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For Immediate Release

Real Estate Investment Trust Securities Issuer
MORI TRUST REIT, Inc.
Representative: Hiroshi Naito, Executive Director
(Securities Code: 8961)
Asset Management Company
MORI TRUST Asset Management Co., Ltd.
Representative: Hiroshi Naito,
President and Representative Director
Contact: Nobuyuki Aizawa,
Managing Director, General Manager,
Strategic Management Department
(TEL: +81-3-6435-7011)

Notice Concerning Acquisition of Domestic Real Estate Trust Beneficiary Interest (Sendai MT Building (Additional Acquisition))

MORI TRUST Asset Management Co., Ltd. (the "Asset Management Company"), the asset management company that manages assets on behalf of MORI TRUST REIT, Inc. ("MTR"), hereby announces its decision today to acquire domestic real estate trust beneficiary interest (the "Asset to be Acquired," and the acquisition of the Asset to be Acquired; the "Acquisition") as described below.

As the seller of the Asset to be Acquired falls under the category of related party, etc. ("Related Party, etc.") defined in the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; the "Investment Trust Act"), pursuant to the Investment Trust Act, the consent of MTR has been obtained via approval of the Board of Directors of MTR regarding the Acquisition.

Details

1. Overview of the Acquisition

(1)	Name of the Asset to be Acquired	Sendai MT Building (additional acquisition) (9.155% co-ownership interest) (Note 1)
(2)	Acquisition Price	1,560 million yen (Note 2)
(3)	Seller	MORI TRUST CO., LTD. ("MORI TRUST") (For details, please refer to "4. Overview of Seller" below.)
(4)	Broker	None
(5)	Anticipated Contract Date	March 3, 2025
(6)	Anticipated Transfer Date	March 3, 2025
(7)	Acquisition Financing	Cash on hand
(8)	Settlement Method	Lump sum payment at delivery on anticipated transfer date

(Note 1) Regarding Sendai MT Building (the "Property"), including the 90.845% co-ownership interest in the Property already held by MTR (the "Existing Ownership Interest"), MTR will have sole ownership of the Property through the Acquisition.

(Note 2) Excluding various transfer expenses, settlement money including property tax and city planning tax, etc.

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2. Reason for Acquisition

(1) Highlights of the Acquisition

MTR has decided to additionally acquire the Property, a regional office property developed and owned by our sponsor MORI TRUST (the "Sponsor"), based on the fundamental policy and investment stance for asset management provided in MTR's Articles of Incorporation and external growth strategy. The specific reasons for the acquisition are as follows.

- Matching MTR's external growth strategy; (i) Utilizing sponsor support, (ii) Acquiring regional office properties that are expected to provide a reasonable yield and have relatively stable occupancy
- Effective distribution growth is expected by reinvesting a portion of the funds on hand from the sale of Hashimoto MTR Building, etc. in regional office properties that can secure a satisfactory yield
- Through the Acquisition, MTR will become the sole owner (100% owner) of the Property, and it is expected that asset value and liquidity will improve

MTR believes that the Acquisition is a transaction that demonstrates the Sponsor's ongoing commitment to MTR since it is an acquisition of a property developed by the Sponsor.

(2) Characteristics of the Assets to be Acquired

(i) Features of the location

The Property is located within a 4-minute walk of the east exit of JR Sendai Station, which is the largest terminal station in the Tohoku region, and enjoys excellent transportation convenience. In addition to the opening of the Tozai Line of the Sendai Municipal Subway in December 2015, the area around the east exit of JR Sendai Station is currently undergoing development, including the opening of JR Sendai East Gate Building and Yodobashi Sendai 1st Building in front of the station. The area is continuing to develop with an increase in the flow of people.

In addition, the vacancy rate for office space in Sendai City is currently on a downward trend, and unit rents are also stable.

(ii) High-quality building grade and specifications

The Property is one of the largest buildings in the east exit area and serves as a landmark thanks to its high visibility along Miyagino-dori, which extends from the station, and high-quality building grade. The standard floor has approximately 470 tsubo, and is a regular shape that can be divided, so flexible leasing is possible for both large and small tenants.

In addition, as the first high-rise building with seismic isolation in Japan, the Property has excellent resistance to earthquakes, and when the Great East Japan Earthquake of 2011 occurred, not only the structural elements but also various facilities, interior decorations, and office furniture and fixtures were almost undamaged. Furthermore, the Property is equipped to support the BCPs (Business Continuity Plan) of tenants, with an emergency generator that can operate for more than 24 hours and various disaster prevention supplies.

(iii) Sponsor support through the conclusion of a master lease agreement with MORI TRUST CO., LTD.

A master lease agreement has been concluded with the Sponsor for the Property, and MTR can enjoy seamless sponsor support for tenant leasing, etc. The occupancy rate based on the sublease agreement for the Existing Ownership Interest of the Property has been high and stable, exceeding 90% at the end of each fiscal period since MTR's initial acquisition date.

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3. Details of the Asset to be Acquired

The details of the Asset to be Acquired are presented in the table below.

Name of the Asset to be Acquired		Sendai MT Building (additional acquisition)				
Use		Office Building				
Type of specified asset		Real Estate Trust Beneficiary Interest				
Anticipated acquisition date		March 3, 2025				
Acquisition price		1,560 million yen				
Overview of trust beneficiary interest	Trustee	Mitsubishi UFJ Trust and Banking Corporation (planned) (Note 1)				
	Trust setup date	March 3, 2025 (planned)				
	Trust expiration date	February 28, 2035 (planned)				
Ownership form	Land	Ownership				
	Building	Ownership (9.155% co-ownership interest)				
Land (Note 2)	Parcel number	4-2-1, Tsutsujigaoka, Miyagino-ku, Sendai-shi, Miyagi and 3 other plots				
	Displayed address	4-2-3, Tsutsujigaoka, Miyagino-ku, Sendai-shi, Miyagi				
	Site area	5,020.33 m^2				
	Use district etc.	Commercial district, semi-fire prevention district				
Building (Note 2)	Structure and number of floors	Reinforced concrete structure with a flat roof, 18 floors above ground, 2 floors below ground				
	Completion of construction	March 1999				
	Total floor area	42,941.53 m^2				
	Parking lot capacity	345 vehicles				
	Builder	TAISEI CORPORATION				
Seismic risk (PML)		4.9% (Note 3)				
Collateral		None				
Appraisal value (Date of value)		1,560 million yen (December 31, 2024)				
Appraisal agency		DAIWA REAL ESTATE APPRAISAL CO.,LTD.				
Leasing details	Contract type	Lease agreement (master lease agreement (Note 4))				
	Lessee	MORI TRUST CO., LTD.				
	Number of tenants	1 (Total number of tenants based on sublease agreements: 40 (Note 5))				
	Monthly rent	9 million yen (Note 6)				
	Leasehold and security deposits	None				
	Rent area	3,931.30 m^2 (Note 7)				
	Rentable area	3,931.30 m^2 (Note 7)				
	Changes in occupancy rate (Note 8)	End of Feb. 2023	End of Aug. 2023	End of Feb. 2024	End of Aug. 2024	As of anticipated acquisition date
		99.9%	99.1%	99.3%	99.6%	93.4%

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(Note 1) The trustee of the Assets to be Acquired is scheduled to be changed to Mitsubishi UFJ Trust and Banking Corporation at the same time as the Acquisition.
(Note 2) This section describes the contents of the entire land or building.
(Note 3) According to the report on building earthquake risk survey prepared by Takenaka Corporation.
(Note 4) A master lease agreement has been contracted for the Existing Ownership Interest of the Property, with a structure in which MTR's rental revenue is linked to the rents in the sublease agreement. With the Acquisition, the portion subject to the Acquisition will also be incorporated into such master lease agreement.
(Note 5) As of January 31, 2025
(Note 6) Of the monthly rent to be received by MTR as of the end of January 2025, calculated based on the sublease agreement, the amount equivalent to 9.155% co-ownership interest that is the subject of the Acquisition is indicated.
(Note 7) Of the total rent area of 42,941.53 m^2 and total rentable area of 42,941.53 m^2 for the entire building of the Property, the area corresponding to 9.155% co-ownership interest, which is subject to the Acquisition, is indicated rounded to the second decimal place.
(Note 8) The occupancy rate is based on the sublease agreement. The occupancy rate is rounded to the first decimal place, but if the result of rounding is 100.0%, it is rounded down to 99.9%.

4. Overview of Seller

(1)	Business name	MORI TRUST CO., LTD.
(2)	Address	Kamiyacho Trust Tower 4-1-1 Toranomon, Minato-ku, Tokyo
(3)	Representative	Miwako Date, President and Chief Executive Officer
(4)	Principal businesses	Real estate development, Hotel management, Investment business
(5)	Capital	30,000 million yen (As of March 31, 2024)
(6)	Date of establishment	June 10, 1970
(7)	Net assets	591,673 million yen (consolidation) (As of March 31, 2024)
(8)	Total assets	1,477,644 million yen (consolidation) (As of March 31, 2024)
(9)	Major shareholder and shareholding ratio	Mori Trust Holdings Inc. (100%)
(10)	Relationship between MTR and the Asset Management Company	
	Capital relationship	The seller is the parent company (share ownership ratio of 95%) of the Asset Management Company which manages assets on behalf of MTR and falls under the category of parent corporation etc. defined in the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) and also falls under the category of Related Party, etc. of the Asset Management Company defined in the Investment Trust Act.
	Personal relationships	The Seller falls under the category of enterprise to which workers of the Asset Management Company are seconded.
	Business relationship	The Seller has concluded lease agreements (master lease agreements) with MTR for some of MTR's properties.
	Related party status	The Seller falls under the category of a subsidiary company of any other associated company of MTR and falls under the category of parent company of the Asset Management Company (share ownership ratio of 95%).

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5. Status of owners, etc. of the Property

Name of the property (address)		Sendai MT Building (additional acquisition) (4-2-3, Tsutsujigaoka, Miyagino-ku, Sendai-shi, Miyagi)	
Status of owners, etc. of the Property		Former owner, etc.	Former previous owner, etc.
	(i) Business name	MORI TRUST CO., LTD.	Other than those with a related party
	(ii) Relationship with related party	A subsidiary company of any other associated company (Mori Trust Holdings Inc.) of MTR and a parent company of the Asset Management Company	
	(iii) Background and reason for acquisition	Acquired for investment purpose	
	Acquisition price	Omitted since the Property has been owned for more than one year.	—
	Acquisition timing	October 2022	—

6. Transactions with Related Parties

The seller of the Acquisition falls under the category of Related Party, etc. as provided in the Investment Trust Act, and also falls under the category of related party as provided in the Asset Management Company's internal rules "Related Party Transaction Regulations." Accordingly, in accordance with the provisions of the Investment Trust Act and the "Related Party Transaction Regulations," resolution has been passed by the Asset Management Company's Compliance Committee, Investment Committee and Board of Directors and then consent of MTR obtained by approval of the Board of Directors of MTR for the Acquisition.

7. Future Outlook

The Acquisition is scheduled for March 3, 2025. Accordingly, there is no impact on the management status for the fiscal period ending February 28, 2025 (from September 1, 2024 to February 28, 2025). Although it will contribute to distribution growth from the fiscal period ending August 31, 2025 (from March 1, 2025 to August 31, 2025) onwards, the impact on the management status for the fiscal period ending August 31, 2025 will be minimal, and there is no revision to the management status forecast.

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(Reference) Forecast for the Management Status and Actual Result (Announced October 23, 2024)

	Operating revenues (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Distributions per unit (yen) (excluding distributions in excess of profit)	Distributions in excess of profit per unit (yen)
Fiscal period ended August 31, 2024 (actual)	11,746	7,503	6,795	6,785	1,757	—
Fiscal period ending February 28, 2025 (forecast)	11,808	7,523	6,695	6,684	1,740	—
Fiscal period ending August 31, 2025 (forecast)	11,168	6,889	5,947	5,936	1,669	—

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8. Summary of Appraisal Report

Property name	Sendai MT Building (additional acquisition)
Appraisal value	1,560,000 thousand yen (Note 1)
Appraisal agency	DAIWA REAL ESTATE APPRAISAL CO.,LTD.
Date of value	December 31, 2024

Item			Figures (Note 1) (unit: thousand yen)	Summary, etc.
Indicated value by income approach			1,530,000	Assessed based on DCF method and direct capitalization method
	Indicated value by direct capitalization method		1,530,000	-
		(1) Operating income ((i) - (ii))	129,842	-
		(i) Gross potential income	138,753	Assessed based on the rent level of the current contract, the rent level and trends for similar properties, taking into account the medium to long term competitiveness of the property, etc.
		(ii) Vacancy loss, etc.	8,910	Based on the actual vacancy rate of the property and the standard vacancy rate of similar properties, assessing the stable vacancy rate over the medium to long term, in consideration of the competitiveness of the property
		(2) Operating expenses	50,427	-
		Maintenance expenses	18,730 (Note 2)	Assessed based on the amount of scheduled contract
		Property management fees		
		Utilities expenses	15,992	Assessed based on the actual amount
		Repair expenses	2,895	Assessed based on the average repair costs for 12 years in the engineering report
		Tenant recruiting expenses, etc.	984	Assessed based on the level of similar properties
		Property and other taxes	11,044	Assessed based on the actual amount in FY2024 for the land, in consideration of the burden level, etc. Assessed based on the actual amount in FY2024 for the building
		Insurance premiums	336	Assessed based on the estimated amount
		Other expenses	444	Reserve funds of other operating expenses, etc. is recorded
		(3) Net operating income (NOI) ((1) - (2))	79,415	-
		(4) Financial interests on refundable deposits	-	Not recorded based on the scheduled lease agreement
		(5) Capital expenditure reserve	11,912	Recorded based on the average renewal costs and large-scale repair costs for 12 years in the engineering report, taking into account the CM fees
		(6) Net cash flow ((3) + (4) - (5))	67,503	-
		(7) Capitalization rate	4.4%	Assessed by considering various factors such as location and building conditions, etc., based on the method determined through comparison with transactions of the similar properties
	Indicated value by DCF method		1,530,000	-
		Discount rate	4.2%	Assessed based on comparison with discount rates for the transactions of the similar properties and yields on other financial instruments, etc.
		Terminal capitalization rate	4.6%	Assessed based on the capitalization rate of the property, in consideration of the market potential of the property at the end of the holding period, etc.

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Indicated value by cost approach		2,140,000	-
	Ratio of land	83.5%	-
	Ratio of building	16.5%	-
(a)	Ordinary price of the Asset to be acquired (9.155% co-ownership interest)	1,530,000	-
(b)	Ordinary price of the Existing Ownership Interest (90.845% co-ownership interest)	14,900,000	-
(c)	Overall ordinary price of the whole Property after the Acquisition	16,800,000	With the Acquisition, the Property will be transferred to the sole ownership of MTR
(d)	Increased value after the Acquisition ((c) - ((a) + (b)))	370,000	Improvement in liquidity and asset value through sole ownership by MTR
(e)	Allocation of increased value from the Acquisition to the Asset to be acquired (9.155% co-ownership interest)	34,500	The appraisal value is determined based on the amount of ((a) + (c))

Other matters noted in the appraisal by the appraisal agency	As the main purchasers in the distribution market for the property are likely to be investors, etc. and the purchasers have a strong tendency to focus on the profitability and investment return of the property at the time of the transaction, appraisal value is assessed based on the decision that income approach, which is a method of calculating the market value mainly from the perspective of profitability, is more persuasive, using the income approach as the standard and the cost approach as a reference.

(Note 1) The amount is equivalent to the 9.155% co-ownership interest subject to the Acquisition.

(Note 2) If the amounts of maintenance expenses and property management fees were disclosed individually, there is a risk that it would affect other transactions of the companies that are scheduled to be contracted for building management and property management services, and ultimately harm the interests of unitholders, therefore the amounts of maintenance expenses and property management fees are stated as a total.

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

[Attachment]

Reference 1 Estimated NOI (annual) of the Asset to be Acquired, etc.

Reference 2 Photos of the Exterior and Interior of the Assets to be Acquired and Map of the Surrounding Area

Reference 3 Portfolio List after the Acquisition (Scheduled as of March 3, 2025)

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[Attachment]

Reference 1　Estimated NOI (annual) of the Asset to be Acquired, etc.

(Unit: million yen)

(i) Rental revenues	132
(ii) Property-related expenses (excluding depreciation)	53
(iii) Estimated NOI (annual) ((i) - (ii))	79
(iv) Estimated NOI yield ((iii) / acquisition price)	5.1%

(Note 1) The Estimated NOI (annual) is amount of the estimated annual NOI at normal operation levels of the Assets to be Acquired and excludes special factors such as the non-recording of fixed asset taxes in the year of the acquisition.

(Note 2) Rent income in the real estate lease business revenue is calculated based on an assumed occupancy rate of 97% in accordance with the sublease agreement.

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Reference 2　Photos of the Exterior and Interior of the Assets to be Acquired and Map of the Surrounding Area



Exterior



Entrance



Elevator hall



Office floor



Map of the surrounding area

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Reference 3　Portfolio List after the Acquisition (Scheduled as of March 3, 2025) (Note2)

Usage Etc.		Property Name	Location	Hotel Grade	Acquisition Price (million yen) (Note3)	Investment Ratio (%) (Note4)
Core Assets	Office	Tokyo Shiodome Building (Hotel: Conrad Tokyo)	Minato Ward, Tokyo	(Luxury)	82,539	17.8
		Kamiyacho Trust Tower	Minato Ward, Tokyo	—	51,660	11.1
		ON Building	Shinagawa Ward, Tokyo	—	39,900	8.6
		Kioicho Building	Chiyoda Ward, Tokyo	—	34,300	7.4
		Sendai MT Building	Miyagino Ward, Sendai	—	17,360	3.7
		Osaki MT Building	Shinagawa Ward, Tokyo	—	14,386	3.1
		Midosuji MTR Building	Chuo Ward, Osaka	—	10,170	2.2
		Hiroo MTR Building	Shibuya Ward, Tokyo	—	8,100	1.7
		Tenjin Prime	Chuo Ward, Fukuoka	—	7,050	1.5
		Shin-Yokohama TECH Building	Kohoku Ward, Yokohama	—	6,900	1.5
		Sub Total	—	—	272,365	58.8
	Hotel	Shangri-La Tokyo	Chiyoda Ward, Tokyo	Luxury	49,200	10.6
		Hilton Odawara Resort & Spa	Odawara City, Kanagawa	Upper upscale	7,100	1.5
		Hotel Okura Kobe	Chuo Ward, Kobe	Upper upscale	19,000	4.1
		Courtyard by Marriott Tokyo Station	Chuo Ward, Tokyo	Upscale	17,017	3.7
		Courtyard by Marriott Shin-Osaka Station	Yodogawa Ward, Osaka	Upscale	17,400	3.8
		Hotel Sunroute Plaza Shinjuku	Shibuya Ward, Tokyo	Upper midscale	32,500	7.0
		Sub Total	—	—	142,217	30.7
Others	Retail Facility	SHIBUYA FLAG	Shibuya Ward, Tokyo	—	32,040	6.9
		Ito-Yokado Shonandai	Fujisawa City, Kanagawa	—	11,600	2.5
		Frespo Inage	Inage Ward, Chiba	—	2,100	0.5
	Residential	Park Lane Plaza	Shibuya Ward, Tokyo	—	3,200	0.7
	Sub Total		—	—	48,940	10.6
Total			—	—	463,522	100.0

(Note1) The usage of a property with more than one use is determined based on the main use of the building.

(Note2) The portfolio list assumed as of March 3, 2025, the anticipated completion date of the Acquisition.

(Note3) The "acquisition price" stated is the amount (sales prices stated in sales contracts, etc.) that does not include various expenses (sales commission charges, property and other taxes, etc.) that were incurred when the relevant portfolio was acquired. However, for properties owned by MORI TRUST Hotel Reit, Inc. ("MTH") which merged on March 1, 2023, the appraisal value as of the end of February 2023, which is their worth at the time of merger with MTH, is shown. The amount equivalent to the co-ownership interest or quasi-co-ownership interest held by MTR is indicated.

(Note4) The "investment ratio" is the ratio of the acquisition prices of each asset against the total acquisition price of the portfolio, and is rounded to the first decimal place.

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