MORI TRUST REIT

MORI TRUST Sogo Reit, Inc.

Fiscal Period Ended March 2021 (38th Fiscal Period)

Information Package



(Securities Code: 8961)
https://www.mt-reit.jp/en/

(Asset Management Company)
MORI TRUST Asset Management Co., LTD.

MEMO

Contents

1. Overview of the Settlement and Forecasts 3

Fiscal Period Ended March 2021 Settlement Highlights 4
Overview of the Settlement for the Fiscal Period Ended March 2021 5
Factors for Change in Distributions per Unit (the fiscal period ended March 2021) 6
Forecasts for the Fiscal Period Ending September 2021 7
Factors for Change in Distributions per Unit (the fiscal period ending September 2021) 8
Forecasts for the Fiscal Period Ending March 2022 9

2. Operation Status 10

External Growth (Recognition of Conditions and Future Policies) 11
Asset Replacement (Sale of Part of the Tokyo Shiodome Building and Purchase of Kamiyacho Trust Tower) 12
New Property Acquisition (Kamiyacho Trust Tower) 13
Internal Growth (Recognition of Conditions and Future Policies) 14
Internal Growth (The present leasing status of the Tokyo Shiodome Building/Situation of Rent Revision for Six Office Buildings) 15
Future response policy regarding Shinbashi Ekimae MTR Building 16
Financial Status (Management Results for the Fiscal Period Under Review and Loan Repayment Schedule Diversification) 17
Financial Status (Status of Interest-Bearing Liabilities and Rating) 18

3. Initiatives Related to ESG 19

Initiatives Related to ESG 20

4. Characteristics of MORI TRUST Sogo Reit, Inc. 28

Basic Policy and Characteristics of MORI TRUST Sogo Reit, Inc. 29
Mori Trust Group 31

5. Reference 32

Balance Sheets 33
Statements of Income and Retained Earnings 34
Statement of Cash Distributions / Statements of Cash Flows 35
Changes in Indicators 36
Changes in Asset Size, LTV and Distribution Per Unit 37
Property Portfolio List as of the End of the Fiscal Period 38
Appraisal Values of Portfolio Properties at the Fiscal Period-End 39
Changes in Occupancy Rate 40
Overview of Occupancy Rate and Lease Contracts at the Fiscal Period-End 41
Portfolio Summary and Breakdown of Property-Related Revenues/Expenses 42
Interest-Bearing Liabilities 45
Investors 46
Changes in Unit Prices 47
Changes in Vacancy Rate and Rent per Unit in Major Cities 48
Asset Management Company Remuneration Methods 49

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1. Overview of the Settlement and Forecasts

Fiscal Period Ended March 2021 Settlement Highlights

Distribution Per Unit

¥3,875 (up ¥43 vs. the fiscal period ended September 2020, up ¥53 vs. forecast)

As of March 31, 2021 (change from the previous fiscal period in parentheses)

Asset

Number of property: 15 properties (–)

Asset size: ¥324.0 billion (–) (Note 1)

Occupancy rate: 99.3% (down 0.7%)
* Sublease basis **98.6%** (down 1.2%) (Note 2)

Appraisal values of portfolio properties at the fiscal period end: ¥342.5 billion (up ¥0 billion)
Unrealized profit: ¥37.0 billion (up ¥0.7 billion) (Note 3)

Investment ratio: [by area] **Tokyo metropolitan area 80.2%** (–)
[by use] **Office building 71.2%** (–)

Debt

Balance of interest-bearing debt: ¥157.0 billion (up ¥2 billion)

Average interest rate for borrowings during fiscal period: 0.45% (down 0.03%)

LTV: 47.5% (up 0.4%)

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

Equity

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

NAV per unit: ¥149,382 (up 0.4%) (Note 4)

Investment unit price: ¥153,300 / closing price on March 31, 2021)

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

Overview of the Settlement for the Fiscal Period Ended March 2021

Both income and expenses decreased due to a decrease in the use of utilities by tenants as a result of the COVID-19 pandemic. The decrease in expenses offset the fall in income, contributing to an overall increase in profit.
Distribution per unit was ¥3,875, up ¥43 period on period and ¥53 higher than the forecast, primarily thanks to a decrease in repair expenses.

(Unit: Million yen)

		Period ended September 2020 actual (A)	Period ended March 2021 forecast (B)	Period ended March 2021 actual (C)	Vs. previous fiscal period (C-A)	Change from the previous forecast (C-B)
Operating revenues		8,882	8,801	8,789	- 92	- 11
Rental revenues	(a)	8,882	8,801	8,789	- 92	- 11
Operating expenses		3,445	3,392	3,325	- 120	- 67
Property-related expenses	(b)	2,991	2,946	2,880	- 111	- 66
Property and other taxes		966	964	964	- 1	—
Overhead expenses		716	853	788	71	- 64
Depreciation	(c)	1,308	1,128	1,126	- 181	- 1
Selling, general and administrative expenses		453	446	445	- 8	- 1
Profits and losses from real estatebusiness	(d)=(a)-(b)	5,890	5,854	5,909	19	55
Earnings before depreciation and amortization (NOI)	(d)+(c)	7,199	6,983	7,036	- 162	53
Operating income		5,437	5,408	5,464	27	56
Non-operating revenues		1	0	36	34	36
Non-operating expenses		379	362	385	5	22
Ordinary income		5,059	5,045	5,116	56	70
Profit before income taxes		5,059	5,045	5,116	56	70
Income taxes - current		0	1	0	0	-0
Income taxes - deferred		-0	—	-0	0	-0
Profit		5,058	5,044	5,115	56	70
Total distribution		5,058	5,045	5,115	56	69
Distribution per unit (yen)		3,832	3,822	3,875	43	53
Total number of outstanding investment units		1,320,000	1,320,000	1,320,000	—	—

Main factors in change

Vs. previous fiscal period

(Unit: Million yen)

Operating revenues

- Impact mainly from tenant vacation and new occupancy -82
- Decrease in utilities revenues due to a fall in use by tenants primarily due to COVID-19 -24
- Contract cancellation fees received from tenants 11

Operating expenses

- Increase in repair expenses 87
- Increase in property management fees (brokerage fees, etc.) 22
- Decrease in utilities expenses due to a fall in use by tenants primarily due to COVID-19 -38
- Decrease in depreciation and amortization -181
  (Depreciation/amortization periods of some assets ended.)
- Decrease in asset management fees -7

Non-operating revenues

- Insurance claim income 35

Non-operating expenses

- Work covered by insurance 25
- Decrease in interest paid -19

Vs. forecast

Operating revenues

- Utilities revenues fell below the forecast due to a decrease in use by tenants largely due to COVID-19 -28
- Increase above forecast largely due to tenant occupation 11
- Increase due to contract cancellation fees received from tenants being above forecast 4

Operating expenses

- Repair expenses fell below forecast -25
- Property management fees (brokerage fees, etc.) fell below forecast -2
- Utilities expenses fell below forecast due to a decrease in use by tenants largely due to COVID-19 -35

Non-operating revenues

- Insurance claim income 35

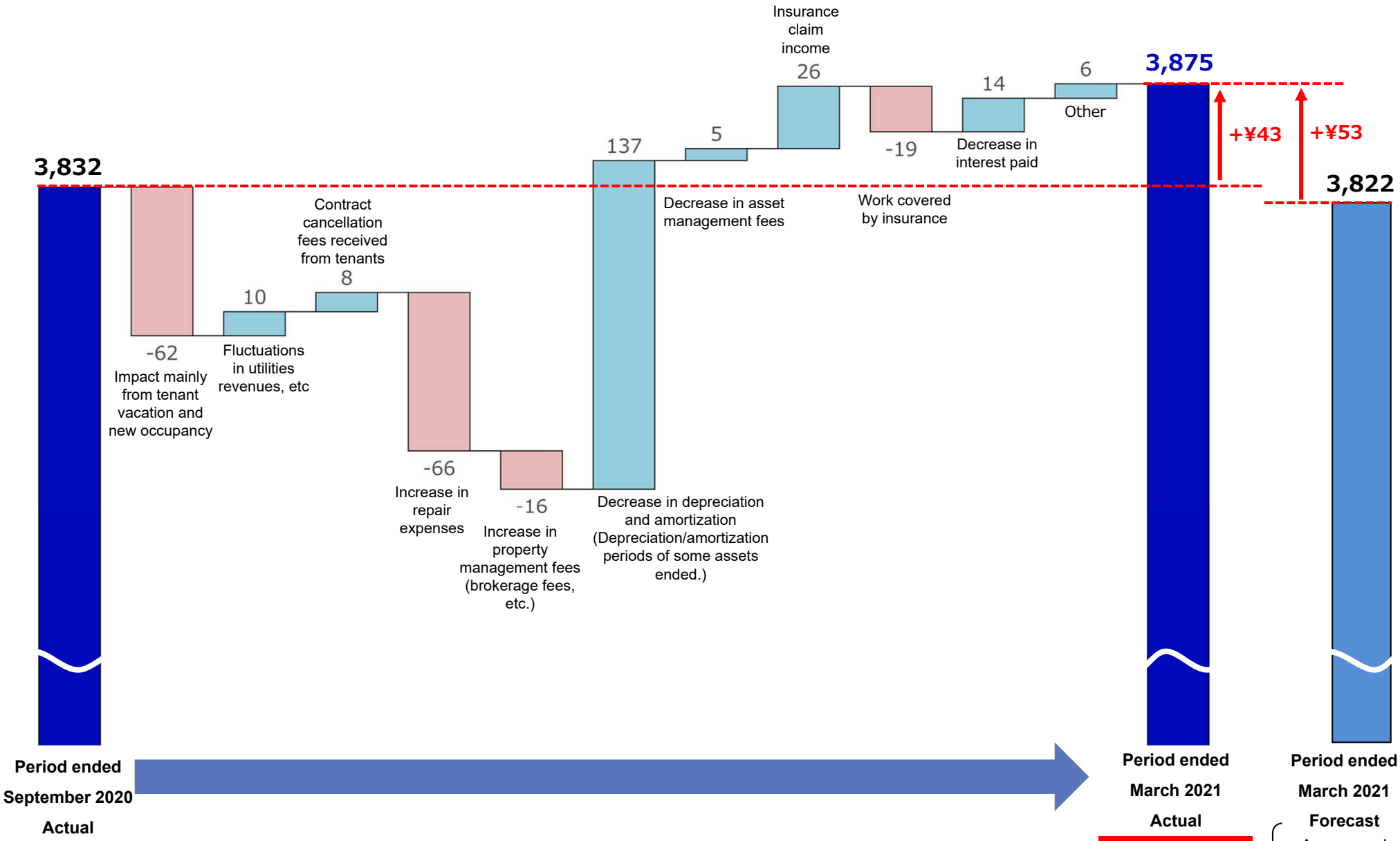
Non-operating expenses

- Work covered by insurance 26
- Interest paid fell below forecast -4

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

Distribution per unit was up ¥43 from the previous fiscal period and up ¥53 from the forecast.

(Unit: Yen)



Forecasts for the Fiscal Period Ending September 2021

Profit forecast was revised upward due to upward revision of rent income through progress in leasing and property replacement and gains on sales from property replacement.

(Unit: Million yen)

		Period ended March 2021 actual (A)	Previous forecast for the fiscal period ending September 2021 (Note1) (B)	New forecast for the fiscal period ending September 2021 (C)	Vs. previous fiscal period (C-A)	Change from the previous forecast (C-B)
Operating revenues		8,789	7,663	9,180	390	1,517
Rental revenues	(a)	8,789	7,663	7,751	- 1,038	88
gains on sale of real estate		—	—	1,429	1,429	1,429
Operating expenses		3,325	3,651	3,830	505	179
Property-related expenses	(b)	2,880	3,211	3,341	461	129
Property and other taxes		964	1,005	964	-0	- 41
Overhead expenses		788	1,089	1,262	474	173
Depreciation	(c)	1,126	1,116	1,114	- 11	- 1
Selling, general and administrative expenses		445	439	489	43	49
Profits and losses from real	(d)=(a)-(b)	5,909	4,451	4,409	- 1,499	- 41
Earnings before depreciation and	(d)+(c)	7,036	5,568	5,524	- 1,511	- 43
Operating income		5,464	4,012	5,350	- 114	1,337
Non-operating revenues		36	0	0	- 36	—
Non-operating expenses		385	374	373	- 11	- 1
Ordinary income		5,116	3,637	4,976	- 139	1,339
Profit before income taxes		5,116	3,637	4,976	- 139	1,339
Income taxes - current		0	1	1	0	—
Income taxes - deferred		-0	- 101	156	156	258
Profit		5,115	3,738	4,819	- 296	1,080
Reversal of reserves for reduction entry		—	221	134	134	- 87
Provision of reserves for reduction entry		—	—	- 475	- 475	- 475
Total distribution		5,115	3,960	4,477	- 637	517
Distribution per unit (yen)		3,875	3,000	3,392	- 483	392
Total number of outstanding investment units		1,320,000	1,320,000	1,320,000	—	—

Forecast Distribution Per Unit

¥3,392 (down ¥483 from the previous fiscal period, up ¥392 vs. previous forecast)

Main factors in change

Vs. previous fiscal period

Operating revenues

- Impact of tenant occupation and vacation at the Tokyo Shiodome Building ("Shiodome Bldg.") -948
- Impact of tenant occupation and vacation at other properties (including assumption of partially reduced amount) -176
- Impact of property replacement 25
- Increase in utilities revenues due in part to seasonal fluctuations 40
- Contract cancellation fees 20
- Gain on sale of part of Shiodome Bldg. 1,429

Operating expenses

- Increase in property management fees (revision of ML contract for Shiodome Bldg., new purchase of properties, etc.) 361
- Mainly an increase in utilities expenses due in part to seasonal fluctuations 76
- Increase in repair expenses (part of construction projects moved forward) 31
- Decrease in depreciation and amortization -11
- Expenses associated with Investors' Meeting 15
- Increase in consumption tax not eligible for deduction (fall in taxable sales due to sale of land) 27

Non-operating revenues / non-operating expenses

- Insurance claim income -35
- Absence of work covered by insurance -26
- Increase in interest paid 14

Vs. previous forecast (Note 1)

Operating revenues

- Upward revision of rent income from the Shiodome Bldg. 53
- Downward revision of rent income from other properties (assumption of partially reduced amount) -4
- Increase through property replacement 25
- Gain on sale of part of Shiodome Bldg. 1,429

Operating expenses

- Property and other taxes (standard amount of tax on land is unchanged.) -41
- Upward revision of repair expenses (part of construction projects moved forward) 98
- Upward revision of property management fees(new property purchase, etc.) 68
- Upward revision of asset management fees (associated with property replacement) 21
- Increase in consumption tax not eligible for deduction (fall in taxable sales due to sale of land) 26

■ Forecasts for the fiscal period ending September 2021

(million yen)

	Previous forecast (Note1)	Revised forecast (Note2)	Vs. previous forecast	New forecast	Change from revised forecast
Operating revenues	7,663	9,122	1,459	9,180	57
Operating income	4,012	5,301	1,289	5,350	48
Ordinary income	3,637	4,927	1,290	4,976	48
Profit	3,738	4,771	1,033	4,819	47
Distribution per unit (yen)	3,000	3,360	360	3,392	32

■ Balance of internal reserves

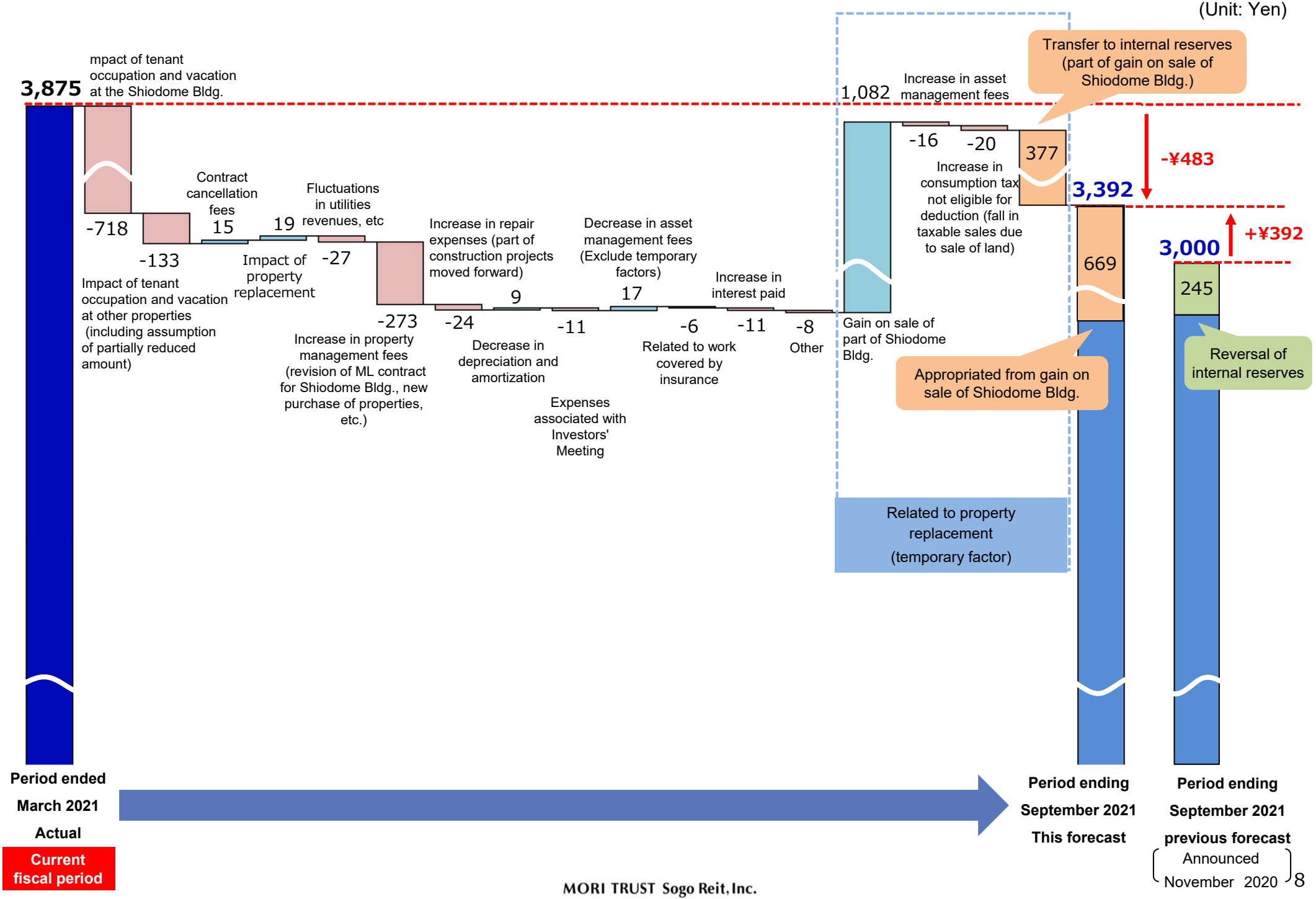
(million yen)

Period ended March 2021 (Actual)	Period ending September 2021 (Previous	Period ending September 2021 (New forecast)	Vs. previous fiscal period (Note 3)	Vs. previous forecast
1,567	1,244	2,065	497	821

(Note1) Forecast at the time of the announcement of financial results for the fiscal period ended September 2020 (November 18, 2020).
(Note2) Forecast at the time of the revision of financial forecasts (March 25, 2021)
(Note3) (Income taxes - deferred) – (reversal of reserve for reduction entry) + (amount transferred to reserve for reduction entry)

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

(Unit: Yen)



Forecasts for the Fiscal Period Ending March 2022

Forecast Distribution Per Unit

¥3,000 (down ¥392 vs. forecast for fiscal period ending September 2021)

Rental revenues decreased ¥905 million period on period, mainly due to the full-period impact of tenant vacation from the Shiodome Bldg. and the vacation of Shinbashi tenant.
Distribution of ¥3,000 was secured by posting gains on sale of real estate, etc. at the at the same level as the previous fiscal period.
Internal reserves were accumulated in view of leveling the distribution level in preparation for prolonged leasing.

(Unit: Million yen)

	Period ending September 2021 Forecast (39th fiscal period) (A)	Period ending March 2022 Forecast (40th fiscal period) (B)	Change (B-A)
Operating revenues	9,180	8,277	- 903
Rental revenues	7,751	6,846	- 905
gains on sale of real estate	1,429	1,431	2
Operating income	5,350	4,707	- 642
Ordinary income	4,976	4,328	- 648
Income taxes - deferred	156	115	- 40
Profit	4,819	4,211	- 607
Reversal of reserves for reduction entry	134	134	–
Provision of reserves for reduction entry	- 475	- 386	88
Total distribution	4,477	3,960	- 517
Distribution per unit (yen)	3,392	3,000	- 392
Total number of outstanding investment units	1,320,000	1,320,000	–

Main factors in change

(Unit: Million yen)

Operating revenues

● Impact mainly of tenant occupation and vacation at Shiodome Bldg.	-698
● Impact mainly of tenant occupation and vacation at other properties (including assumption of partial vacation)	-393
● Impact of property replacement	213
● Decrease in utilities revenues due in part to seasonal fluctuations	-28

Operating expenses

● Decrease in property and other taxes due to sale of part of the Shiodome Bldg.	-83
● Decrease in property management fees (including brokerage fees)	-45
● Decrease in utilities expenses due in part to seasonal fluctuations	-36
● Decrease in repair expenses	-88
● Absence of expenses associated with the Investors' Meeting	-15

■ Balance of internal reserves

(million yen)

Period ending September 2021 Forecast	Period ending March 2022 Forecast	Vs. previous fiscal period
2,065	2,433	367

2. Operation Status

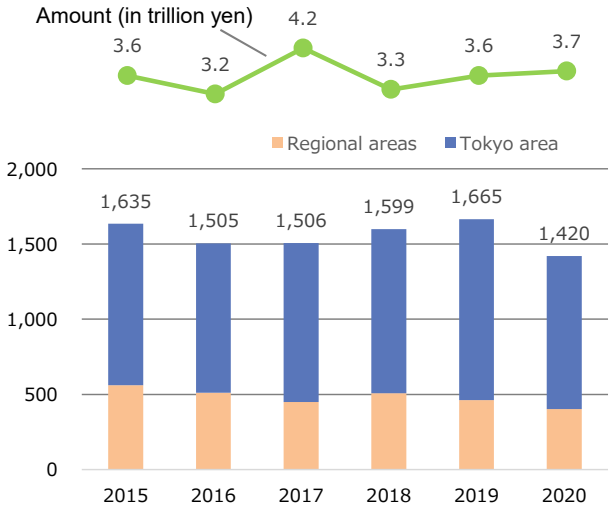
External Growth (Recognition of Conditions and Future Policies)

Recognition of Present Conditions

- **Transaction volume recovering thanks to large transactions despite a decrease in the number of transactions due to COVID-19.**
- **Demand particularly from foreign investors of property purchases remains high, and the level of transaction yields continues to be low.**
- **Meanwhile, signs of change are appearing in real estate investors' perception of market cycles.**

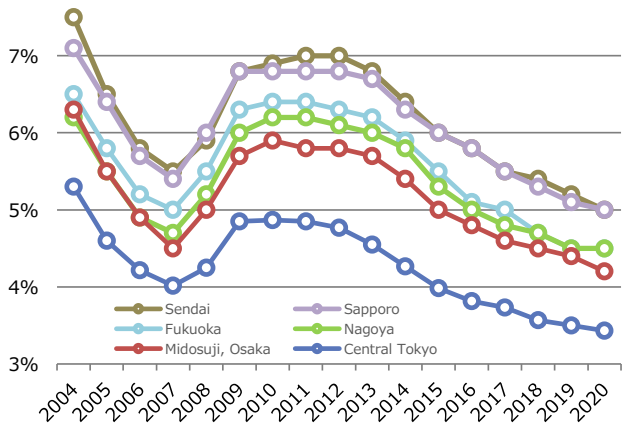
Conditions of Investment Market

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



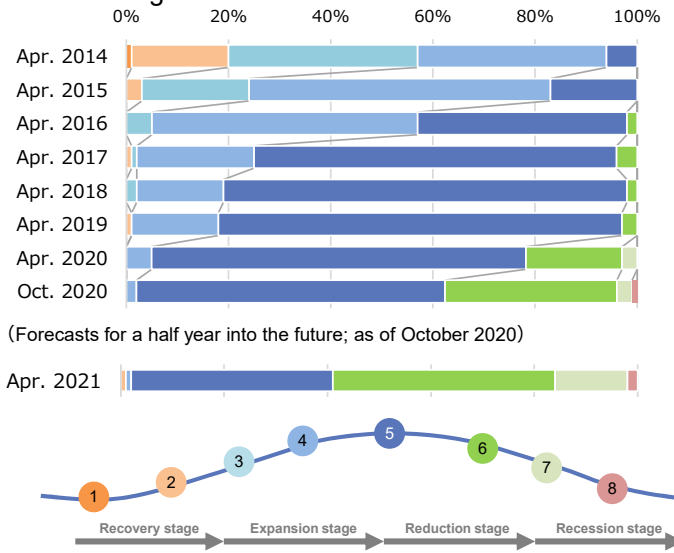
Source: Prepared by the Company based on Nikkei BP: Nikkei Real Estate Market Report Feb. 2021
*Based on articles in the Nikkei Real Estate Market Report

■ 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 Osaki.
*The data were current as of October of each year.

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



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.**

Asset Replacement (Sale of Part of the Tokyo Shiodome Building and Acquisition of Kamiyacho Trust Tower)

Overview of asset replacement

Sale — Tokyo Shiodome Building

	Period ending Sep.2021 Scheduled date of sale : Jul. 1, 2021	Period ending Mar.2022 Scheduled date of sale: Oct. 1, 2021
Asset for Sale	Trust's beneficiary rights for co-owned interest of 6.2411%	Trust's beneficiary rights for co-owned interest of 6.2411%
Sale price	¥13,980 million	¥ 13,980 million
Book value (Note 1)	¥12,539 million	¥ 12,539 million
Profit (Note 2)	Approx. ¥1,400 million	Approx. ¥1,400 million
Buyer	MORI TRUST CO., LTD.	

Acquisition — Kamiyacho Trust Tower

	Period ending Sep.2021 Scheduled date of acquisition: Jul. 1, 2021	Period ending Mar.2022 Scheduled date of acquisition : Oct. 1, 2021
Asset for Acquisition(Note3)	Building number: trust's beneficiary rights for 4-24-6-901 Toranomon	Building number: trust's beneficiary rights for 4-24-6-801 Toranomon
Acquisition price	¥ 13,980 million	¥ 13,980 million
Appraisal value	¥31,100 million (as of February 28, 2021)	
Expected NOI (Note 4)	¥841 million	
Seller	MORI TRUST CO., LTD.	

Reason for asset replacement

Leasing status of Tokyo Shiodome Building

Focus on leasing to new tenants due to the vacation of end tenant in office spaces (lease contracts will end on June 30, 2021)

While the property is at an excellent location and has high specifications, giving the impression of a high-grade building, the vacant space is likely to take some time to fill due to an increase in the number of people infected by COVID-19.

Achieve the following using sponsor support

(1) To **seek a fast increase in profitability through the improvement of occupancy rates** by selling properties with low occupancy and acquiring properties already mostly occupied

Occupancy rate of property purchased: 97.3% (Note 5)

(2) To **reduce the concentration of properties** by selling a part of the Tokyo Shiodome Building which comprises 33.9% (Note 6) of the portfolio

Investment ratio of property sold after replacement: 25.4% (Note 5)

(3) To **seek to increase the level of distributions** for the fiscal period ending September 30, 2021, and the fiscal period ending March 31, 2022, by **partially realizing unrealized gain** on the Tokyo Shiodome Building

(Note 1) As of March 31, 2021

(Note 3) Real estate trust beneficiary rights whereby the exclusively owned space (Nos. 801 and 901) on the 8th and 9th floors, which are office spaces in the Property for Acquisition and the co-ownership interest pertaining to the rights to the site are the trust property. At the Property for Acquisition, the office entrance floor which is the first floor below ground according to the register is referred to as the first floor (above ground) and the other floors are also referred to as one floor above the floor number stated in the register. Therefore, the sections concerned, which are the seventh and eighth floors in the register, are stated as the eighth and ninth floors. (All floor numbers of the Property for Acquisition are stated as they are referred to, not those in the register, unless otherwise noted.)

(Note 5) The expected occupancy rate and investment ratio as of October 1, 2021. The investment ratio refers to the ratio of purchase price of each asset to the total purchase price of assets such as real estate (the same applies below).

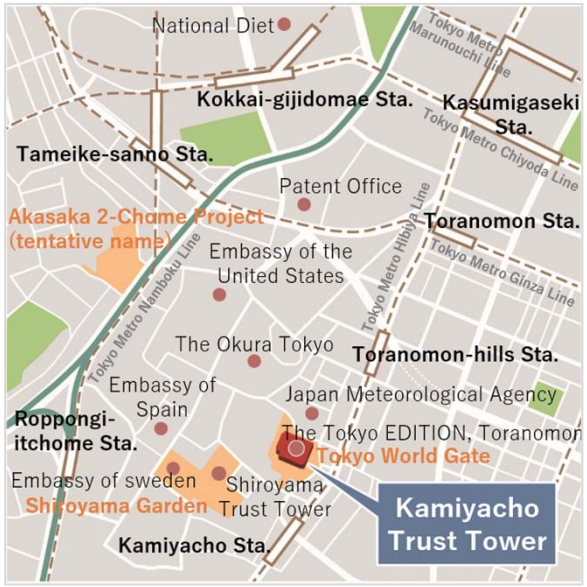
(Note 6) Investment ratio as of March 31, 2021

New Property Acquisition (Kamiyacho Trust Tower)

Summary of Asset for Acquisition

Property name		Kamiyacho Trust Tower
Location		4-Chome Toranomon, Minato-ku, Tokyo
Use		Office building (Note 1)
Ownership	Land	Ownership and surface right (site ownership ratio: 6.67257234%)
	Building	Sectionally owned
Area	Land	16,131.84 ㎡ (Area registered for the entire building lot)
	Building	196,037.12 ㎡ (Floor area registered for the entire building) 7,595.44 ㎡ (Floor area register for exclusively owned space to be owned) (Note2)
Number of floors		37 stories with 4 basement levels
Month/year of completion		March 2020





(Note1) The Property for Acquisition is a mixed-use building including office space, shops, medical facilities, a hotel and residences, however, real estate usage is the usage of the units for acquisition (office).

(Note2) Area is total area of the exclusively owned space on the 8th and 9th floors (No. 801 (3,797.72 ㎡) and No. 901 (3,797.72 ㎡)), which are office units.

Characteristics of the **property**

- Large building complex that will be the core of Tokyo World Gate being developed near Kamiyacho Station by MORI TRUST CO., LTD., the sponsor

  - Most office spaces will have a very large floor plate
  - Upper floors have accommodations such as Japan's first The Tokyo Edition Toranomon, a luxury lifestyle hotel.
  - Lower floors include a lounge where workers can socialize, a diverse array of shops, restaurants and other facilities such as a multi-lingual clinic to stimulate creativity and encourage innovation

- Very large floor with an office section with a ceiling height of 2.9 meters and pillar-free standard floor space of more than 1,100 tsubo
- Will have a large emergency power generator capable of supplying up to 80% of normal demand for power for approximately a week

Master lease agreement with sponsor

- Will sign a lease contract (master lease agreement) with sponsor
- Reduce the risk of vacancy and stabilize revenues by distributing revenues and expenses for jointly operated sections (Note 3) with unit owners according to their shares of ownership

Form of agreement	Building leas
Lease period	From July 1, 2021 to March 31, 2030
Rent	Linked to rent of joint management units (Note3)
Security deposit	None
Leased area	7,702.54㎡ (Note4)
Total leasable area	7,702.54㎡ (Note4)
Other	The total number of end tenants of joint management units is 5

(Note3) The joint management units refer to 25 floors from the 6th floor through to the 30th floor of the Property for Acquisition; each unit owner has concluded a lease agreement with MORI TRUST CO., LTD. under which each unit owner is the lessor and MORI TRUST CO., LTD. is the lessee and under which the lessee sublets each floor as joint management units. The lessee distributes the total income generated from these joint management units according to interest ratios based on the exclusively owned area owned by each unit owner.

(Note4) Area as of October 1, 2021

Internal Growth (Recognition of Conditions and Future Policies)

(Tennant trends in the current fiscal period)

- **Although there was no rent reduction or postponement of payments granted to tenants in the current fiscal period, there were a number of exits (6) due to the COVID-19 pandemic.**

Recognition of Present Conditions

- **The real estate market remains uncertain due to the prolonged COVID-19 pandemic.**
  - **—The trend in the office vacancy rate is rising. Rents are trending downward.**
  - **—The no. of cancellations is increasing, mainly due to the sluggish business of commercial tenants.**
- **Ripple effects on corporate performance and consequential decreases in demand for rental offices must be continually watched.**

Future Policies

- **Negotiate rent revisions while paying attention to corporate performance when there is the potential for upward rent revisions.**
- **Focus on ensuring occupancy while flexibly responding to market conditions and tenant needs because the vacancy rate trend is rising. (In particular, aim for a quick recovery in occupancy at the Tokyo Shiodome Building)**
- **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)

Internal Growth
(The present leasing status of the Tokyo Shiodome Building/Situation of Rent Revision for Six Office Buildings)

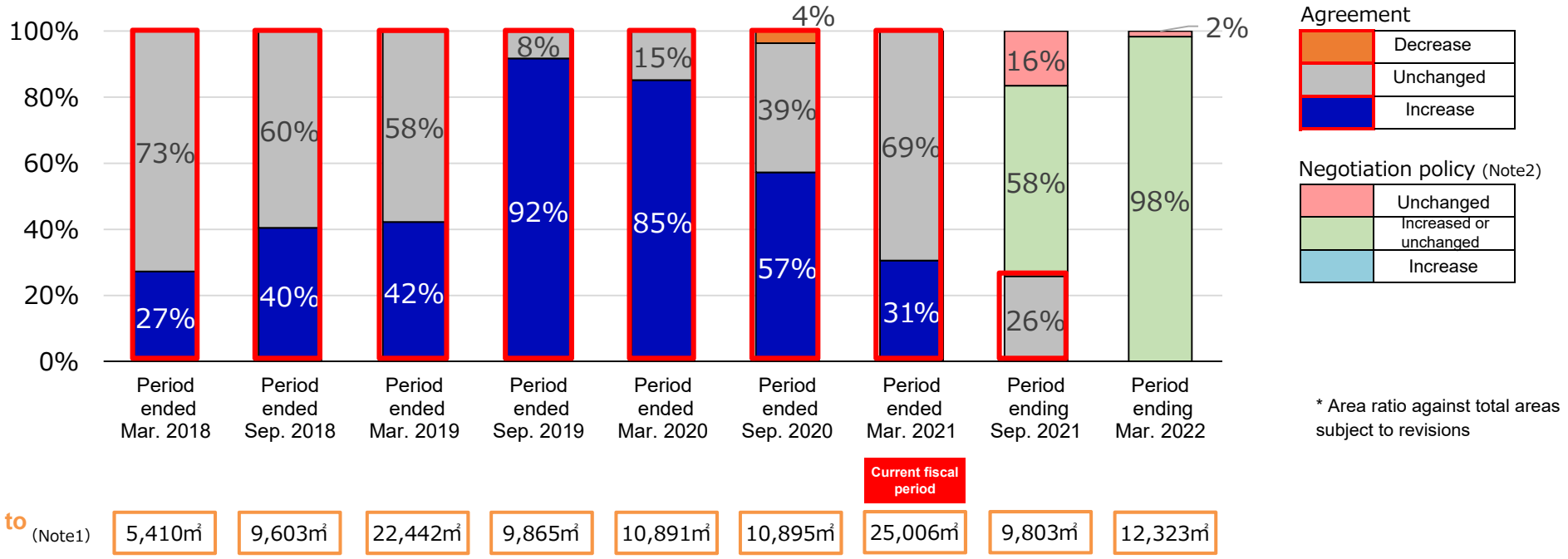
The present leasing status of the Tokyo Shiodome Building

- **With the slowdown in our target, the office relocations of large tenants, due to the COVID-19 pandemic, we focused on leasing activities.**
- **The occupancy rate for offices/stores lot was 44.3% and the rate for all properties moved up to 60.9% as of the date of the earnings announcement (on a contract basis).**

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 subject to revision during the current fiscal period, upward revisions were made for 31% of them(on a floor area basis).**
- **Negotiation policies for the Fiscal Period Ending September 2021 and Fiscal Period Ending March 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)	Period ended Mar. 2018	Period ended Sep. 2018	Period ended Mar. 2019	Period ended Sep. 2019	Period ended Mar. 2020	Period ended Sep. 2020	Period ended Mar. 2021 (Current fiscal period)	Period ending Sep. 2021	Period ending Mar. 2022
	5,410㎡	9,603㎡	22,442㎡	9,865㎡	10,891㎡	10,895㎡	25,006㎡	9,803㎡	12,323㎡

(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.

Future response policy regarding Shinbashi Ekimae MTR Building

(Change of tenants)

A tenant occupying an entire building is to exit at the end of December 2021.

(Advantages of properties)

- **Adjacent to office districts including Toranomon, Kasumigaseki, Shiodome, etc. and commercial districts such as Ginza and Yurakucho, it is an area that strongly attracts customers, mainly office workers.**
- **Located in front of the the square in front of Shinbashi Station, excellent, convenient location with visibility**

(Future operation policy)

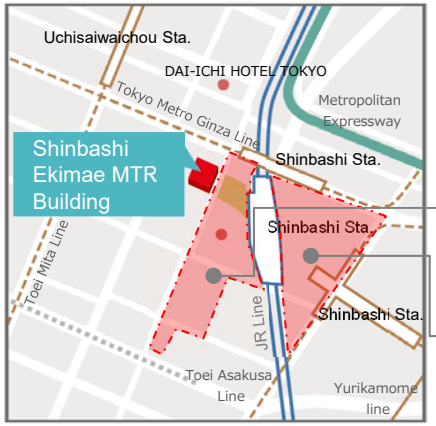
- **Utilizing location advantages, consider both leasing to new tenants and the sale of the property.**

Property outline

Location	Shinbashi 2-chome, Minato Tokyo
Acreage	1,069.88㎡
Total floor space	7,820.45㎡
Floor number	8 stories with 2 basement levels
Month/year of completion	April, 1999

Acquisition price	18,000 million yen
Book value	17,291 million yen (as of March 31, 2021)
Appraisal value	22,200 million yen (as of March 31, 2021)

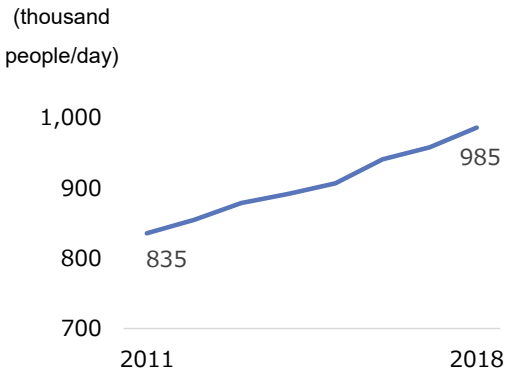




<Shinbashi Station usage>

Shinbashi Station in central Tokyo is a major station that is used by approximately 1 million people per day

(Transit of passengers at Shinbashi Sta.)



(Passenger number ranking of JR East stations)

Priority	Station	The no. of passengers in 2018 (thousand people/day)
1	Shinjuku	1,578
2	Ikebukuro	1,133
3	Tokyo	934
4	Yokohama	847
5	Shinagawa	766
6	Shibuya	741
7	Shinbashi	563
8	Omiya	516
9	Akihabara	504
10	Ayase	454

Total passengers riding JR East, Tokyo Metro, Toei Transportation, and the Yurikamome lines

Source: "Digital National Land Information (passenger data by station, 2018)" (the Ministry of Land, Infrastructure, Transport and Tourism)Prepared using data from (https://nlftp.mlit.go.jp/ksj/gml/datalist/KsjTmplt-S12-v2_6.html)

<Redevelopment plan for the area around the station>

Two redevelopment projects in the neighborhood have begun. Further development is expected in the area.

① Shinbashi Station West Exit Area Redevelopment

The Shinbashi Station West Exit Area Redevelopment Preparatory Association was established in 2016.

(Project collaborator) Nomura Real Estate Development Co., Ltd., NTT Urban Development Corporation

② Shinbashi Station West Exit Area Redevelopment

The Shinbashi Station East Exit Area Redevelopment Council was established in 2017.

(Project collaborator) Mitsui Fudosan Co., Ltd.

Management results for the fiscal period under review

(Results of loans)

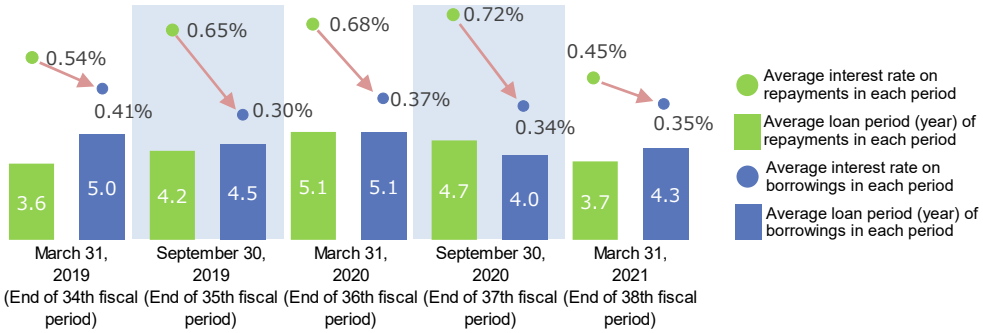
As the low interest rate environment continues, the cost of raising funds was reduced by refinancing.

Repayment summary	
Total amount	16,500 million yen
Average loan term	3.7 years
Average interest rate	0.45%

Borrowing summary	
Total amount	16,500 million yen
Average loan term	4.3 years
Average interest rate	0.35%

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

●Changes in borrowings

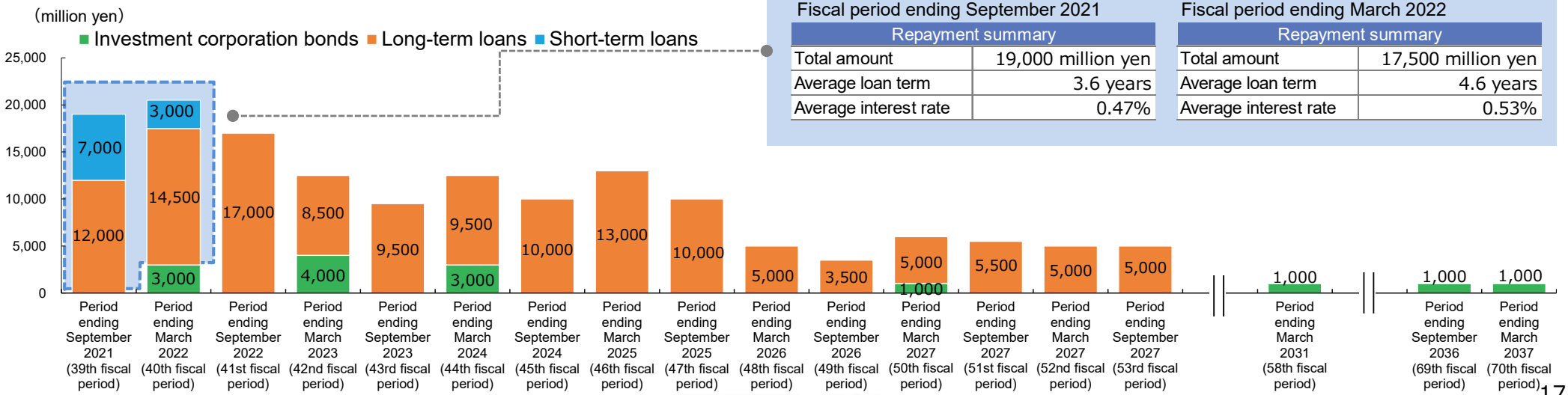


(Issuance of Twelfth Series Investment Corporation Bonds)

In addition to the issuance of investment corporation bonds in the 3-year zone for 11 straight years, we issued 10-year and 15-year long-term bonds.

Bond name	Term	Issuance amount	Interest rate	Issuance date
13th unsecured investment corporation bonds	3 years	3,000 million yen	0.170%	February 25, 2021
14th unsecured investment corporation bonds	10 years	1,000 million yen	0.500%	February 25, 2021
15th unsecured investment corporation bonds	15 years	1,000 million yen	0.750%	February 25, 2021

Loan repayment schedule diversification



(Schedule for repayment within one year)

Fiscal period ending September 2021

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

Fiscal period ending March 2022

Repayment summary	
Total amount	17,500 million yen
Average loan term	4.6 years
Average interest rate	0.53%

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

Interest-bearing liabilities

(Million yen)

	September 30, 2020 (End of the 37th fiscal period)	March 31, 2021 (End of the 38th fiscal period)	Change
Total interest-bearing liabilities	155,000	157,000	2,000
Short-term loans	13,000	10,000	- 3,000
Long-term loans (including long-term loans due within one year)	130,000	133,000	3,000
Investment corporation bonds (including investment corporation bonds due within one year)	12,000	14,000	2,000
LTV (Loan To Value ratio)	47.1%	47.5%	0.4%
Long-term interest-bearing liabilities ratio (including loans expected to be repaid or redeemed within one year)	91.6%	93.6%	2.0%
Fixed interest-bearing liabilities ratio	91.6%	93.6%	2.0%
Average interest for borrowings during fiscal period	0.48%	0.45%	-0.03%
Short-term loans	0.20%	0.20%	0.00%
Long-term loans and investment corporation bonds	0.50%	0.47%	-0.03%
Average duration of interest-bearing liabilities	2.8year	2.9year	0.1year

Rating

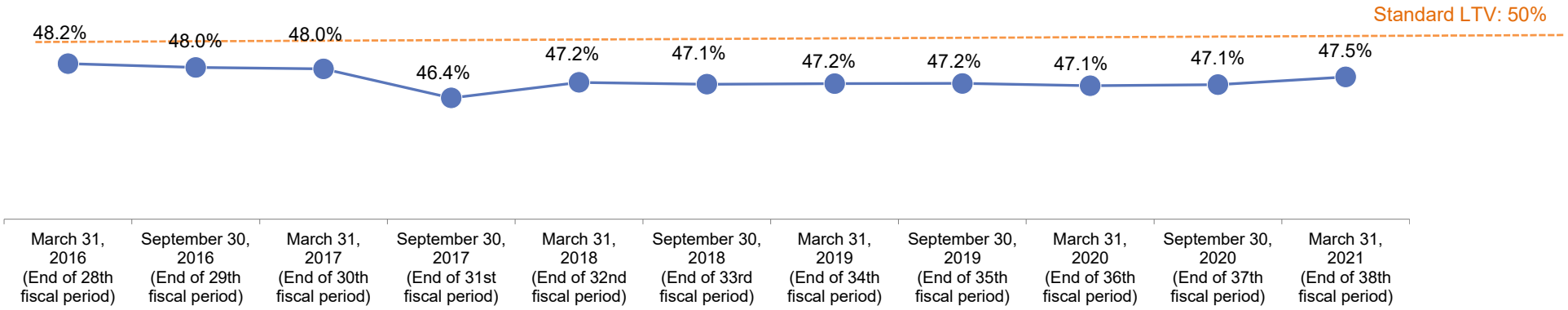
Rating agency	Japan Credit Rating Agency, Ltd. (JCR)
Liabilities rated	Long-Term Issuer Rating
Rating (outlook)	AA (stable)

Breakdown of interest-bearing liabilities (as of the end of March 2021)

(Million yen)

Classification	Lender	Balance of borrowings	(%)
Loans	Mizuho Bank, Ltd.	31,000	19.7%
	Sumitomo Mitsui Banking Corporation	27,000	17.2%
	MUFG Bank, Ltd.	20,000	12.7%
	Sumitomo Mitsui Trust Bank, Limited.	19,000	12.1%
	Development Bank of Japan Inc.	12,500	8.0%
	Resona Bank, Limited.	6,000	3.8%
	The Bank of Fukuoka, Ltd.	5,500	3.5%
	The Norinchukin Bank	4,500	2.9%
	Aozora Bank, Ltd.	4,000	2.5%
	The Nishi-Nippon City Bank, Ltd.	3,500	2.2%
	Shinkin Central Bank	2,000	1.3%
	The 77 Bank, Ltd.	1,500	1.0%
	The Hachijuni Bank, Ltd.	1,000	0.6%
	Mizuho Trust & Banking Co. Ltd.	1,000	0.6%
	The Ashikaga Bank, Ltd.	1,000	0.6%
	Sumitomo Life Insurance Company	1,000	0.6%
	Shinsei Bank, Limited	1,000	0.6%
	Nippon Life Insurance Company	500	0.3%
	The Dai-ichi Life Insurance Company, Limited.	500	0.3%
	Mitsui Sumitomo Insurance Company, Limited	500	0.3%
	Subtotal	143,000	91.1%
Investment corporation bonds		14,000	8.9%
Total		157,000	100.0%

Changes in LTV



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.

Initiatives Related to ESG
(Relevance to materiality and the SDGs/GRESB Real Estate Assessment)

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)	7 AFFORDABLE AND CLEAN ENERGY; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION
	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	3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 8 DECENT WORK AND ECONOMIC GROWTH; 11 SUSTAINABLE CITIES AND COMMUNITIES; 17 PARTNERSHIPS FOR THE GOALS
	Creating comfortable workplace environments for employees	
	Contributing to local areas and communities	
G	Ensuring full-scale implementation of compliance and risk management	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Initiatives for the disclosure of ESG information	

GRESB Real Estate Assessment

MTR has earned “Green Star” in this assessment in 2020 designation for the fourth 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.

GRESB 2020

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 environmental and sustainability initiatives

GRESB Public Disclosure 2020

Issuance of Sustainability Report

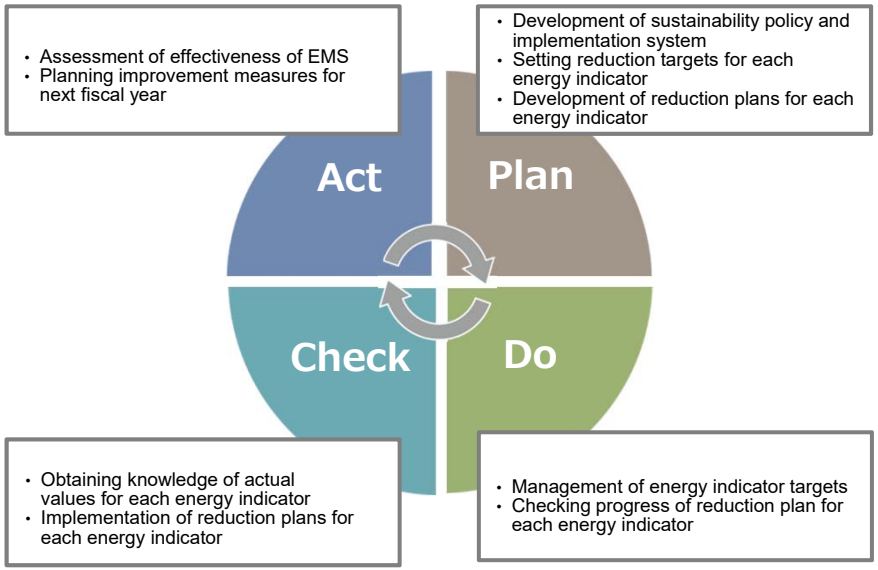
MTR and the asset management company issued a sustainability report which provides stakeholders with information about their ESG approach and activities and posted the report on MTR’s website.

Initiatives Related to ESG (Environment)

Environmental Performance Data

Environmental Management System (EMS)

MTR's asset management company has built an environmental management system to promote energy saving, reduction of greenhouse gas (GHG) emissions, and effective use of resources. MTR sets targets for energy consumption, CO2 emissions, and water consumption, observes the results, carries out plan-and-result management, and takes measures to contribute to the creation of a sustainable recycling society through the reduction of the environmental burden.



Environmental Performance Targets

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

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

* Energy: Electricity, gas, fuel, DHC, etc./Water: Water supply and recycled water
* Baseline: Average in 2014 and 2015
* Rate is consumption rate or emissions rate per unit floor area. Adjusted based on the period of holding and utilization rate of each property.

Environmental Performance Data

		Baseline	2018	2019	Increase/Decrease (from baseline)
Energy	Consumption (MWh)	101,814	102,433	97,252	–
	Consumption rate (MWh/㎡)	0.246	0.236	0.224	-9.0%
GHGs	Emissions (t-CO2)	39,327	37,296	35,633	–
	Emissions rate (t-CO2/㎡)	0.095	0.086	0.082	-13.8%
Water	Consumption (㎥)	546,827	526,507	506,521	–
	Consumption rate (㎥/㎡)	1.317	1.211	1.164	-11.6%

* All real estate held by MTR at the time the baseline was determined (except sold properties and land with leasehold interest) is included in the aggregation of data. However, areas for which it is difficult to understand data (exclusive use areas of residential properties, etc.) are excluded.
* Aggregation period is one year from April 1 each year to March 31 of the following year.

Initiatives Related to ESG (Environment)

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.

(Examples of introduction)
- 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 LED lighting to entrance hall
(Hiroo MTR Building)

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

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

(Examples of introduction)
- Shin-Yokohama TECH Building
- Hotel Okura Kobe
- Ito-Yokado Shonandai

etc.



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



Introduction of highly efficient heating systems
(Hotel Okura Kobe)

<Utilization of power sources that do not emit CO_2>

At Shibuya Flag, we achieved the use of CO_2-emission free power (virtually zero CO_2 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	2019
Total amount of waste (t)	2,853

*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.

Initiatives Related to ESG (Environment)

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.



Acquisition of DBJ Green Building certification

DBJ Green Building certification

We acquisition of DBJ Green Building Certification for two properties under its ownership with a total of four applications of use, Kioicho Building (office / residential) and Shibuya Flag (office / retail) in March 2021.

The ratio of certified properties in the portfolio, excluding land with leasehold interest, is around 41% on a leasable area basis and around 36% on a number of properties basis.

DBJ Green Building

★★★★ Properties with exceptionally high environmental & social awareness	★★★ Properties with excellent environmental & social awareness	★★ Properties with high environmental & social awareness	★ Properties with high environmental & social awareness
Tokyo Shiodome Building(2018)	Kioicho Building (Office)(2020) Kioicho Building(Residential)(2020)	ON Building（2019） Midosuji MTR Building（2019） SHIBUYA FLAG (Office)（2020）	SHIBUYA FLAG (Retail)（2020）

Note 1: Green text are properties acquired in the current fiscal period.
Note 2: 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, 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 Related to ESG (Society)

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 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 managemen

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 2020 (Ministry of Economy, Trade, and Industry).

Initiatives Related to ESG (Governance)

Corporate Governance

Same boat investment by Mori Trust Group

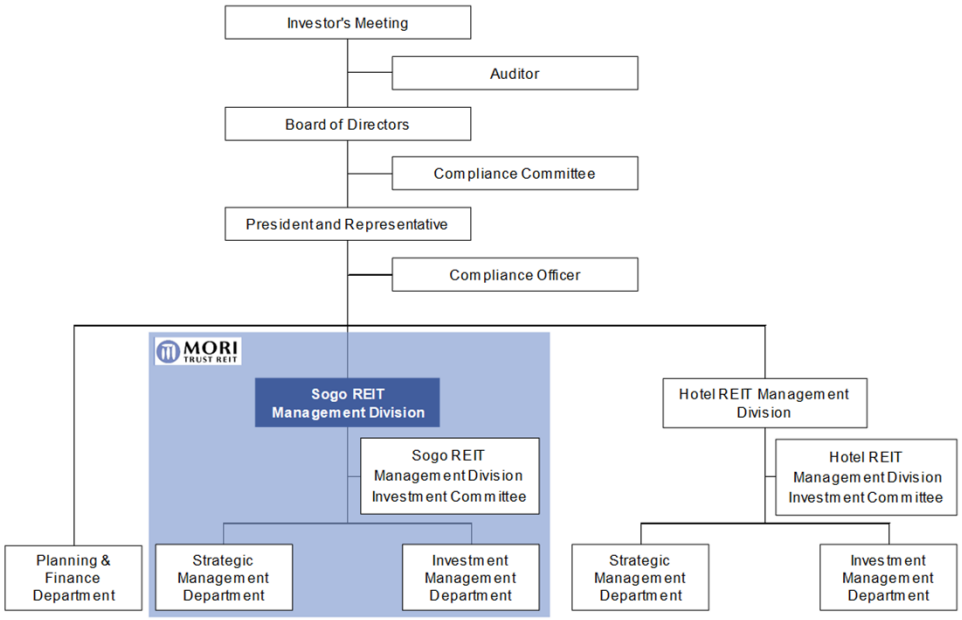
MTR aims to improve unitholder value by aligning sponsor interests with those of unitholders.

Percentage of investment units owned by Mori Trust Group
26.5% (as of March 31, 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>

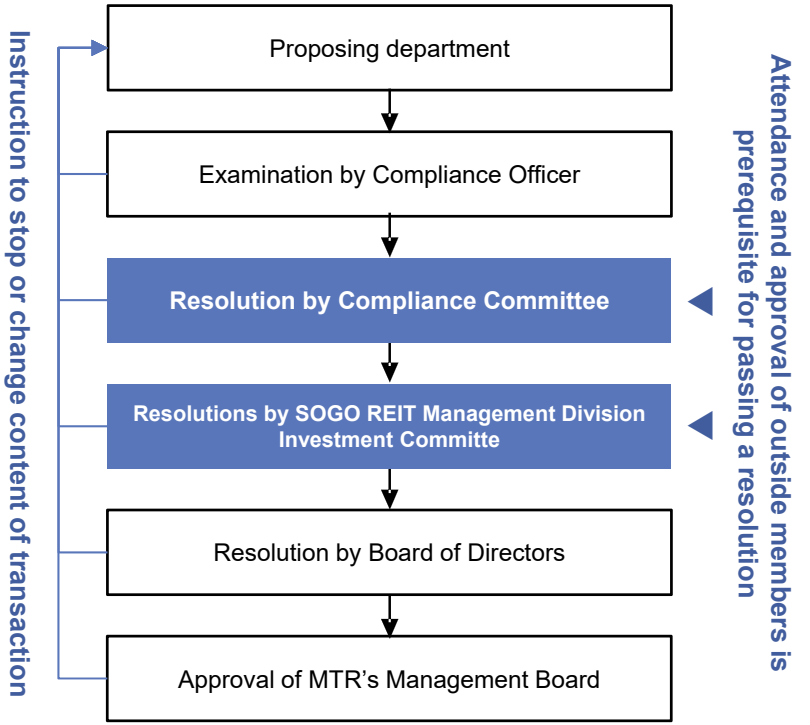


Provision of regular compliance training

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

Procedural flow for related party transactions

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

Basic Policy

Stable operations over the medium and long terms

- Progressing with steady accumulation of portfolio property assets
- Securing stable income

Operate with a view toward "Profitability," "Stability" and "Growth Possibility"

Stable operations

- Steady growth of asset size
- Maintaining high occupancy rates
- Stable distributions

Features of MORI TRUST Sogo Reit, Inc.

"Diversified REIT" with a portfolio consisting mainly of office buildings in central Tokyo

1. Construction of a stable portfolio with selectively acquired properties
   Investment in carefully selected properties, with emphasis on "quality" in terms of "location" and "building grade"
2. Broad collaboration with the Mori Trust Group
   Collaboration over the acquisition and sale of real estate and utilization of real estate leasing and management knowhow
3. Solid financial strategy
   Utilization of creditworthiness to raise funds at low interest rates and solid bank formation including three megabanks

1 Construction of a stable portfolio with selectively acquired properties

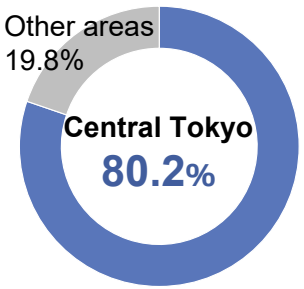
Investment in carefully selected properties which will contribute to stable operations over the medium and long term rather than pursuing hasty expansion in scale
Implementation of an investment strategy focusing on "quality" in terms of "location" and "building grade"

Investments (as of March 31, 2021)

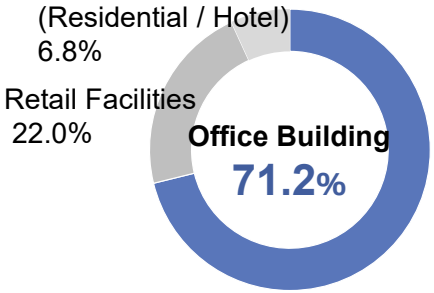
Number of properties: 15 properties

Asset size: 324.0 billion yen
(Total acquisition price)

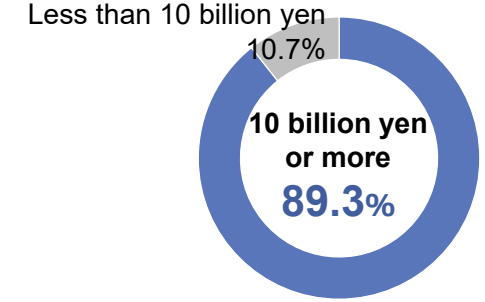
By region



By use



By acquisition price



Target portfolio and actual performance

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

(Note 1) "Central Tokyo" refers to Chiyoda, Chuo, Minato, Shinagawa, Shibuya and Shinjuku wards.
(Note 2) "Other Areas" refers to greater Tokyo (Kanagawa, Chiba and Saitama Prefectures, and the Tokyo Metropolitan Area (excluding central Tokyo) and other major regional cities.
(Note 3) Restricted to investments in residential properties and hotels for the foreseeable future.
(Note 4) The investment ratios are based on acquisition prices.

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

2 Broad collaboration with the Mori Trust Group

Investment units held by the Mori Trust Group

350,070 units (26.5%) held (as of March 31, 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.

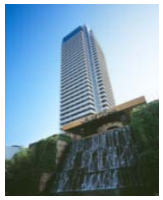
Acquisitions (as of March, 2021)

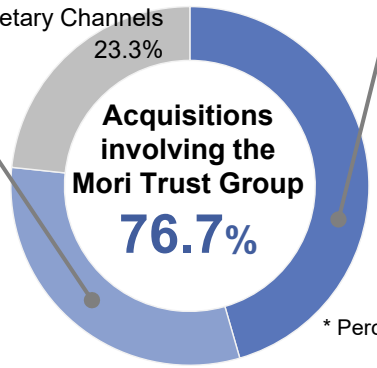
Acquisitions Based on Information Provided by the Mori Trust Group **31.2%**


ON Building

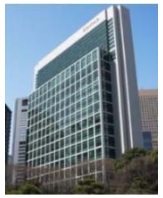

Kioicho Building


Shin-Yokohama TECH Building


Hotel Okura Kobe



Acquisitions from the Mori Trust Group **45.5%**


Tokyo Shiodome Building


Osaki MT Building


Shinbashi Ekimae MTR Building


Ito-Yokado Shonandai

* Percentage based on acquisition price

Recent dispositions

Acquisitions from the Mori Trust Group:	Kamiyacho Trust Tower (2021(planed))
Dispositions to the Mori Trust Group:	Akasaka-Mitsuke MT Building (2010), Mita MT Building (2014), Tokyo Shiodome Building (2021(planed))
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 March 2021)
Bank formation	Establishment of solid bank formation (20 companies in total), including three megabanks

Mori Trust Group

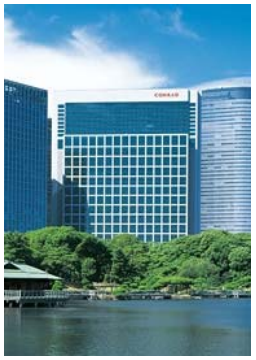
Since its founding in 1951, the Mori Trust Group has engaged in large urban development projects primarily in the central Tokyo area, with property holding, leasing, operation, and management. Through the success of this core business, in which the Group has envisioned the future of cities and continued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

1st stage 1951–1992	2nd stage 1993–2004	3rd stage 2005–2015	4th stage 2016–
Founded Mori Trust Group	Increased competitiveness as a corporate group	Developed real estate, hotel, and resort investment business	Respond to globalism and promote innovation

1990 / 2000 / 2005 / 2010 / 2015 / 2020


Gotenyama Trust Tower
Completed in 1990


Shiroyama Trust Tower
Completed in 1991


Tokyo Shiodome Building
Completed in 2005


Marunouchi Trust City
Completed in 2008


Sendai Trust City
Completed in 2010


Kyobashi Trust Tower
Completed in 2014


Tokyo World Gate
Completed in 2020


(Tentative name)
Akasaka 2-chome Project
Scheduled for completion in 2024

Mori Trust Group facilities

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

Total number of facilities: **101**

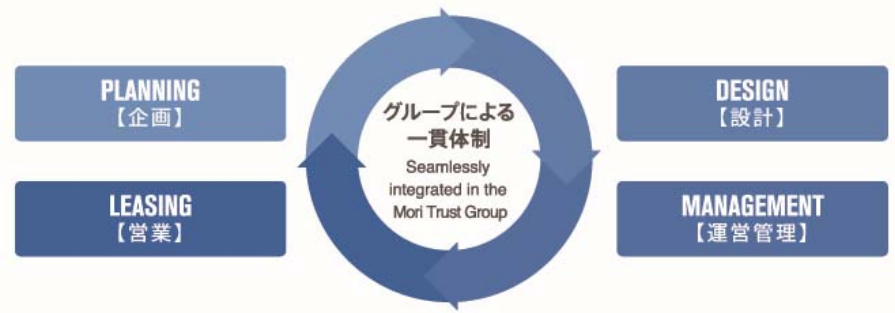
Operated area:
Approx. **2,140,000** m²

Buildings for lease: **80** buildings, approx. **1,790,000** m²

(As of March 31, 2021)

System of real estate development

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



5. Reference

Balance Sheets

Thousands of yen

	As of September 30, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	19,446,362	21,460,919
Cash and deposits in trust	2,835,490	3,118,666
Operating accounts receivable	249,460	48,279
Accounts receivable – other	-	2,839
Prepaid expenses	71,739	33,639
Other	685	8,160
Total current assets	22,603,738	24,672,505
Non-current assets		
Property, plant and equipment		
Buildings	21,394,053	20,921,830
Structures	39,414	38,778
Machinery and equipment	34,251	33,454
Tools, furniture and fixtures	27,639	27,073
Land	136,672,529	136,672,529
Buildings in trust	17,080,629	16,847,433
Structures in trust	21,233	20,196
Machinery and equipment in trust	4,429	4,185
Tools, furniture and fixtures in trust	40,458	39,075
Land in trust	130,939,930	130,939,930
Total property, plant and equipment	306,254,568	305,544,488
Intangible assets		
Other	240	240
Total intangible assets	240	240
Investments and other assets		
Guarantee deposits	10,000	10,000
Long-term prepaid expenses	6,622	12,402
Other	3,602	3,602
Total investments and other assets	20,225	26,004
Total non-current assets	306,275,033	305,570,733
Deferred assets		
Investment corporation bond issuance costs	36,481	57,923
Total deferred assets	36,481	57,923
Total assets	328,915,253	330,301,163

	As of September 30, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Operating accounts payable	174,498	363,723
Short-term loans payable	13,000,000	10,000,000
Current portion of investment corporation bonds	3,000,000	3,000,000
Current portion of long-term loans payable	22,500,000	26,500,000
Accounts payable – other	143,117	193,587
Accrued expenses	447,663	446,312
Dividends payable	8,691	7,922
Income taxes payable	947	956
Accrued consumption taxes	283,190	197,513
Advances received	1,519,814	1,010,197
Deposits received	322	322
Total current liabilities	41,078,244	41,720,536
Non-current liabilities		
Investment corporation bonds	9,000,000	11,000,000
Long-term loans payable	107,500,000	106,500,000
Tenant leasehold and security deposits	9,809,617	9,460,564
Tenant leasehold and security deposits in trust	911,177	946,890
Deferred tax liabilities	493,156	493,156
Total non-current liabilities	127,713,950	128,400,610
Total liabilities	168,792,195	170,121,147
Net assets		
Unitholders' equity		
Unitholders' capital	153,990,040	153,990,040
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	1,074,447	1,074,447
Total voluntary retained earnings	1,074,447	1,074,447
Unappropriated retained earnings	5,058,569	5,115,527
Total surplus	6,133,017	6,189,975
Total unitholders' equity	160,123,057	160,180,015
Total net assets	160,123,057	160,180,015
Total liabilities and net assets	328,915,253	330,301,163

*The balance of internal reserves as of March 31, 2021 was 1,567 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 April 1, 2020 to September 30, 2020	For the period from October 1, 2020 to March 31, 2021
Operating revenue		
Lease business revenue	8,613,153	8,530,598
Other lease business revenue	269,397	259,331
Total operating revenue	8,882,550	8,789,929
Operating expenses		
Expenses related to rent business	2,991,735	2,880,013
Asset management fee	341,890	334,798
Asset custody fee	13,111	13,129
Administrative service fees	47,919	48,455
Directors' compensations	3,600	3,600
Other operating expenses	47,105	45,200
Total operating expenses	3,445,361	3,325,198
Operating income	5,437,189	5,464,731
Non-operating income		
Interest income	103	110
Reversal of dividends payable	1,264	1,034
Insurance income	221	35,405
Total non-operating income	1,589	36,550
Non-operating expenses		
Interest expenses	355,373	334,045
Interest expenses on investment corporation bonds	13,985	15,410
Amortization of investment corporation bond	8,980	8,994
Other	1,112	26,661
Total non-operating expenses	379,452	385,112
Ordinary income	5,059,326	5,116,169
Profit before income taxes	5,059,326	5,116,169
Income taxes - current	962	973
Income taxes - deferred	(16)	(0)
Total income taxes	946	972
Profit	5,058,379	5,115,197
Retained earnings at beginning of period	190	329
Unappropriated retained earnings	5,058,569	5,115,527

(Breakdown of Real Estate Leasing Business Income)

Thousands of yen

	For the period from April 1, 2020 to September 30, 2020	For the period from October 1, 2020 to March 31, 2021
A. Rental revenues		
Lease business revenue		
Rent	8,246,811	8,165,114
Common charges	242,733	241,875
Land leasing revenues	123,609	123,609
Other lease business revenue	269,397	259,331
Total rental revenues	8,882,550	8,789,929
B. Property-related expenses		
Property management expenses		
Property management fees	401,638	424,006
Utilities	205,263	166,455
Property and other taxes	966,633	964,655
Casualty insurance	19,283	18,545
Repair expenses	65,756	152,966
Depreciation and amortization	1,308,619	1,126,895
Other expenses	24,540	26,489
Tota property-related expenses	2,991,735	2,880,013
C. Profit and losses from real estate business (A-B)	5,890,815	5,909,915

Statement of Cash Distributions / Statements of Cash Flows

Statement of Cash Distributions

Unit: yen

	The Fiscal Period ended September 30, 2020 (April 1, 2020 to September 30, 2020)	The Fiscal Period ended March 31, 2021 (October 1, 2020 to March 31, 2021)
I. Unappropriated retained earnings	5,058,569,966	5,115,527,248
II. Distribution amount	5,058,240,000	5,115,000,000
(Distribution amount per unit)	(3,832)	(3,875)
Ⅲ. Retained earnings carried forward	329,966	527,248

Statements of Cash Flows

Thousands of yen

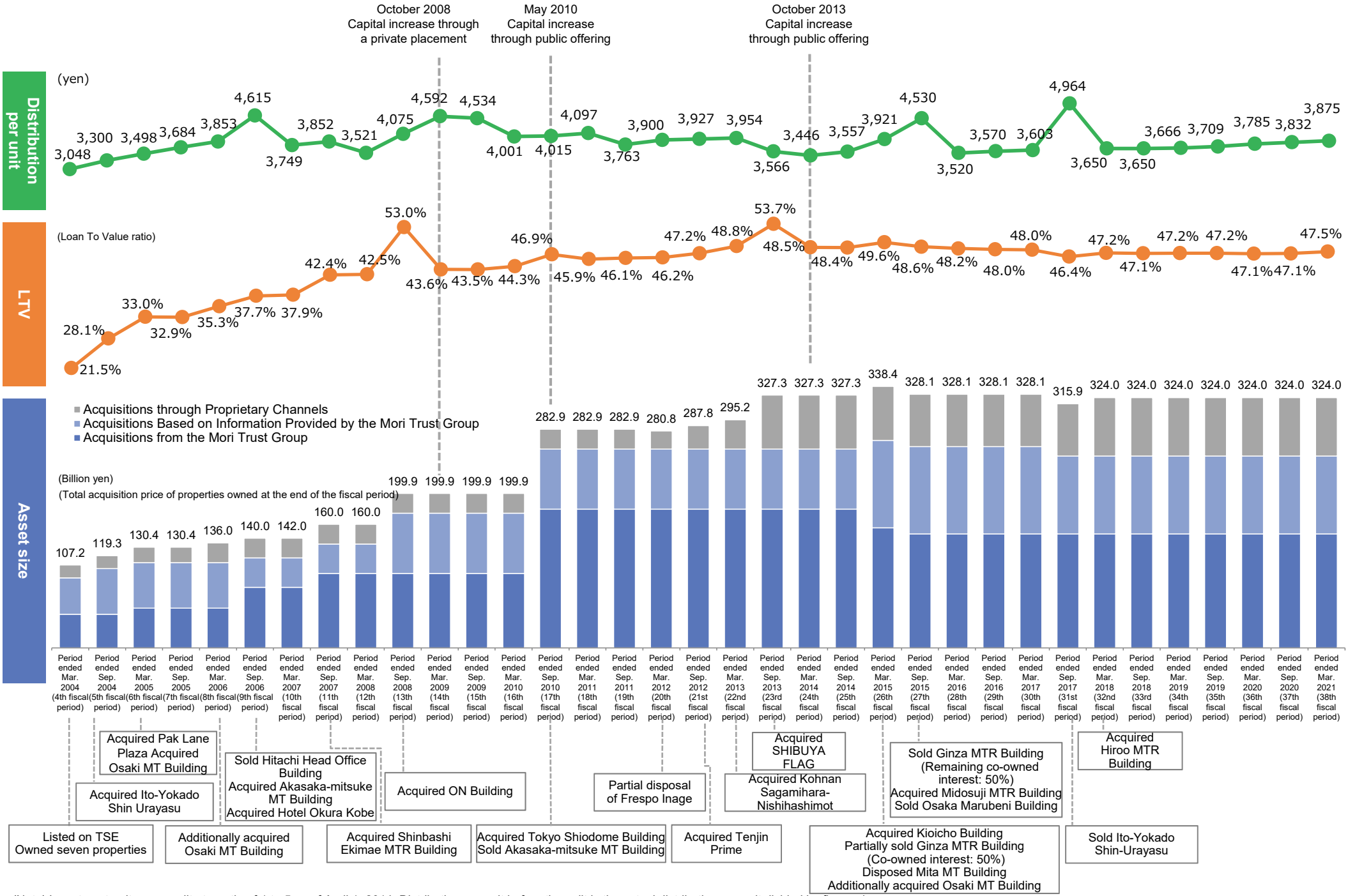
	For the period from April 1, 2020 to September 30, 2020	For the period from October 1, 2020 to March 31, 2021
Cash flows from operating activities		
Profit before income taxes	5,059,326	5,116,169
Depreciation	1,308,619	1,126,895
Amortization of investment corporation bond issuance costs	8,980	8,994
Interest income	(103)	(110)
Interest expenses	369,359	349,456
Decrease (Increase) in operating accounts receivable	(199,394)	209,847
Increase (Decrease) in operating accounts payable	(42,915)	83,620
Increase (Decrease) in accrued consumption taxes	(41,156)	(85,676)
Increase (Decrease) in advances received	14,597	(509,616)
Other, net	(20,148)	24,911
Subtotal	6,457,165	6,324,491
Interest income received	103	110
Interest expenses paid	(373,925)	(353,711)
Income taxes paid	(621)	(964)
Net cash provided by operating activities	6,082,720	5,969,926
Cash flows from investing activities		
Purchase of property, plant and equipment	(157,457)	(69,997)
Purchase of property, plant and equipment in trust	(467,146)	(296,347)
Repayments of tenant leasehold and security deposits	(52,452)	(405,972)
Repayments of tenant leasehold and security deposits	81,467	161,616
Repayments of tenant leasehold and security deposits in trust	(6,462)	(17,528)
Proceeds from tenant leasehold and security deposits in trust	17,860	45,481
Net cash used in investing activities	(584,189)	(582,747)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,500,000	(3,000,000)
Proceeds from long-term loans payable	10,000,000	13,500,000
Repayments of long-term loans payable	(12,500,000)	(10,500,000)
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	(4,996,715)	(5,059,009)
Net cash used in financing activities	(4,996,715)	(3,089,446)
Net increase (decrease) in cash and cash equivalents	501,816	2,297,733
Cash and cash equivalents at beginning of period	21,780,036	22,281,852
Cash and cash equivalents at end of period	22,281,852	24,579,586

Changes in Indicators

(Unit:million yen)

	Period ended March 2019 (34th fiscal period)	Period ended September 2019 (35th fiscal period)	Period ended March 2020 (36th fiscal period)	Period ended September 2020 (37th fiscal period)	Period ended March 2021 38th fiscal period)	Formula
Operating revenues	8,771	8,831	8,869	8,882	8,789	
Operating expenses	3,478	3,489	3,471	3,445	3,325	
Operating income	5,293	5,341	5,398	5,437	5,464	
Ordinary income	4,840	4,897	4,996	5,059	5,116	
Profit	4,839	4,898	4,995	5,058	5,115	
Total distribution	4,839	4,895	4,996	5,058	5,115	
Total assets	328,557	328,461	329,302	328,915	330,301	
Interest-bearing liabilities	155,000	155,000	155,000	155,000	157,000	
Total net assets	159,901	159,961	160,060	160,123	160,180	
Unrealized gain/loss	45,159	54,771	56,423	36,215	37,005	
NAV	205,061	214,732	216,484	196,338	197,185	NAV = Total net assets + Unrealized gain/loss
Profits from real estate rental business	5,743	5,807	5,855	5,890	5,909	
Depreciation and amortization	1,268	1,282	1,292	1,308	1,126	
NOI	7,011	7,089	7,148	7,199	7,036	NOI = Profits from real estate rental business + Depreciation and amortization
FFO	6,107	6,180	6,287	6,366	6,242	FFO = Profit + Depreciation and amortization – Gain/loss on sale of real estate
Capital improvements	408	330	590	216	416	
Net cash flows	6,603	6,759	6,557	6,982	6,619	NCF = NOI – Capital improvements
ROA (annualized)	2.9%	3.0%	3.0%	3.1%	3.1%	ROA = (Ordinary income / Total assets) / 6 × 12 * Annualized
ROE (annualized)	6.1%	6.1%	6.2%	6.3%	6.4%	ROE = (Profit / Total net assets) / 6 × 12 * Annualized
LTV ratio	47.2%	47.2%	47.1%	47.1%	47.5%	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	3,666yen	3,709yen	3,785yen	3,832yen	3,875yen	
Total net assets per unit	121,137yen	121,182yen	121,258yen	121,305yen	121,348yen	
NAV per unit	155,349yen	162,676yen	164,003yen	148,741yen	149,382yen	
FFO per unit	4,627yen	4,682yen	4,763yen	4,823yen	4,728yen	

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

(Million yen)

Use	Name	Location	Construction completion	Acquisition date	Acquisition price	Ratio	Book value at end of 38th fiscal period	Appraisal value at end of 38th fiscal period	NOI	Yield
Office Building	Tokyo Shiodome Building	Minato Ward, Tokyo	Jan. 2005	Apr. 2010	110,000	33.9%	100,459	112,000	2,334	4.2%
	ON Building	Shinagawa Ward, Tokyo	Nov. 1990	Aug. 2008	39,900	12.3%	39,058	33,700	615	3.1%
	Kioicho Building	Chiyoda Ward, Tokyo	Nov. 1989	Oct. 2014	34,300	10.6%	33,254	38,000	637	3.7%
	Osaki MT Building	Shinagawa Ward, Tokyo	Jul. 1994	Mar. 2005, etc.	14,386	4.4%	13,007	16,900	324	4.5%
	Midosuji MTR Building	Chuo Ward, Osaka	Mar. 1999	Apr. 2015	10,170	3.1%	9,984	10,600	210	4.1%
	Hiroo MTR Building	Shibuya Ward, Tokyo	Nov. 1992	Jan. 2018	8,100	2.5%	8,360	8,440	164	4.1%
	Tenjin Prime	Chuo Ward, Fukuoka	Oct. 2008	Jul. 2012	6,940	2.1%	6,636	9,040	198	5.7%
	Shin-Yokohama TECH Building	Kohoku Ward, Yokohama	Feb. 1986, etc.	Nov. 2003	6,900	2.1%	6,837	7,620	212	6.2%
Retail Facility	SHIBUYA FLAG	Shibuya Ward, Tokyo	Aug. 2009	Apr. 2013	32,040	9.9%	32,460	40,300	659	4.1%
	Shinbashi Ekimae MTR Building	Minato Ward, Tokyo	Apr. 1999	Apr. 2007	18,000	5.6%	17,291	22,200	424	4.7%
	Ito-Yokado Shonandai	Fujisawa City, Kanagawa	Nov. 2002	Mar. 2003	11,600	3.6%	9,795	11,700	324	5.6%
	Kohnan Sagamihara-Nishihashimoto	Midori Ward, Sagamihara	Aug. 2005	Oct. 2012	7,460	2.3%	7,168	8,500	218	5.8%
	Frespo Inage	Inage Ward, Chiba	–	Mar. 2002	2,100	0.6%	2,193	2,620	115	11.0%
Hotel	Hotel Okura Kobe	Chuo Ward, Kobe	Mar. 1989	Sep. 2006	19,000	5.9%	15,900	16,900	514	5.4%
Residential	Park Lane Plaza	Shibuya Ward, Tokyo	Jun. 1988	Dec. 2004	3,200	1.0%	3,133	4,030	79	5.0%
Total		–	–	–	324,096	100%	305,544	342,550	7,036	4.3%

(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 March 2021 (annual basis) / Acquisition price

Appraisal Values of Portfolio Properties at the Fiscal Period-End

(Million yen)

Use	Name	Acquisition price	End-of-period book value		End-of-period appraisal value			Direct reduction method			Discounted cash flow (DCF) method		Appraiser (Note 3)
								Cap rate		Comparison with the previous fiscal period			
			Period ended September 2020	Period ended March 2021	Period ended September 2020	Period ended March 2021	Difference	Period ended September 2020	Period ended March 2021		Discount rate	Terminal cap rate	
Office Building	Tokyo Shiodome Building	110,000	100,776	100,459	112,000	112,000	—	3.3%	3.3%	—	3.2%	3.3%	Richi Appraisal
	ON Building	39,900	39,123	39,058	33,600	33,700	100	3.5%	3.5%	—	3.2%	3.7%	Japan Real Estate
	Kioicho Building	34,300	33,279	33,254	38,000	38,000	—	3.2%	3.2%	—	3.0%	3.4%	Daiwa Real Estate
	Osaki MT Building	14,386	13,019	13,007	16,500	16,900	400	3.4%	3.4%	—	3.1%	3.6%	Japan Real Estate
	Midosuji MTR Building	10,170	9,991	9,984	10,600	10,600	—	3.6%	3.6%	—	3.4%	3.8%	Daiwa Real Estate
	Hiroo MTR Building	8,100	8,375	8,360	8,440	8,440	—	3.6%	3.6%	—	3.4%	3.8%	Daiwa Real Estate
	Tenjin Prime	6,940	6,661	6,636	8,930	9,040	110	3.9%	3.9%	—	3.6%	4.1%	Japan Real Estate
	Shin-Yokohama TECH Building	6,900	6,887	6,837	7,570	7,620	50	4.6%	4.6%	—	4.4%	4.9%	Chuo-Nittochi
Retail Facility	SHIBUYA FLAG	32,040	32,484	32,460	40,200	40,300	100	3.2%	3.2%	—	3.0%	3.4%	Japan Real Estate
	Shinbashi Ekimae MTR Building	18,000	17,308	17,291	22,500	22,200	- 300	3.6%	3.6%	—	3.4%	3.8%	Chuo-Nittochi
	Ito-Yokado Shonandai	11,600	9,827	9,795	11,700	11,700	—	5.3%	5.3%	—	5.0%	5.5%	Japan Real Estate
	Kohnan Sagamihara-Nishihashimoto	7,460	7,206	7,168	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	2,620	—	— (Note1)	— (Note1)	—	7.9%	— (Note2)	Japan Real Estate
Hotel	Hotel Okura Kobe	19,000	15,977	15,900	17,300	16,900	- 400	4.8%	4.9%	0.1%	4.7%	5.0%	Richi Appraisal
Residential	Park Lane Plaza	3,200	3,141	3,133	4,010	4,030	20	3.4%	3.4%	—	4.1%	3.1%	Chuo-Nittochi

	Acquisition price	End-of-period book value		End-of-period appraisal value			Difference		
		Period ended September 2020 (A)	Period ended March 2021 (B)	Period ended September 2020 (C)	Period ended March 2021 (D)	Difference	Period ended September 2020 (C-A)	Period ended March 2021 (D-B)	Difference
Total	324,096	306,254	305,544	342,470	342,550	80	36,215	37,005	790

(Note 1) For Frespo Inage, the direct reduction method is not adopted.
(Note 2) For Frespo Inage, the cap rate and the terminal cap rate have not been established.
(Note 3) Richi Appraisal: Richi Appraisal Institute, Japan Real Estate: Japan Real Estate Institute, Daiwa Real Estate: Daiwa Real Estate Appraisal Co., Ltd., Chuo-Nittochi: Chuo-Nittochi Solutions Co., Ltd.

Changes in Occupancy Rate

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

Use		(Period ended September 2020) September 30, 2020	October 31, 2020	November 30, 2020	December 31, 2020	January 31, 2021	February 28, 2021	(Period ended March 2021) March 31, 2021
Office Building	Master lease basis	99.9%	99.5%	99.5%	99.6%	99.6%	99.2%	98.9%
	(Sublease basis)	(99.7%)	(99.0%)	(99.0%)	(98.7%)	(98.6%)	(98.1%)	(97.3%)
Retail Facility		100%	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%
Other		100%	99.8%	99.6%	99.8%	99.8%	99.8%	99.8%
Total	Master lease basis	99.9%	99.6%	99.6%	99.7%	99.7%	99.5%	99.3%
	(Sublease basis)	(99.9%)	(99.4%)	(99.4%)	(99.2%)	(99.2%)	(99.0%)	(98.6%)

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

Use	Name	March 31, 2019 (End of 34th fiscal period)	September 30, 2019 (End of 35th fiscal period)	March 31, 2020 (End of 36th fiscal period)	September 30, 2020 (End of 37th fiscal period)	March 31, 2021 (End of 38th fiscal period)
Office Building	Tokyo Shiodome Building	100%	100%	100%	100%	100%
	ON Building	100%	100%	100%	100%	100%
	Kioicho Building (Note 2)	99.9% (99.9%)	99.9% (98.5%)	99.9% (98.7%)	99.9% (98.7%)	90.8% (89.5%)
	Osaki MT Building (Note 3)	100% (91.8%)	100% (91.8%)	100% (97.8%)	100% (99.1%)	100% (85.0%)
	Midosuji MTR Building (Note 4)	100% (100%)	100% (100%)	100% (100%)	100% (98.4%)	100% (95.6%)
	Hiroo MTR Building (Note 5)	100%	100%	100%	100%	100%
	Tenjin Prime (Note 5)	100%	100%	100%	100%	100%
	Shin-Yokohama TECH Building	98.7%	100%	100%	100%	100%
Retail Facility	SHIBUYA FLAG (Note 5)	100%	100%	100%	100%	92.2%
	Shinbashi Ekimae MTR Building	100%	100%	100%	100%	100%
	Ito-Yokado Shonandai	100%	100%	100%	100%	100%
	Kohnan Sagamihara-Nishihashimoto	100%	100%	100%	100%	100%
	Frespo Inage	100%	100%	100%	100%	100%
Hotel	Hotel Okura Kobe	100%	100%	100%	100%	100%
Residential	Park Lane Plaza	100%	95.9%	92.9%	100%	95.9%
Total (Note 6)		99.9% (99.7%)	100.0% (99.6%)	99.9% (99.8%)	100.0% (99.9%)	99.3% (98.6%)

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

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

Use	Name	Occupancy rate (Note1)	Total number of tenants (Note1)	Major tenant/master lessee				
					Type of lease contract		Lease contract expiry	
Office Building	Tokyo Shiodome Building	100%	1	Mori Trust Co., Ltd.	Master lease	Fixed-term building lease	(Offices/retailers) March 31, 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)	90.8% (89.5%)	32 (65)	–	–	–	–	
	Osaki MT Building (Note3)	100% (85.0%)	1 (14)	Mori Trust Co., Ltd.	Master lease(Note3)	Fixed-term building lease	March 31, 2022	No cancellation
	Midosuji MTR Building (Note4)	100% (95.6%)	1 (31)	Japan Property Solutions Co., Ltd.	Master lease(Note4)	Building lease	March 31, 2023	
	Hiroo MTR Building (Note5)	100%	8	–	–	–	–	
	Tenjin Prime (Note5)	100%	15	–	–	–	–	
	Shin-Yokohama TECH Building	100%	11	Fujitsu Co., Ltd.	Direct lease	Building lease	September 30, 2022	
Retail Facility	SHIBUYA FLAG (Note5)	92.2%	2	H&M Hennes & Mauritz Japan KK	Direct lease (Note5)	Undisclosed (Note6)	Undisclosed(Note6)	
	Shinbashi Ekimae MTR Building	100%	1	Yamada Denki Co., Ltd.	Direct lease	Building lease	December 31, 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(Note 7)	No cancellation
Residential	Park Lane Plaza	95.9%	17	–	–	–	–	
Total (Note 8)		99.3% (98.6%)	94 (170)					

(Note 1) The figures in brackets for the occupancy rate and the total number of tenants are the occupancy rate and the total number of tenants based on the sublease agreements.
(Note 2) 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 rents under a sublease agreement has been concluded for Osaki MT Building.
(Note 4) The agreement used for the Midosuji MTR Building is the master lease pass-through model.
(Note 5) 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 6) Lease contract expiry is not shown, as consent from tenants has not been obtained.
(Note 7) 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 8) The occupancy rate and the total number of tenants in brackets is the total that was calculated based on the occupancy rate and the total number of tenants in the sublease agreements for Kioicho Building, Osaki MT Building and the Midosuji MTR Building. If the result of rounding is 100.0%, however, the rate is indicated as 99.9% by rounding down the second decimal place to the nearest first decimal place.

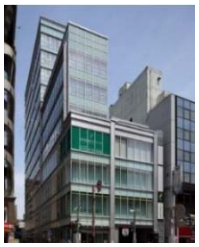
Portfolio Summary and Breakdown of Property-Related Revenues/Expenses (1)

	Office Building					
	Tokyo Shiodome Building	ON Building	Kioicho Building	Osaki MT Building	Midosuji MTR Building	Hiroo MTR Building
						
Location	Minato Ward, Tokyo	Shinagawa Ward, Tokyo	Chiyoda Ward, Tokyo	Shinagawa Ward, Tokyo	Chuo Ward, Osaka	Shibuya Ward, Tokyo
Construction completion	January, 2005	November 1990	November 1989	July 1994 (Renovated in 2008)	March 1999	November 1992
Acquisition date	April 2010	August 2008	October 2014	March 2005, and other	April 2015	January 2018
Acquisition price	110,000million yen	39,900million yen	34,300million yen	14,386million yen	10,170million yen	8,100million yen
Book value	100,459million yen	39,058million yen	33,254million yen	13,007million yen	9,984million yen	8,360million yen
Appraisal value	112,000million yen	33,700million yen	38,000million yen	16,900million yen	10,600million yen	8,440million yen
Total floor space	191,394.06㎡(Note1)	32,812.27㎡	63,535.55㎡(Note2)	26,980.68㎡(Note3)	15,129.16㎡	6,709.80㎡
PML (Note 4)	6.0%	8.0%	11.3%	11.5%	2.1%	7.3%

Rental revenues (thousand yen)	Period ended September 2020	Period ended March 2021	Period ended September 2020	Period ended March 2021	Period ended September 2020	Period ended March 2021	Period ended September 2020	Period ended March 2021	Period ended September 2020	Period ended March 2021	Period ended September 2020	Period ended March 2021
Rental revenues	2,795,000	2,795,000			1,102,437	1,043,584	365,335	365,988	311,671	309,754	204,734	204,407
Rent	2,795,000	2,795,000			1,004,476	954,476	364,818	359,490	271,514	271,424	155,611	155,611
Common charges	—	—			10,168	10,168	—	—	6,745	6,745	22,888	22,888
Land leasing revenues	—	—			—	—	—	—	—	—	—	—
Other rental revenues	—	—			87,792	78,939	516	6,497	33,411	31,584	26,234	25,907
Property-related expenses	959,686	778,270			536,486	553,138	104,944	98,717	143,531	142,830	60,789	57,975
Property and other taxes	446,628	446,629			89,448	89,448	38,742	38,733	40,858	40,858	11,751	11,751
Property taxes	446,628	446,629	Undisclosed (Note 5)	Undisclosed (Note 5)	88,123	88,123	38,742	38,733	40,858	40,858	11,628	11,628
Other taxes	—	—			1,325	1,325	—	—	—	—	122	122
Overhead expenses	3,738	13,927			303,876	316,265	9,430	2,779	57,596	57,970	30,587	27,819
Property management fees	—	10,447			222,844	231,372	1,395	—	27,961	30,663	5,298	5,223
Utilities	—	—			63,151	46,201	—	—	25,716	22,523	17,841	15,147
Casualty insurance	3,738	3,480			1,448	1,442	794	789	556	553	230	229
Trust fees	—	—			800	800	—	—	500	500	400	400
Other expenses	—	—			15,631	36,449	7,241	1,989	2,860	3,729	6,817	6,820
Depreciation and amortization	509,319	317,714			143,161	147,425	56,770	57,204	45,076	44,001	18,450	18,404
Profits and losses from real estate business	1,835,313	2,016,729	545,216	524,987	565,951	490,445	260,391	267,270	168,140	166,923	143,944	146,432
Earnings before depreciation and amortization (NOI)	2,344,633	2,334,443	635,737	615,819	709,112	637,871	317,161	324,475	213,216	210,924	162,395	164,836
NOI yield (Note 6)	4.2%		3.1%		3.7%		4.5%		4.1%		4.1%	

(Note 1) The Tokyo Shiodome Building is a co-owned building and the floor area of 95,697.03m² is calculated by multiplying MTR's co-owned interest (ratio of 50/100) with the total floor space.
(Note 2) MTR has acquired sectional ownership of the Kioicho Building. The total floor space stated is the total floor space for the portion of one building that represents the sectional ownership. The exclusive portion of the floor space owned by a fiduciary of the trust in which MTR is the sole beneficiary is 24,598.85 m².
(Note 3) The Osaki MT Building is a co-owned building, and the floor area of 24,495.21m² is calculated by multiplying MTR's co-owned interest (ratio of 907,880/1,000,000) with the total floor space.
(Note 4) Probable Maximum Loss (PML) refers to the expected maximum loss ratio caused by an earthquake based on a loss confidence value of 90%. The expected maximum-level earthquake refers to an earthquake that occurs once every 50 years with a 10% excess-probability. This means that an earthquake of this magnitude statistically occurs once every 475 years.
(Note 5) The rental revenues and property-related expenses of ON Building are not disclosed because tenants' consent to disclosure has not been obtained.
(Note 6) NOI earnings yield is calculated by converting NOI in the fiscal period ended March 2021 to an annual basis.

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

	Office Building				Retail Facility							
	Tenjin Prime		Shin-Yokohama TECH Building		SHIBUYA FLAG		Shinbashi Ekimae MTR Building		Ito-Yokado Shonandai		Kohnan Sagamihara-Nishihashimoto	
												
Location	Chuo Ward, Fukuoka		Kohoku Ward, Yokohama		Shibuya Ward, Tokyo		Minato Ward, Tokyo		Fujisawa City, Kanagawa		Midori Ward, Sagamihara	
Construction completion	October 2008		Building A: February 1986 Building B: February 1988		August 2009		April 1999		November 2002		August 2005	
Acquisition date	July 2012		November 2003		April 2013		April 2007		March 2003		October 2012	
Acquisition price	6,940million yen		6,900million yen		32,040million yen		18,000million yen		11,600million yen		7,460million yen	
Book value	6,636million yen		6,837million yen		32,460million yen		17,291million yen		9,795million yen		7,168million yen	
Appraisal value	9,040million yen		7,620million yen		40,300million yen		22,200million yen		11,700million yen		8,500million yen	
Total floor space	7,722.04㎡		25,187.22㎡		7,766.49㎡		7,820.45㎡		53,393.66㎡		40,283.77㎡	
PML	6.4%		8.7%		11.9%		12.2%		14.0%		13.5%	
Rental revenues (thousand yen)	Period ended September 2020	Period ended March 2021	Period ended September 2020	Period ended March 2021	Period ended September 2020	Period ended March 2021	Period ended September 2020	Period ended March 2021	Period ended September 2020	Period ended March 2021	Period ended September 2020	Period ended March 2021
Rental revenues	253,051	253,916	355,592	349,707			460,200	460,200	375,045	375,045		
Rent	215,109	217,843	324,367	319,592			459,000	459,000	375,000	375,000		
Common charges	20,388	19,530	—	—			—	—	—	—		
Land leasing revenues	—	—	—	—			—	—	—	—		
Other rental revenues	17,552	16,542	31,225	30,115			1,200	1,200	45	45		
Property-related expenses	88,004	85,903	191,050	206,845			52,898	52,888	103,753	110,281		
Property and other taxes	27,354	27,354	30,328	30,324			34,478	34,474	39,459	39,456		
Property taxes	27,354	27,354	30,328	30,324	Undisclosed (Note 7)	Undisclosed (Note 7)	34,478	34,474	39,459	39,456	Undisclosed (Note 7)	Undisclosed (Note 7)
Other taxes	—	—	—	—			—	—	—	—		
Overhead expenses	29,961	27,715	90,846	106,407			1,404	1,403	4,773	10,886		
Property management fees	8,400	7,432	53,819	57,221			1,200	1,200	1,620	1,620		
Utilities	12,745	11,666	27,966	23,129			—	—	—	—		
Casualty insurance	205	204	805	800			204	203	980	975		
Trust fees	750	750	—	—			—	—	—	—		
Other expenses	7,859	7,661	8,256	25,255			—	—	2,172	8,291		
Depreciation and amortization	30,688	30,833	69,876	70,113			17,015	17,010	59,520	59,938		
Profits and losses from real estate business	165,046	168,012	164,542	142,862	658,660	635,864	407,301	407,311	271,291	264,763	191,968	180,428
Earnings before depreciation and amortization (NOI)	195,735	198,846	234,418	212,976	682,559	659,796	424,316	424,322	330,812	324,702	229,636	218,095
NOI yield	5.7%		6.2%		4.1%		4.7%		5.6%		5.8%	

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

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

	Retail Facility		Hotel		Residential		Total	
	Frespo Inage		Hotel Okura Kobe		Park Lane Plaza			
								
Location	Inage Ward, Chiba		Chuo Ward, Kobe		Shibuya Ward, Tokyo		–	
Construction completion	–		March 1989 (Expanded March 1995)		June 1988		–	
Acquisition date	March 2002		September 2006		December 2004		–	
Acquisition price	2,100million yen		19,000million yen		3,200million yen		324,096million yen	
Book value	2,193million yen		15,900million yen		3,133million yen		305,544million yen	
Appraisal value	2,620million yen		16,900million yen		4,030million yen		342,550million yen	
Total floor space	(39,556.71㎡) (注8)		72,246.86㎡		5,246.78㎡		–	
PML (Note 4)	–		17.8%		14.9%		5.4% (Note9)	
Rental revenues (thousand yen)	Period ended September 2020	Period ended March 2021	Period ended September 2020	Period ended March 2021	Period ended September 2020	Period ended March 2021	Period ended September 2020	Period ended March 2021
Rental revenues	123,609	123,609	625,435	625,353	105,594	104,708	8,882,550	8,789,929
Rent	–	–	625,435	625,353	95,387	94,734	8,246,811	8,165,114
Common charges	–	–	–	–	9,043	9,043	242,733	241,875
Land leasing revenues	123,609	123,609	–	–	–	–	123,609	123,609
Other rental revenues	–	–	–	–	1,162	930	269,397	259,331
Property-related expenses	8,019	8,019	298,625	308,916	34,945	38,852	2,991,735	2,880,013
Property and other taxes	7,269	7,269	73,300	73,300	7,488	7,484	966,633	964,655
Property taxes	7,269	7,269	73,300	73,300	7,488	7,484	963,234	963,204
Other taxes	–	–	–	–	–	–	3,399	1,451
Overhead expenses	750	750	31,772	37,316	14,358	17,850	716,482	788,462
Property management fees	–	–	–	–	9,638	9,461	401,638	424,006
Utilities	–	–	–	–	1,531	1,364	205,263	166,455
Casualty insurance	–	–	8,337	7,894	160	159	19,283	18,545
Trust fees	750	750	2,200	2,000	–	–	7,050	7,050
Other expenses	–	–	21,235	27,421	3,026	6,863	83,247	172,405
Depreciation and amortization	–	–	193,551	198,300	13,099	13,517	1,308,619	1,126,895
Profits and losses from real estate business	115,589	115,589	326,809	316,436	70,648	65,856	5,890,815	5,909,915
Earnings before depreciation and amortization (NOI)	115,589	115,589	520,361	514,737	83,747	79,374	7,199,434	7,036,811
NOI yield	11.0%		5.4%		5.0%		4.3%	

(Note 8) The floor area of Frespo Inage is the area of the real estate trust associated with the real estate trust's beneficiary rights.
(Note 9) Portfolio PML is calculated by assuming an earthquake with an epicenter close to Tokyo's Minato Ward out of multiple earthquake scenarios.

Interest-Bearing Liabilities

Short-term loans

(Million yen)

Lender	Outstanding balance at end of period	Average interest rate	Draw down date	Repayment date
Mizuho Bank, Ltd.	2,000	0.20%	April 10, 2020	April 9, 2021
MUFG Bank, Ltd.	4,000	0.20%	April 24, 2020	April 23, 2021
Resona Bank, Limited.	1,000	0.20%	August 31, 2020	August 31, 2021
Sumitomo Mitsui Banking Corporation	2,500	0.20%	October 9, 2020	October 8, 2021
Resona Bank, Limited.	500	0.20%	October 16, 2020	October 15, 2021
Total	10,000			

(Floating)

Long-term loans

(Million yen)

Lender	Outstanding balance at end of period	Average interest rate	Draw down date	Repayment date
Sumitomo Mitsui Banking Corporation	5,000	1.02%	April 11, 2014	April 9, 2021
MUFG Bank, Ltd.	2,500	0.34%	April 13, 2018	April 13, 2021
Resona Bank, Limited.	1,000	0.28%	April 22, 2016	April 22, 2021
Resona Bank, Limited.	500	0.28%	May 31, 2016	May 31, 2021
Mizuho Bank, Ltd.	500	0.35%	August 30, 2018	August 30, 2021
Mizuho Bank, Ltd.	1,500	0.37%	August 31, 2017	August 31, 2021
Mizuho Bank, Ltd.	1,000	0.34%	August 31, 2016	August 31, 2021
MUFG Bank, Ltd.	1,500	0.89%	October 1, 2014	October 1, 2021
Sumitomo Mitsui Banking Corporation	1,000	0.83%	December 26, 2014	December 24, 2021
Sumitomo Mitsui Trust Bank, Limited.	1,000	0.41%	December 26, 2017	December 24, 2021
Aozora Bank, Ltd.	500	0.83%	December 26, 2014	December 24, 2021
Sumitomo Mitsui Banking Corporation	2,500	0.38%	January 19, 2018	January 19, 2022
Mizuho Bank, Ltd.	500	0.38%	January 19, 2018	January 19, 2022
The Bank of Fukuoka, Ltd.	2,000	0.47%	January 31, 2017	January 31, 2022
Development Bank of Japan Inc.	3,000	0.84%	February 27, 2015	February 28, 2022
Sumitomo Mitsui Banking Corporation	1,500	0.42%	February 28, 2018	February 28, 2022
MUFG Bank, Ltd.	500	0.42%	February 28, 2018	February 28, 2022
The Dai-ichi Life Insurance Company,Limited.	500	0.45%	February 28, 2017	February 28, 2022
Mizuho Bank, Ltd.	4,000	0.47%	April 11, 2017	April 11, 2022
Aozora Bank, Ltd.	1,000	0.47%	April 11, 2017	April 11, 2022
MUFG Bank, Ltd.	2,000	0.41%	April 13, 2018	April 13, 2022
The Ashikaga Bank, Ltd.	1,000	0.44%	April 24, 2017	April 22, 2022
Sumitomo Mitsui Banking Corporation	2,000	0.80%	April 30, 2015	April 28, 2022
Sumitomo Mitsui Trust Bank, Limited.	500	0.43%	August 30, 2018	August 30, 2022
Sumitomo Mitsui Trust Bank, Limited.	3,500	0.44%	August 31, 2017	August 31, 2022
Sumitomo Mitsui Trust Bank, Limited.	2,000	0.40%	August 31, 2016	August 31, 2022
Sumitomo Mitsui Trust Bank, Limited.	1,000	0.47%	September 29, 2017	September 30, 2022
Sumitomo Mitsui Trust Bank, Limited.	1,500	0.44%	January 19, 2018	January 19, 2023
Mizuho Bank, Ltd.	500	0.44%	January 19, 2018	January 19, 2023
MUFG Bank, Ltd.	2,500	0.49%	February 28, 2018	February 28, 2023
Mizuho Bank, Ltd.	2,000	0.49%	February 28, 2018	February 28, 2023
Sumitomo Mitsui Trust Bank, Limited.	1,000	0.45%	February 29, 2016	February 28, 2023
Mizuho Trust & Banking Co. Ltd.	1,000	0.45%	February 29, 2016	February 28, 2023
Mizuho Bank, Ltd.	3,500	0.47%	April 12, 2016	April 12, 2023
The Bank of Fukuoka, Ltd.	1,000	0.43%	April 22, 2016	April 21, 2023
The Nishi-Nippon City Bank, Ltd.	500	0.49%	April 24, 2018	April 24, 2023
Mizuho Bank, Ltd.	1,500	0.48%	August 31, 2016	August 31, 2023
Development Bank of Japan Inc.	1,000	0.51%	August 31, 2018	August 31, 2023
Resona Bank, Limited.	1,000	0.48%	August 31, 2016	August 31, 2023
MUFG Bank, Ltd.	500	0.43%	August 31, 2018	August 31, 2023
Development Bank of Japan Inc.	500	0.54%	September 29, 2017	September 29, 2023
Resona Bank, Limited.	1,000	0.46%	October 18, 2016	October 18, 2023
Mizuho Bank, Ltd.	3,000	0.17%	August 30, 2019	February 29, 2024
Development Bank of Japan Inc.	1,500	0.64%	February 28, 2017	February 29, 2024
Aozora Bank, Ltd.	2,000	0.54%	March 11, 2016	March 11, 2024
Shinkin Central Bank	2,000	0.57%	March 19, 2018	March 19, 2024
Sumitomo Mitsui Banking Corporation	3,000	0.27%	October 9, 2020	April 9, 2024
Development Bank of Japan Inc.	2,000	0.36%	April 11, 2019	April 11, 2024
Mizuho Bank, Ltd.	1,000	0.36%	April 11, 2019	April 11, 2024
Mizuho Bank, Ltd.	3,000	0.56%	April 24, 2018	April 24, 2024
The Bank of Fukuoka, Ltd.	1,000	0.56%	May 31, 2018	May 31, 2024
Sumitomo Mitsui Banking Corporation	3,000	0.29%	October 9, 2020	October 9, 2024
The Nishi-Nippon City Bank, Ltd.	500	0.43%	December 26, 2019	December 26, 2024
Mizuho Bank, Ltd.	1,500	0.56%	January 19, 2018	January 17, 2025
MUFG Bank, Ltd.	500	0.56%	January 19, 2018	January 17, 2025
Sumitomo Mitsui Trust Bank, Limited.	3,000	0.32%	February 28, 2020	February 28, 2025
Mizuho Bank, Ltd.	1,000	0.65%	February 28, 2018	February 28, 2025
Sumitomo Mitsui Banking Corporation	1,000	0.65%	February 28, 2018	February 28, 2025
The Hachijuni Bank, Ltd.	1,000	0.34%	February 28, 2020	February 28, 2025
MUFG Bank, Ltd.	500	0.65%	February 28, 2018	February 28, 2025
Development Bank of Japan Inc.	1,000	0.64%	March 19, 2018	March 19, 2025
Sumitomo Mitsui Trust Bank, Limited.	4,000	0.37%	April 13, 2020	April 11, 2025
Sumitomo Mitsui Banking Corporation	3,000	0.46%	April 24, 2019	April 24, 2025
MUFG Bank, Ltd.	3,000	0.68%	August 31, 2018	August 29, 2025
The Bank of Fukuoka, Ltd.	1,000	0.42%	January 31, 2020	January 30, 2026
Sumitomo Mitsui 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
Aozora Bank, Ltd.	500	0.72%	April 24, 2018	April 24, 2026
Development Bank of Japan Inc.	1,000	0.33%	August 30, 2019	August 31, 2026
The Nishi-Nippon City Bank, Ltd.	1,000	0.41%	August 31, 2020	August 31, 2026
The 77 Bank, Ltd.	500	0.31%	August 30, 2019	August 31, 2026
Mitsui Sumitomo Insurance Company, Limited	500	0.39%	September 30, 2020	September 30, 2026
MUFG Bank, Ltd.	1,000	0.40%	December 25, 2020	December 25, 2026
The Bank of Fukuoka, Ltd.	500	0.56%	December 26, 2019	December 25, 2026
Resona Bank, Limited.	500	0.56%	December 26, 2019	December 25, 2026
The Norinchukin Bank	3,000	0.38%	February 28, 2020	February 26, 2027
Sumitomo Life Insurance Company	500	0.59%	December 26, 2019	June 25, 2027
The Norinchukin Bank	1,500	0.38%	August 30, 2019	August 31, 2027
The Nishi-Nippon City Bank, Ltd.	1,500	0.48%	August 31, 2020	August 31, 2027
Resona Bank, Limited.	500	0.48%	August 31, 2020	August 31, 2027
Sumitomo Life Insurance Company	500	0.38%	August 30, 2019	August 31, 2027
Development Bank of Japan Inc.	1,000	0.43%	March 12, 2020	September 10, 2027
Mizuho Bank, Ltd.	1,000	0.63%	December 26, 2019	December 24, 2027
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	0.51%	October 11, 2019	April 11, 2028
Mizuho Bank, Ltd.	1,500	0.51%	October 17, 2019	April 17, 2028
The 77 Bank, Ltd.	1,000	0.54%	August 31, 2020	August 31, 2028
Shinsei Bank, Limited	1,000	0.53%	August 31, 2020	August 31, 2028
Total	133,000			

(Fixed)

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
Total	14,000			

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

Total interest-bearing liabilities at the end of the period: ¥157,000 million

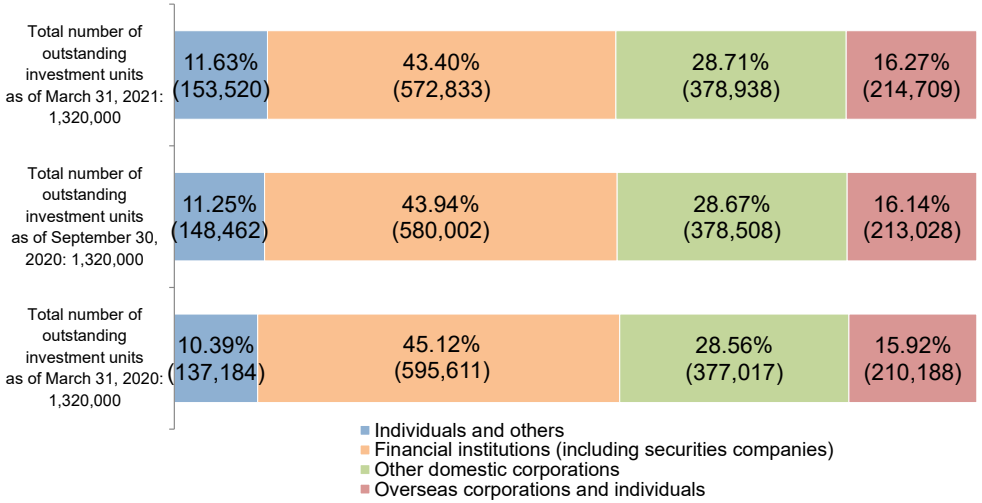
Borrowed and issued during the 38th period ended March 2021.

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

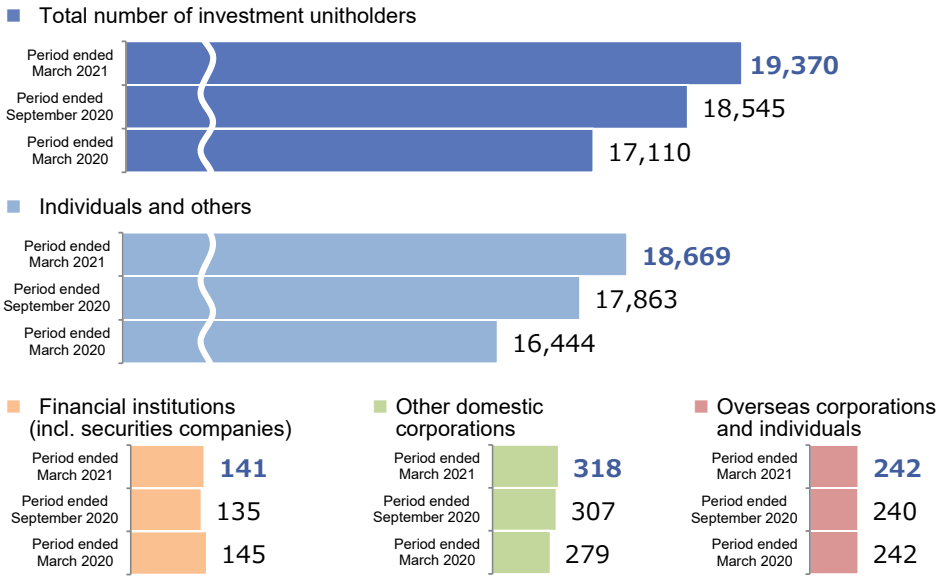
(As of March 31, 2021)

Unitholders	Number of units held	Ownership ratio
MORI TRUST Holdings, Inc.	350,070	26.52%
Custody Bank of Japan, Ltd.(Trust accounts)	193,037	14.62%
The Master Trust Bank of Japan, Ltd. (trust account)	126,609	9.59%
The Nomura Trust and Banking Co., Ltd. (investment trust)	42,951	3.25%
Custody Bank of Japan, Ltd.(Securities investment trust accounts)	32,057	2.43%
STATE STREET BANK WEST CLIENT - TREATY 505234	15,679	1.19%
LEGAL + GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	13,906	1.05%
SSBTC CLIENT OMNIBUS ACCOUNT	13,803	1.05%
THE HACHIJUNI BANK,LTD.	13,085	0.99%
DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	11,693	0.89%
Total of top 10 unitholders	812,890	61.58%

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

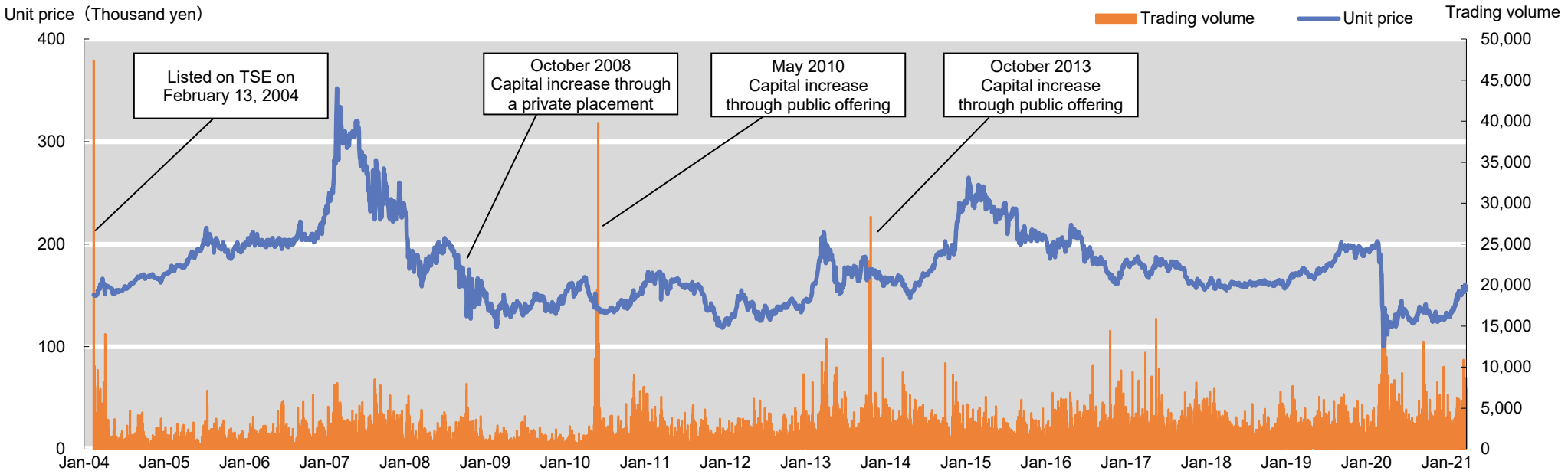


Changes in number of investment unitholders by owner (End of each fiscal period)



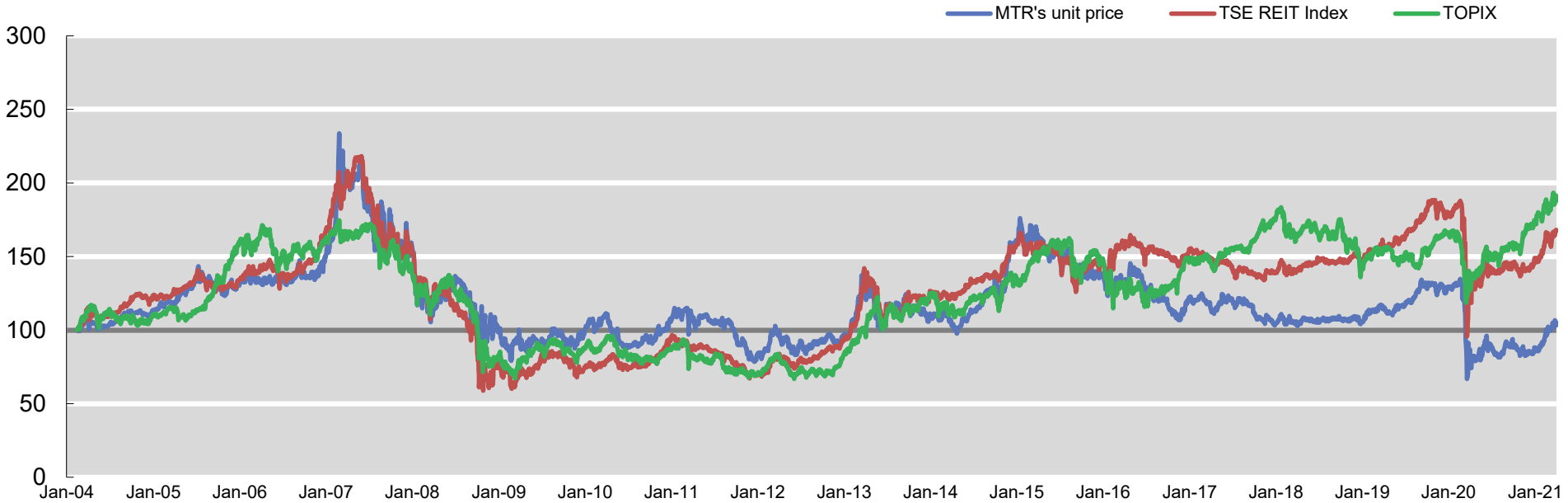
Changes in Unit Prices

Closing Unit price and trading volume February 13, 2004 to March 31, 2021



(Note) 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.

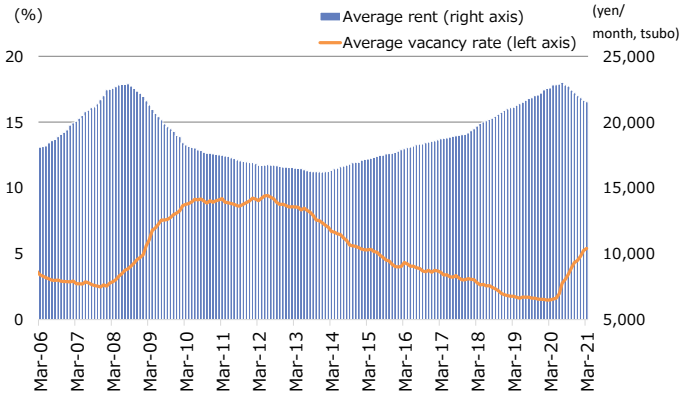
Comparative performance of closing Unit price February 13, 2004 to March 31, 2021



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

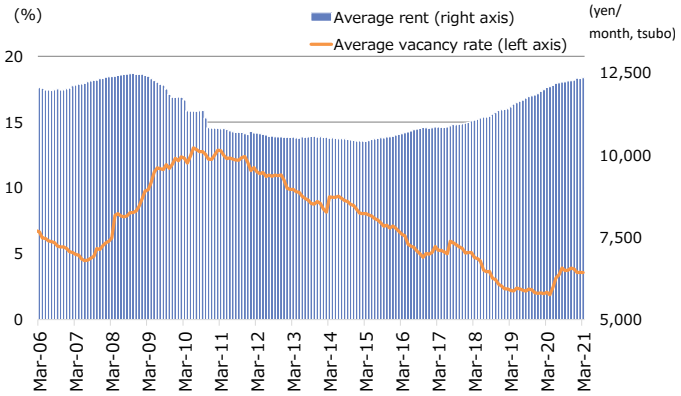
Changes in Vacancy Rate and Rent per Unit in Major Cities

Tokyo business districts



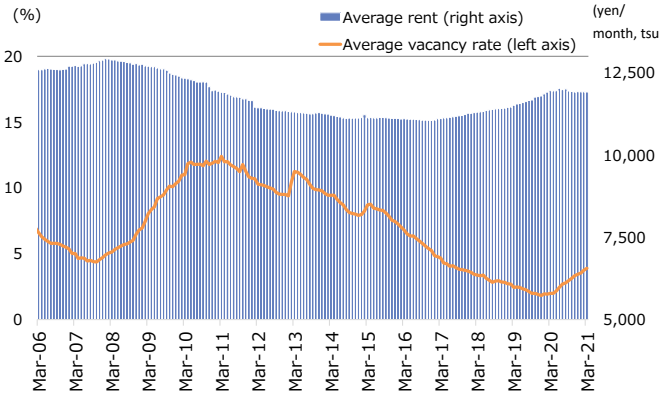
Tokyo business districts: Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, and Shibuya-ku

Yokohama business districts



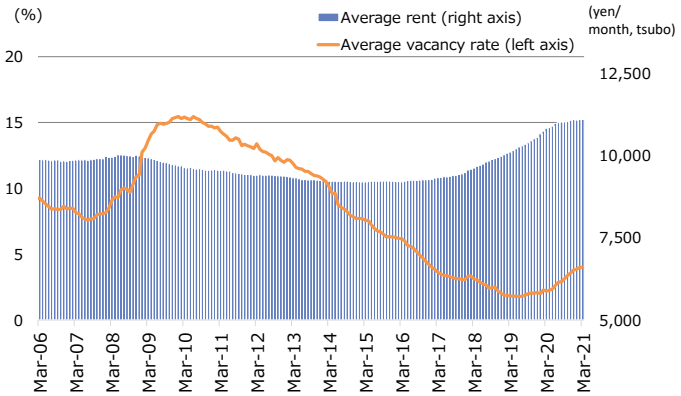
Yokohama business districts: Kannai, Yokohama Station, Shin-Yokohama, and Minato Mirai 21

Osaka business districts



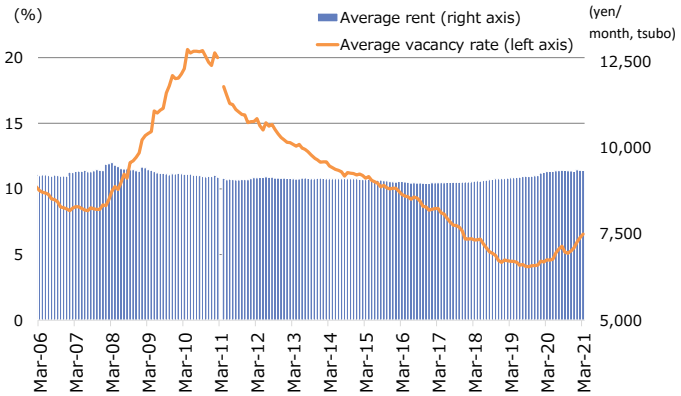
Osaka business districts: Umeda, Minami-Morimachi, Yodoyabashi and Honmachi, Senba, Shinsaibashi and Namba, and Shin-Osaka

Fukuoka business districts



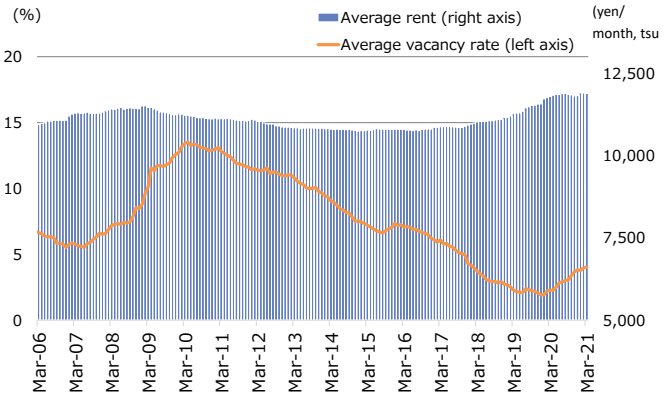
Fukuoka business districts: Akasaka Daimyo, Tenjin, Yakuin and Watanabe Dori, Gion and Gofukumachi, Hakata Station front, Hakata Station East and South

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 March 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)	(Total appraisal value of assets at relevant fiscal period-end + Total appraisal value of assets at prior fiscal period-end) ÷ 2 x 0.15% x 1/2
Remuneration Method 2	As determined at the Board of Management meeting, the amount of remuneration shall equal a maximum rate of 3% of distributable income for the relevant fiscal period. Based on standard accounting principles generally accepted in Japan, distributable income is determined as the sum of profit before income taxes and losses carried forward.	1.5% (Note 2)	Distributable income x 1.5%
Remuneration Method 3	In the event MTR acquires specified assets stipulated in the agreement, the rate of remuneration shall be a set percentage of the acquisition price of each property (excluding consumption tax, local consumption tax and transaction-related expenses), as listed below. The percentages below may be reduced depending on the surrounding circumstances. - For acquisitions up to ¥15 billion, remuneration is 0.4% of the amount - For acquisitions from ¥15 billion to ¥30 billion, remuneration is 0.1% of the amount - For acquisitions above ¥30 billion, remuneration is 0.05% of the amount	Refer to left column	Total amount of the acquisition price percentage listed in the left column
Remuneration Method 4	In the event MTR transfers specified assets stipulated in its agreement, the rate of remuneration shall be 0.05% of the transfer amount of each asset transferred (excluding consumption tax, local consumption tax and transaction-related expenses).	Refer to left column	Transfer amount x 0.05%

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

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

Disclaimer / Contact Information

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Contact Information

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