348	166,455	186,415
Casualty insurance			–	–	7,894	7,081	159	160	18,545	17,371
Trust fees			750	750	2,000	2,000	–	–	7,050	7,225
Other expenses			–	–	27,421	17,724	6,863	2,748	172,405	147,468
Depreciation and amortization			–	–	198,300	201,210	13,517	13,607	1,126,895	1,113,968
Profits and losses from real estate rental business	180,428	187,348	115,589	115,588	316,436	324,109	65,856	73,271	5,909,915	4,615,989
Earnings before depreciation and amortization (NOI)	218,095	225,016	115,589	115,588	514,737	525,320	79,374	86,878	7,036,811	5,729,957
NOI yield (Note 7)	6.0%		11.0%		5.5%		5.4%		3.5%	

\* The notes on this page constitute an integral part of this presentation. See P.49~P50

# Interest-Bearing Liabilities

## Short-term loans

(Million yen)				
Lender	Outstanding balance at end of period	Average interest rate	Draw down date	Repayment date
Sumitomo Mitsui Banking Corporation	2,500	Floating	October 9, 2020	October 8, 2021
Resona Bank, Limited.	500		October 16, 2020	October 15, 2021
Mizuho Bank, Ltd.	2,000		April 9, 2021	April 8, 2022
Resona Bank, Limited.	1,000		August 31, 2021	August 31, 2022
<b>Total</b>	<b>6,000</b>			

## Long-term loans

(Million yen)				
Lender	Outstanding balance at end of period	Average interest rate	Draw down date	Repayment date
MUFG Bank, Ltd.	1,500	Fixed	October 1, 2014	October 1, 2021
Sumitomo Mitsui Banking Corporation	1,000		December 26, 2014	December 24, 2021
Sumitomo Mitsui Trust Bank, Limited	1,000		December 26, 2017	December 24, 2021
Aozora Bank, Ltd.	500		December 26, 2014	December 24, 2021
Sumitomo Mitsui Banking Corporation	2,500		January 19, 2018	January 19, 2022
Mizuho Bank, Ltd.	500		January 19, 2018	January 19, 2022
The Bank of Fukuoka, Ltd.	2,000		January 31, 2017	January 31, 2022
Development Bank of Japan Inc.	3,000		February 27, 2015	February 28, 2022
Sumitomo Mitsui Banking Corporation	1,500		February 28, 2018	February 28, 2022
MUFG Bank, Ltd.	500		February 28, 2018	February 28, 2022
The Dai-ichi Life Insurance Company, Limited	500		February 28, 2017	February 28, 2022
Mizuho Bank, Ltd.	4,000		April 11, 2017	April 11, 2022
Aozora Bank, Ltd.	1,000		April 11, 2017	April 11, 2022
MUFG Bank, Ltd.	2,000		April 13, 2018	April 13, 2022
Sumitomo Mitsui Trust Bank, Limited	1,000		April 24, 2017	April 22, 2022
Mizuho Bank, Ltd.	2,000		April 30, 2015	April 28, 2022
The Ashikaga Bank, Ltd.	500		August 30, 2018	August 30, 2022
Sumitomo Mitsui Banking Corporation	3,500		August 31, 2017	August 31, 2022
Sumitomo Mitsui Trust Bank, Limited	2,000		August 31, 2016	August 31, 2022
Sumitomo Mitsui Trust Bank, Limited	1,000		September 29, 2017	September 30, 2022
Sumitomo Mitsui Trust Bank, Limited	1,500	January 19, 2018	January 19, 2023	
Sumitomo Mitsui Trust Bank, Limited	500	January 19, 2018	January 19, 2023	
MUFG Bank, Ltd.	2,500	February 28, 2018	February 28, 2023	
Mizuho Bank, Ltd.	2,000	February 28, 2018	February 28, 2023	
Sumitomo Mitsui Trust Bank, Limited	1,000	February 29, 2016	February 28, 2023	
Mizuho Trust & Banking co., Ltd.	1,000	February 29, 2016	February 28, 2023	
Mizuho Bank, Ltd.	3,500	April 12, 2016	April 12, 2023	
The Bank of Fukuoka, Ltd.	1,000	April 22, 2016	April 21, 2023	
The Nishi-Nippon City Bank, Ltd.	500	April 24, 2018	April 24, 2023	
Mizuho Bank, Ltd.	1,500	August 31, 2016	August 31, 2023	
Development Bank of Japan Inc.	1,000	August 31, 2018	August 31, 2023	
Resona Bank, Limited.	1,000	August 31, 2016	August 31, 2023	
MUFG Bank, Ltd.	500	August 31, 2018	August 31, 2023	
Development Bank of Japan Inc.	500	September 29, 2017	September 29, 2023	
Resona Bank, Limited.	1,000	October 18, 2016	October 18, 2023	
Mizuho Bank, Ltd.	3,000	August 30, 2019	February 29, 2024	
Development Bank of Japan Inc.	1,500	February 28, 2017	February 29, 2024	
Aozora Bank, Ltd.	2,000	March 11, 2016	March 11, 2024	
Shinkin Central Bank	2,000	March 19, 2018	March 19, 2024	
Sumitomo Mitsui Banking Corporation	3,000	October 9, 2020	April 9, 2024	
Development Bank of Japan Inc.	2,000	April 11, 2019	April 11, 2024	
Mizuho Bank, Ltd.	1,000	April 11, 2019	April 11, 2024	
Mizuho Bank, Ltd.	3,000	April 24, 2018	April 24, 2024	
The Bank of Fukuoka, Ltd.	1,000	May 31, 2018	May 31, 2024	
Sumitomo Mitsui Banking Corporation	3,000	October 9, 2020	October 9, 2024	
Sumitomo Mitsui Banking Corporation	1,000	April 9, 2021	October 9, 2024	
The Nishi-Nippon City Bank, Ltd.	500	December 26, 2019	December 26, 2024	
Mizuho Bank, Ltd.	1,500	January 19, 2018	January 17, 2025	
MUFG Bank, Ltd.	500	January 19, 2018	January 17, 2025	
Sumitomo Mitsui Trust Bank, Limited	3,000	February 28, 2020	February 28, 2025	
Mizuho Bank, Ltd.	1,000	February 28, 2018	February 28, 2025	
Sumitomo Mitsui Banking Corporation	1,000	February 28, 2018	February 28, 2025	

The Hachijuni Bank, Ltd.	1,000	Fixed	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 Banking Corporation	2,500		0.33%	April 9, 2021	April 9, 2025
Sumitomo Mitsui Trust Bank, Limited	4,000		0.37%	April 13, 2020	April 11, 2025
MUFG Bank, Ltd.	1,000		0.32%	April 13, 2021	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 Trust Bank, Limited	1,500		0.41%	February 26, 2021	February 27, 2026
Sumitomo Mitsui Banking Corporation	1,000		0.52%	February 28, 2019	February 27, 2026
Development Bank of Japan Inc.	1,000		0.41%	March 12, 2021	March 12, 2026
Nippon Life Insurance Company	500		0.36%	September 30, 2020	March 31, 2026
Resona Bank, Limited.	1,000		0.39%	April 22, 2021	April 22, 2026
Aozora Bank, Ltd.	500		0.72%	April 24, 2018	April 24, 2026
Resona Bank, Limited.	500		0.39%	May 31, 2021	May 29, 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
Nippon Life Insurance Company	500		0.40%	April 23, 2021	September 18, 2026
Mitsui Sumitomo Insurance Company, Limited	500		0.39%	September 30, 2020	September 30, 2026
MUFG Bank, Ltd.	1,000		0.40%	December 25, 2020	December 25, 2026
Resona Bank, Limited.	500		0.56%	December 26, 2019	December 25, 2026
The Bank of Fukuoka, Ltd.	500		0.56%	December 26, 2019	December 25, 2026
The NorinchukinBank	3,000		0.38%	February 28, 2020	February 26, 2027
SUMITOMO LIFEINSURANCECOMPANY	500		0.59%	December 26, 2019	June 25, 2027
The NorinchukinBank	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 LIFEINSURANCECOMPANY	500		0.38%	August 30, 2019	August 31, 2027
Development Bank of Japan Inc.	1,000	0.43%	March 12, 2020	September 10, 2027	
MUFG Bank, Ltd.	1,500	0.50%	April 13, 2021	October 13, 2027	
Mizuho Bank, Ltd.	1,000	0.63%	December 26, 2019	December 24, 2027	
Mizuho Bank, Ltd.	1,000	0.47%	January 19, 2021	January 19, 2028	
Mizuho Bank, Ltd.	1,000	0.55%	February 26, 2021	January 19, 2028	
Development Bank of Japan Inc.	500	0.47%	January 19, 2021	January 19, 2028	
MUFG Bank, Ltd.	1,500	0.53%	March 31, 2021	March 31, 2028	
Sumitomo Mitsui Banking Corporation	1,500	0.54%	April 9, 2021	April 7, 2028	
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	
Aozora Bank, Ltd.	1,500	0.59%	April 23, 2021	April 23, 2029	
Mizuho Bank, Ltd.	1,000	0.62%	August 31, 2021	August 31, 2030	
Mizuho Bank, Ltd.	500	0.63%	August 30, 2021	August 31, 2030	
Mizuho Bank, Ltd.	1,500	0.66%	August 31, 2021	February 28, 2031	
<b>Total</b>	<b>135,000</b>				

## Investment corporation bonds

(Million yen)

Issue	Balance at end of period	Interest rate	Issue date	Maturity date
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
13th unsecured investment corporation bonds	3,000	0.17%	February 25, 2021	February 22, 2024
6th unsecured investment corporation bonds	1,000	1.07%	February 26, 2015	February 26, 2027
14th unsecured investment corporation bonds	1,000	0.50%	February 25, 2021	February 25, 2031
15th unsecured investment corporation bonds	1,000	0.75%	February 25, 2021	February 25, 2036
9th unsecured investment corporation bonds	1,000	1.08%	February 23, 2017	February 23, 2037
<b>Total</b>	<b>14,000</b>			

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

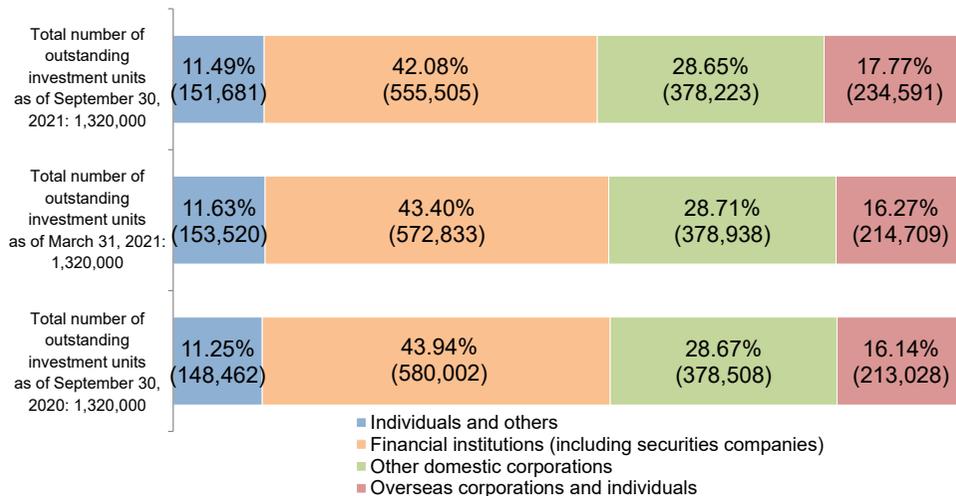
**Total interest-bearing liabilities at the end of the period:**  
**¥155,000 million**

Borrowed and issued during the 39<sup>th</sup> period ended September 2021.

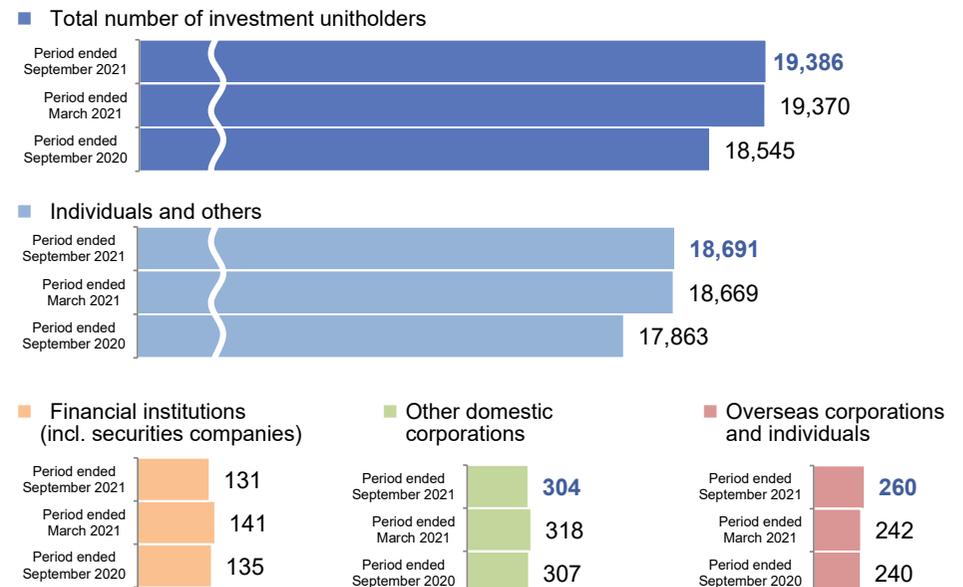
### ■ Top 10 Unitholders (Total number of outstanding investment units: 1,320,000) (As of September 30, 2021)

Unitholders	Number of units held	Ownership ratio
MORI TRUST Holdings, Inc.	350,070	26.52%
Custody Bank of Japan, Ltd.(Trust accounts)	207,169	15.69%
The Master Trust Bank of Japan, Ltd. (trust account)	125,064	9.47%
The Nomura Trust and Banking Co., Ltd. (investment trust)	41,540	3.15%
Custody Bank of Japan, Ltd.(Securities investment trust accounts)	25,029	1.90%
SSBTC CLIENT OMNIBUS ACCOUNT	16,851	1.28%
STATE STREET BANK WEST CLIENT - TREATY 505234	16,328	1.24%
LEGAL + GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	14,794	1.12%
Morgan Stanley MUFG Securities Co., Ltd.	13,286	1.01%
THE HACHIJUNI BANK,LTD.	13,085	0.99%
<b>Total of top 10 unitholders</b>	<b>823,216</b>	<b>62.36%</b>

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

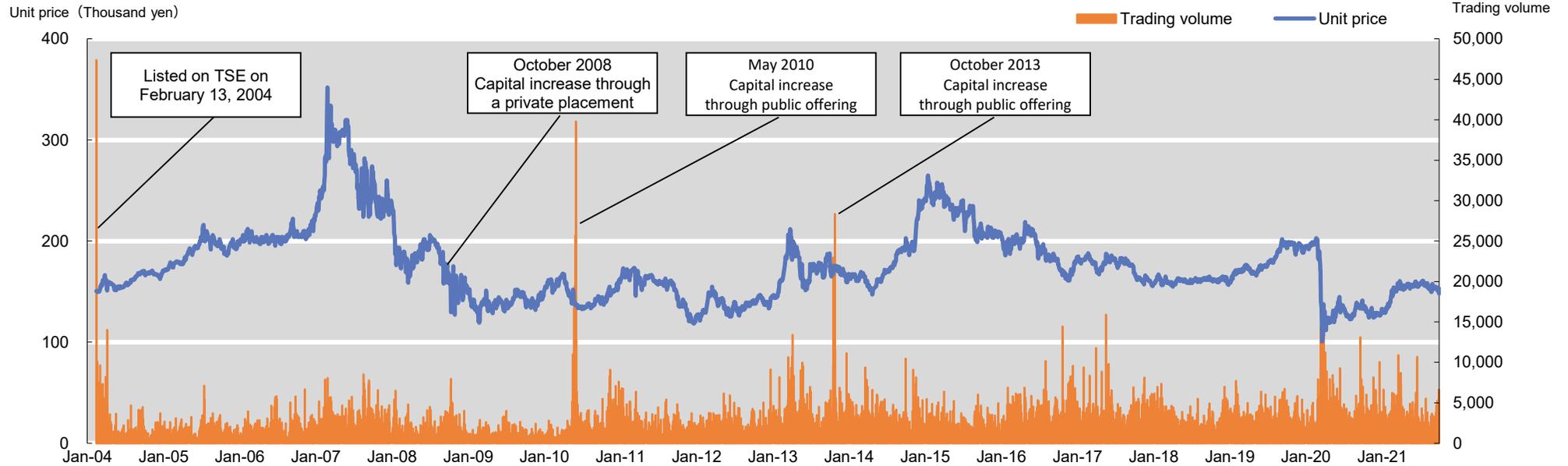


### ■ Changes in number of investment unitholders by owner (End of each fiscal period)



# Changes in Unit Prices

## Closing Unit price and trading volume February 13, 2004 to September 30, 2021



\*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 figures prior to April 1, 2014 are revised accordingly.

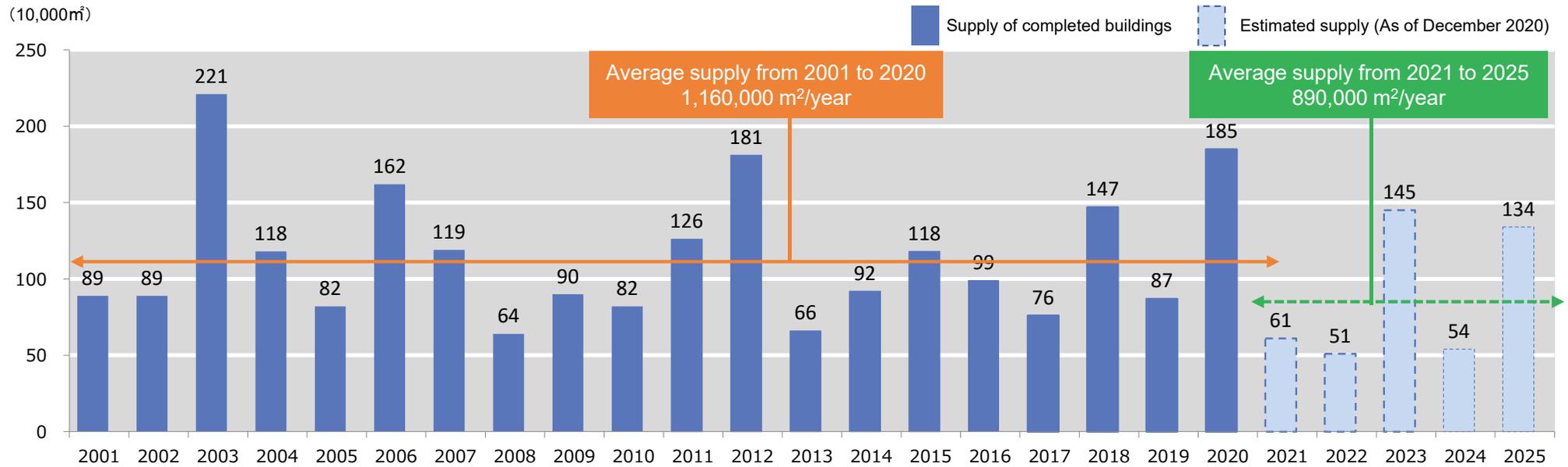
## Comparative performance of closing Unit price February 13, 2004 to September 30, 2021



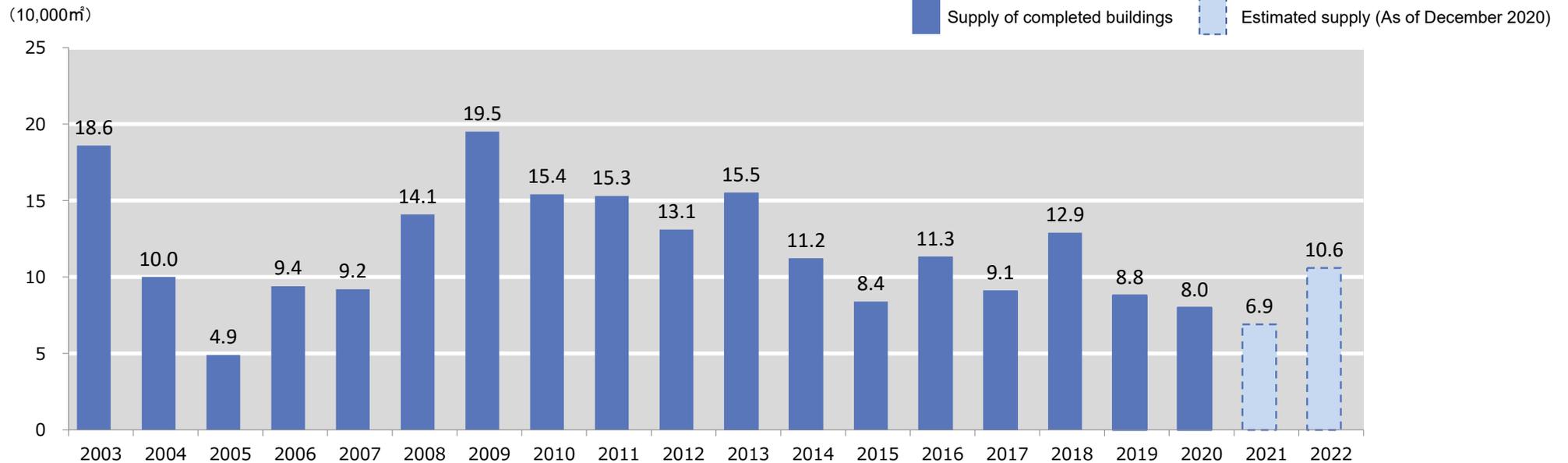
\*A base of 100 is used to compare MTR's unit price at IPO with the TSE REIT Index and TOPIX.

# Supply of large-scale offices in the 23 special wards of Tokyo

## Changes in supply of large-scale office buildings in the 23 special wards of Tokyo



## Changes in supply of medium-scale office buildings in the 23 special wards of Tokyo

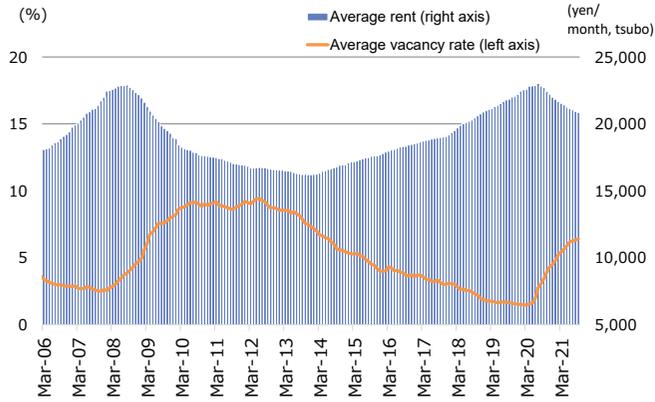


(Note) A large office building is an office building with a total floor space of 10,000 m<sup>2</sup> or more, while a medium-sized office building is an office building with a total floor space that is 5,000 m<sup>2</sup> or more, but less than 10,000 m<sup>2</sup>.

Source: Prepared by the Company based on Mori Trust Co., Ltd.'s Survey of Large-Scale Office Building Supply in Tokyo's 23 Wards 2013 and 2021.

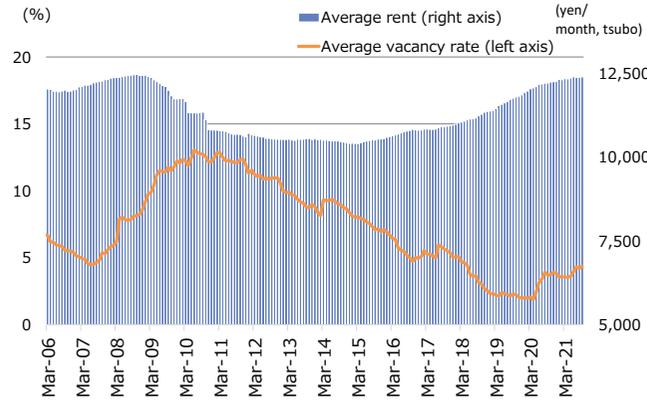
# Changes in Vacancy Rate and Rent per Unit in Major Cities

## Tokyo business districts



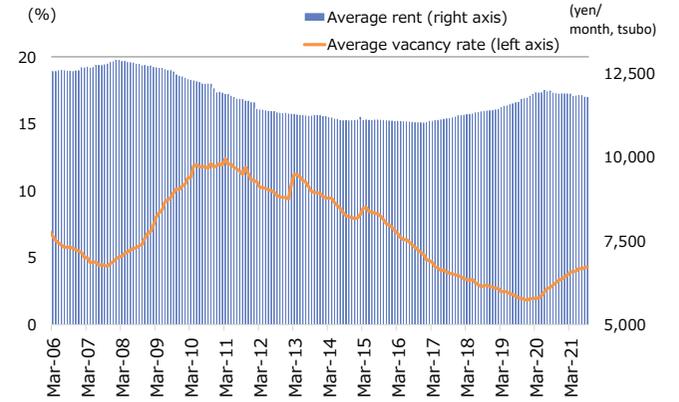
Tokyo business districts: Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, and Shibuya-ku

## Yokohama business districts



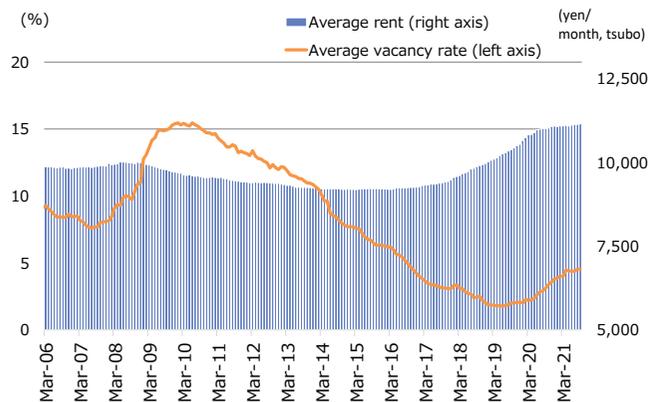
Yokohama business districts: Kannai, Yokohama Station, Shin-Yokohama, and Minato Mirai 21

## Osaka business districts



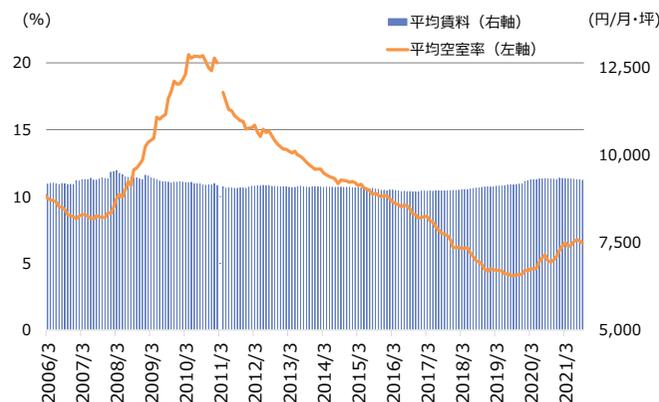
Osaka business districts: Umeda, Minami-Morimachi, Yodoyabashi and Honmachi, Senba, Shinsaibashi and Namba, and Shin-Osaka

## Fukuoka business districts



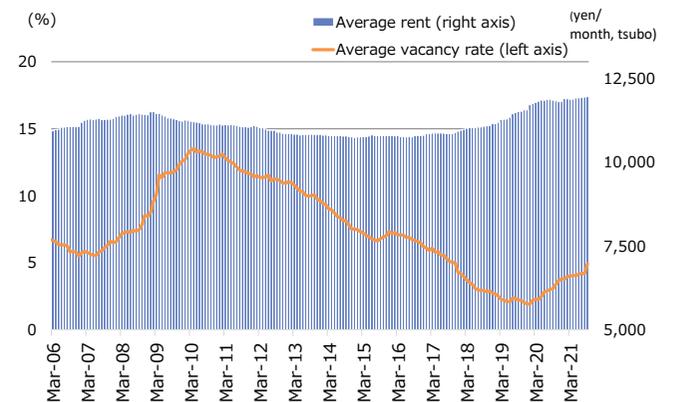
Fukuoka business districts: Akasaka Daimyo, Tenjin, Yakuin and Watanabe Dori, Gion and Gofukumachi, Hakata Station front, Hakata Station East and South

## 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

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 2021)

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	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. In the event MTR succeeds specified assets stipulated in the agreement from merger partner through the merger with another investment corporation, the rate of remuneration shall be a set percentage of the appraisal value as of the date of acceptance of the merger for each specified asset, 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%

\* The notes on this page constitute an integral part of this presentation. See P.49~P50

# Note (1)

## P4

(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

## P12

(Note1) For the properties that adopt the master lease contract, the diagram covers lease areas under sublease contracts. These do not include areas to be vacated, residences and storage spaces.

(Note2) Negotiation policy determined mainly by factoring in the gap between the target rent at the time of attracting a new tenant and the current rent.

(Note3) The total may not add up to 100% due to rounding to the first decimal place.

## P27

(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.

## P36

(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 2021 (annual basis) / Acquisition price

## P37

( Note 1) For Shiodome Building, We transferred 62,411 / 1,000,000 of the co-ownership interest on July 1, 2021. As of September 30, 2021, We own a co-ownership interest of 437,589 / 1,000,000. The figures in brackets are obtained by deducting the amount equivalent to the share in the applicable sale from the book value and appraisal value of the portfolio properties at the end of fiscal period ended March 2021, and the increase or decrease calculated based on this figure.

( Note 2) Kamiyacho Trust Tower was purchased as of July 1, 2021.

( Note 3) For Frespo Inage, the direct reduction method is not adopted.

( Note 4) For Frespo Inage, the cap rate and the terminal cap rate have not been established.

( Note 5) 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.

## P38

(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) 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 since April 1, 2021. Therefore, the numbers in parentheses of the occupancy rates of the properties as of September 30, 2021, 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.

(Note 3) 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 4) 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.

(Note 5) 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 6) 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 7) 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 8) 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 as of September 30, 2021, was calculated according to Note 2.

## □ Note (2)

### P39

- (Note 1) A master lease agreement, under which rent income is linked to rents under sublease agreements, is used for the office and store sections, and a master lease agreement specifying a fixed rent is used for the hotel section of Tokyo Shiodome Building. The numbers in parentheses of the occupancy rates of the properties and the total number of tenants of the property represent those based on sublease agreements for the office and store section and those based on the master lease agreement for the hotel section.
- (Note 2) 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 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 are those of the entire joint management units.
- (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) Although Fujitsu accounts for 53.4% of the entire property as of the end of September 2021, occupancy will be 4.3% at the end of January 2022
- (Note 8) Lease contract expiry is not shown, as consent from tenants has not been obtained.
- (Note 9) 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 10) The numbers in parentheses of the occupancy rates of the properties and the total number of tenants represent those based on sublease agreements for Kioicho Building, Osaki MT Building, and Midosuji MTR Building and the overall number of tenants in all joint management units for Kamiyacho Trust Tower. The occupancy rates of the properties and the total number of tenants in Tokyo Shiodome Building represent that based on Note 5.

### P40~42

- (Note 1) The Tokyo Shiodome Building is a co-owned building and the floor area of 83,751.93m<sup>2</sup> is calculated by multiplying MTR's co-owned interest (ratio of 437,589/1,000,000) 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 m<sup>2</sup>.
- (Note 3) 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 3,797.72 m<sup>2</sup>.
- (Note 4) The Osaki MT Building is a co-owned building, and the floor area of 24,495.21m<sup>2</sup> is calculated by multiplying MTR's co-owned interest (ratio of 907,880/1,000,000) with the total floor space.
- (Note 5) 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 6) 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.
- (Note 7) NOI earnings yield is calculated by converting NOI in the fiscal period ended September 2021 to an annual basis.
- (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.

### P48

- (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

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