



MORI
TRUST HOTEL REIT

MORI TRUST Hotel Reit, Inc. (Securities Code : 3478)

5th Fiscal Period Operating Results & Presentation
(March 1, 2018 – August 31, 2018)

Asset Management Company
MORI TRUST Hotel Asset Management Co., LTD.

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Summary of Operating Results for 5th FP Ended August 2018

Distribution per unit

Results for the 5th FP
ended August 2018
3,255 yen
(+105 yen from forecast)

Operating revenues	2,409 mn yen (+41 mn yen from forecast)
Real estate rental income	1,854 mn yen (+49 mn yen from forecast)
NOI	2,167 mn yen (+49 mn yen from forecast)
Net income	1,627 mn yen (+52 mn yen from forecast)

Operational Status of Owned Hotels

- No. of inbound tourists (Source) Materials publicized by Japan National Tourism Organization
 - Total for January through August 2018
21.30 million (+12.6% year-on-year)
 - Total for 2017
28.69 million (+19.3% year-on-year)
- Two Courtyard (CY) brand hotels
(5th FP rent calculation period : Dec. 2017 to May 2018)

	CY Tokyo (5 th FP Average)	CY Shin-Osaka (5 th FP Average)
Occupancy rate	93.4%	Occupancy rate 89.4%
ADR	25,935 yen	ADR 19,466 yen
RevPAR	24,243 yen	RevPAR 17,466 yen

Assets

No. of properties	4 properties
Asset size (Note1)	102.0 bn yen
Appraisal value	114.9 bn yen
Unrealized gain (Note2)	13.7 bn yen
NOI yield (Note3)	4.2 %
Yield after depreciation (Note4)	3.6 %
No. of guestrooms	1,306 rooms

Debt

Interest-bearing debt	49.5 bn yen
LTV (Note5)	46.5 %
Fixed-rate debt ratio	65.7 %
Average interest rate	0.39 %
Average remaining maturity of debt	1.8 years

Equity

Net assets per unit	103,255 yen
NAV (Note6)	65.3 bn yen
NAV per unit (Note7)	130,667 yen
P / NAV (Note8)	1.12 times
Market capitalization (Note9)	73.0 bn yen
Investment units outstanding	500,000 units
Sponsor's holding ratio (Note10)	36.8 %

(Note1) Total acquisition price
 (Note2) Unrealized gain = Appraisal value at end of period - Book value at end of period
 (Note3) NOI yield = NOI for the 5th FP (annualized) / Total acquisition price
 (Note4) Yield after depreciation = Real estate rental income after depreciation for the 5th FP (annualized) / Total acquisition price
 (Note5) LTV = Interest-bearing debt at end of period / Total assets at end of period
 (Note6) NAV = Net assets at end of period + Unrealized gain

(Note7) NAV per unit = NAV / Investment units issued and outstanding
 (Note8) P/NAV = Investment unit price (closing price on August 31, 2018) / NAV per unit
 (Note9) Market capitalization = Investment unit price (closing price on August 31, 2018) × Investment units issued and outstanding
 (Note10) Represents the ratio based on the number of investment units held by the sponsors as of the end of the 5th FP
 Sponsors: Mori Trust and Mori Trust Hotels & Resorts

Summary of the 5th FP Results

Distribution per unit (actual) : 3,255 yen (+105 yen from forecast)

(million yen)

Item	5th FP ended Aug. 2018 (actual)	5th FP ended Aug. 2018 (forecast)	Change	3rd FP ended Aug. 2017 (actual)	Change
Operating revenues	2,409	2,367	41	2,302	107
Real estate rental revenues ①	2,409	2,367	41	2,302	107
Shangri-La	1,018	999	18	949	69
CY Tokyo	367	355	12	328	39
CY Shin-Osaka	371	360	11	372	- 1
Sunroute	652	652	-	652	-
Operating expenses	684	692	- 7	678	6
Real estate rental expenses ②	555	562	- 7	542	12
(Depreciation) ③	312	312	- 0	312	0
Other operating expenses	129	130	- 0	135	- 5
Real estate rental income ④=①-②	1,854	1,805	49	1,759	94
NOI ④+③	2,167	2,117	49	2,071	95
Operating income	1,725	1,675	49	1,624	100
Ordinary income	1,628	1,576	52	1,535	93
Net income	1,627	1,575	52	1,534	92
Total cash distributions	1,627	1,575	52	1,535	92
Investment units outstanding (units)	500,000	500,000	-	500,000	-
Distribution per unit (yen)	3,255	3,150	105	3,070	185

Major factors of change

(from 5th FP forecast)

■ Operating revenues	
Real estate rental revenues	+41 mn yen
Shangri-La	+18 mn yen
CY Tokyo	+12 mn yen
CY Shin-Osaka	+11 mn yen
Sunroute	No change as rents are fixed
■ Operating expenses	
Real estate rental expenses	-7 mn yen
Decrease in repairs and maintenance expenses	-7 mn yen
■ Non-operating expenses	
Decrease in interest expenses	-2 mn yen

(from 3rd FP actual : YoY comparison)

■ Operating revenues	
Real estate rental revenues	+107 mn yen
Shangri-La	+69 mn yen
CY Tokyo	+39 mn yen
CY Shin-Osaka	-1 mn yen
Sunroute	No change as rents are fixed
■ Operating expenses	
Real estate rental expenses	+12 mn yen
Increase in taxes and public dues	+12 mn yen
Other operating expenses	-5 mn yen
■ Non-operating expenses	
Increase in interest expenses	+6 mn yen

Shangri-La Hotel, Tokyo

3rd FP (Operating period: Mar. 1, 2017 to Aug. 31, 2017)

Base month for rent	2016		2017				3rd FP total
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Rent recording month	2017						
	Mar.	Apr.	May	Jun.	Jul.	Aug.	
Rent (million yen)	153	176	136	121	177	184	949

Courtyard by Marriott Tokyo Station

3rd FP (Operating period: Mar. 1, 2017 to Aug. 31, 2017)

Base month for rent	2016	2017					3rd FP avg.
	Dec.	Jan.	Feb.	Mar.	Apr.	May	
Occupancy rate (%)	91.8%	81.9%	96.4%	98.0%	99.4%	93.8%	93.5%
ADR (yen)	23,301	23,352	23,856	24,374	25,489	23,185	23,922
RevPAR (yen)	21,381	19,129	22,993	23,897	25,324	21,742	22,388
Rent recording month	2017						3rd FP total
	Mar.	Apr.	May	Jun.	Jul.	Aug.	
Rent (million yen)	51	41	47	68	65	53	328

Courtyard by Marriott Shin-Osaka Station

3rd FP (Operating period: Mar. 1, 2017 to Aug. 31, 2017)

Base month for rent	2016	2017					3rd FP avg.
	Dec.	Jan.	Feb.	Mar.	Apr.	May	
Occupancy rate (%)	92.0%	80.1%	87.8%	84.4%	98.2%	91.0%	88.9%
ADR (yen)	18,920	17,563	17,230	19,302	20,649	18,032	18,633
RevPAR (yen)	17,412	14,068	15,127	16,298	20,282	16,413	16,618
Rent recording month	2017						3rd FP total
	Mar.	Apr.	May	Jun.	Jul.	Aug.	
Rent (million yen)	66	45	44	73	83	58	372

5th FP (Operating period: Mar. 1, 2018 to Aug. 31, 2018)

2017		2018				5th FP total
Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
2018						
Mar.	Apr.	May	Jun.	Jul.	Aug.	
173	194	131	146	178	193	1,018

5th FP (Operating period: Mar. 1, 2018 to Aug. 31, 2018)

2017	2018					5th FP avg.
Dec.	Jan.	Feb.	Mar.	Apr.	May	
94.6%	87.9%	95.4%	95.5%	95.0%	92.2%	93.4%
24,215	24,555	26,530	27,151	27,911	25,351	25,935
22,918	21,577	25,304	25,919	26,521	23,368	24,243
2018						5th FP total
Mar.	Apr.	May	Jun.	Jul.	Aug.	
58	58	54	69	67	60	367

5th FP (Operating period: Mar. 1, 2018 to Aug. 31, 2018)

2017	2018					5th FP avg.
Dec.	Jan.	Feb.	Mar.	Apr.	May	
90.1%	75.4%	93.4%	87.2%	98.2%	92.2%	89.4%
20,145	17,519	19,468	19,885	21,264	18,515	19,466
18,159	13,208	18,185	17,337	20,876	17,077	17,466
2018						5th FP total
Mar.	Apr.	May	Jun.	Jul.	Aug.	
72	32	55	67	80	63	371

(Note1) Base month for rent represents the month used as the base for calculating rent. Indicators for respective hotels (Occupancy rate, ADR and RevPAR) show the relevant values of respective hotels for each base month for rent. The indicators of Shangri-La Hotel, Tokyo are not disclosed, however, as no consent to disclosure has been obtained from the end tenant. The base month is the month four months prior to the rent recording month for Shangri-La Hotel, Tokyo, and the month three months prior to the rent recording month for Courtyard by Marriott Tokyo Station and Courtyard by Marriott Shin-Osaka Station, respectively.

(Note2) Rent recording month represents the month for which MORI TRUST Hotel REIT records rent revenues. Rent indicates the rent for each rent recording month. Rent shows the actual value for each property, rounded down to the nearest million yen.

(Note3) ADR (average daily rate) represents the average unit price of guestrooms, including service charges. RevPAR (revenue per available room) represents the accommodation revenue per room for the total number of guestrooms available for sale, including service charges.

Shangri-La Hotel, Tokyo

4th FP (Operating period: Sep. 1, 2017 to Feb. 28, 2018)

Base month for rent	2017						4th FP total
	May	Jun.	Jul.	Aug.	Sep.	Oct.	
Rent recording month	2017			2018			
	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	
Rent (million yen)	160	135	152	133	140	170	893

Courtyard by Marriott Tokyo Station

4th FP (Operating period: Sep. 1, 2017 to Feb. 28, 2018)

Base month for rent	2017						4th FP avg.
	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	
Occupancy rate (%)	97.5%	96.2%	94.1%	94.5%	96.5%	98.2%	96.2%
ADR (yen)	24,045	22,529	21,118	23,490	27,051	25,942	24,021
RevPAR (yen)	23,441	21,662	19,874	22,206	26,103	25,469	23,116
Rent recording month	2017			2018			4th FP total
	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	
Rent (million yen)	57	53	49	55	73	66	355

Courtyard by Marriott Shin-Osaka Station

4th FP (Operating period: Sep. 1, 2017 to Feb. 28, 2018)

Base month for rent	2017						4th FP avg.
	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	
Occupancy rate (%)	90.3%	97.0%	94.9%	87.6%	96.7%	97.4%	94.0%
ADR (yen)	16,896	18,252	18,486	17,985	18,983	19,456	18,346
RevPAR (yen)	15,260	17,702	17,540	15,753	18,349	18,956	17,269
Rent recording month	2017			2018			4th FP total
	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	
Rent (million yen)	53	68	69	61	77	75	406

5th FP (Operating period: Mar. 1, 2018 to Aug. 31, 2018)

2017		2018				5th FP total
Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
2018						
Mar.	Apr.	May	Jun.	Jul.	Aug.	
173	194	131	146	178	193	1,018

5th FP (Operating period: Mar. 1, 2018 to Aug. 31, 2018)

2017	2018					5th FP avg.
Dec.	Jan.	Feb.	Mar.	Apr.	May	
94.6%	87.9%	95.4%	95.5%	95.0%	92.2%	93.4%
24,215	24,555	26,530	27,151	27,911	25,351	25,935
22,918	21,577	25,304	25,919	26,521	23,368	24,243
2018					5th FP total	
Mar.	Apr.	May	Jun.	Jul.	Aug.	
58	58	54	69	67	60	367

5th FP (Operating period: Mar. 1, 2018 to Aug. 31, 2018)

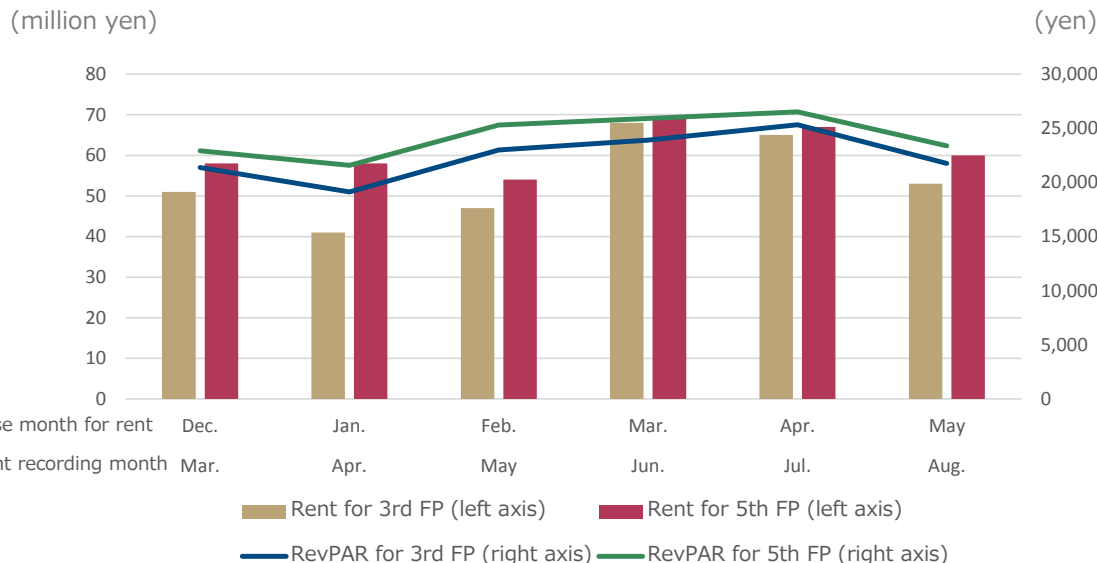
2017	2018					5th FP avg.
Dec.	Jan.	Feb.	Mar.	Apr.	May	
90.1%	75.4%	93.4%	87.2%	98.2%	92.2%	89.4%
20,145	17,519	19,468	19,885	21,264	18,515	19,466
18,159	13,208	18,185	17,337	20,876	17,077	17,466
2018					5th FP total	
Mar.	Apr.	May	Jun.	Jul.	Aug.	
72	32	55	67	80	63	371

(Note1) Base month for rent represents the month used as the base for calculating rent. Indicators for respective hotels (Occupancy rate, ADR and RevPAR) show the relevant values of respective hotels for each base month for rent. The indicators of Shangri-La Hotel, Tokyo are not disclosed, however, as no consent to disclosure has been obtained from the end tenant. The base month is the month four months prior to the rent recording month for Shangri-La Hotel, Tokyo, and the month three months prior to the rent recording month for Courtyard by Marriott Tokyo Station and Courtyard by Marriott Shin-Osaka Station, respectively.

(Note2) Rent recording month represents the month for which MORI TRUST Hotel REIT records rent revenues. Rent indicates the rent for each rent recording month. Rent shows the actual value for each property, rounded down to the nearest million yen.

(Note3) ADR (average daily rate) represents the average unit price of guestrooms, including service charges. RevPAR (revenue per available room) represents the accommodation revenue per room for the total number of guestrooms available for sale, including service charges.

Change in Major Indicators for 5th FP (Year-on-Year Comparison)



	5th FP avg.	YoY change
Occupancy rate	93.4 %	- 0.1 pt
ADR	25,935 yen	+2,013 yen
RevPAR	24,243 yen	+1,855 yen

Rent	5th FP total	YoY change
5th FP (actual)	367 mn yen	+39 mn yen
5th FP (forecast)	355 mn yen	
Change	+12 mn yen	

5th FP (actual)

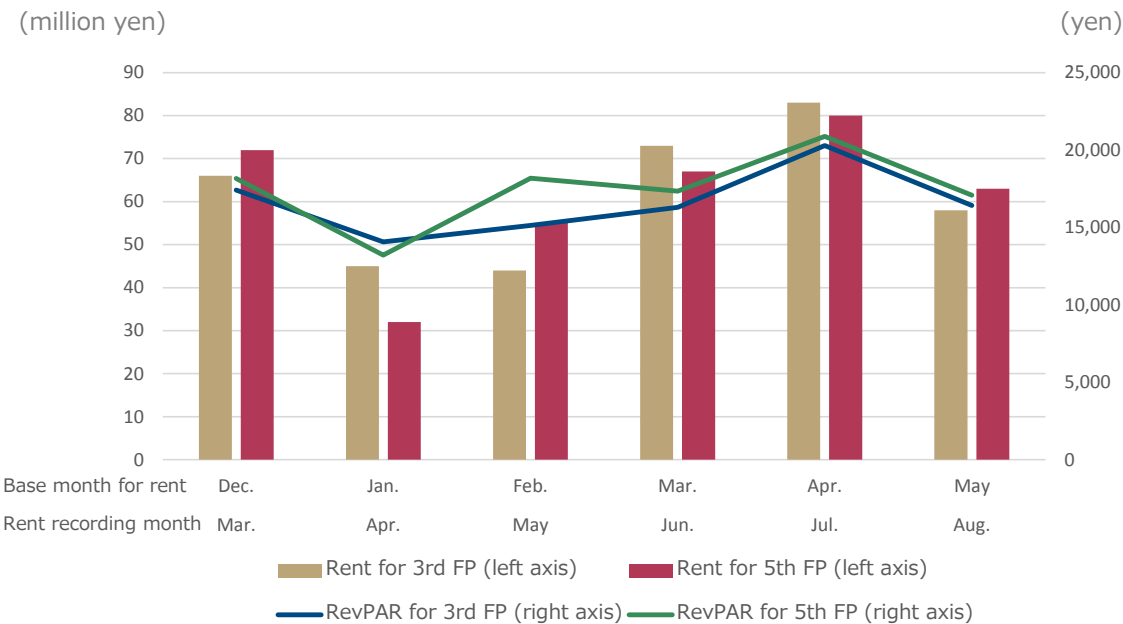
- The accommodation department kept both occupancy rate and ADR at a high level.
 Occ. : **93.4%** (5th FP average; -0.1pt YoY)
 ADR : **25,935 yen** (5th FP average; +8.4% YoY)
- Capturing Marriott members continued to perform well, with the reservation through OTA decreasing and the ratio of direct reservations further increasing.
- Among other departments, both conference rooms and restaurants remained almost unchanged.



Initiatives for the 6th FP and Thereafter

- Implement efficient revenue management by taking advantage of the current high occupancy to further increase ADR.
- With the merger of Marriott and Starwood in 2016, their membership organizations were integrated under one program (from August 2018).
 Anticipate further increase in the membership through the launch of the new loyalty program with over 110 million members.

Change in Major Indicators for 5th FP (Year-on-Year Comparison)



	5th FP avg.	YoY change
Occupancy rate	89.4 %	+0.5 pt
ADR	19,466 yen	+833 yen
RevPAR	17,466 yen	+848 yen

Rent	5th FP total	YoY change
5th FP (actual)	371 mn yen	-1 mn yen
5th FP (forecast)	360 mn yen	
Change	+10 mn yen	

5th FP (actual)

- Although the performance was rather weak at beginning of the year due to the timing of the Chinese New Year, it recovered in February and after. The rent remained almost at the same level as the year-earlier period.
- ADR increased significantly year-on-year.
 Occ. : **89.4%** (5th FP average; **+0.5 pt** YoY)
 ADR : **19,466 yen** (5th FP average; **+4.5 %** YoY)
- Attracted guests efficiently by steadily increasing reservations via the sales tools of Marriott hotels (Marriott.com).



Initiatives for the 6th FP and Thereafter

- Attract guests by utilizing various sales channels to respond to the demand that is recovering from the impact of natural disasters including the typhoon.
- Continue to attract Marriott members, of which the number has increased significantly due to the merger, in order to further improve ADR and occupancy rate.
- Further boost the demand for using the hotel as a sightseeing base by making known the convenience of its location in Shin-Osaka.

Appraisal Value of Properties (End of 5th FP)

Property name	Appraisal agency	Appraisal value at end of 5th FP (million yen)	Period-on-period change (million yen)	Appraisal value by capitalization method				Book value at end of 5th FP (million yen)	Unrealized gain or loss (million yen)	Reference	
				Direct capitalization method		Discounted cash flow (DCF) method				Acquisition price (million yen)	Appraisal value at end of 4th FP (million yen)
				Capitalization rate (%)	Period-on-period change	Discount rate (%)	Terminal capitalization rate (%)				
Shangri-La Hotel, Tokyo	Japan Real Estate Institute	47,400	-	3.4%	-	3.1%	3.6%	41,783	5,616	42,000	47,400
Courtyard by Marriott Tokyo Station	Japan Real Estate Institute	15,900	+100	3.9%	-	3.6%	4.1%	13,686	2,213	13,800	15,800
Courtyard by Marriott Shin-Osaka Station	Japan Real Estate Institute	21,200	-	4.4%	-	4.1%	4.6%	17,465	3,734	17,600	21,200
Hotel Sunroute Plaza Shinjuku	Japan Real Estate Institute	30,400	- 100	3.8%	-	3.6%	4.0%	28,258	2,141	28,600	30,500
Total	-	114,900	-	-	-	-	-	101,194	13,705	102,000	114,900

NAV per unit (Note1)

130,667 yen

P / NAV (Note2)

1.12

(Note1) NAV per unit = (Net assets at end of period + Unrealized gain) / Investment units issued and outstanding

(Note2) P/NAV = Investment unit price (closing price on August 31, 2018) / NAV per unit

Forecast distribution per unit : 2,988 yen

【Reference】 (million yen)

Item	6th FP ended Feb. 2019 (forecast)	4th FP ended Feb. 2018 (actual)	Difference	5th FP ended Aug. 2018 (actual)	Difference
Operating revenues	2,285	2,306	- 21	2,409	- 124
Real estate rental revenues ①	2,285	2,306	- 21	2,409	- 124
Shangri-La	908	893	15	1,018	- 109
CY Tokyo	378	355	23	367	11
CY Shin-Osaka	346	406	- 59	371	- 25
Sunroute	652	652	-	652	-
Operating expenses	685	681	4	684	0
Real estate rental expenses ②	554	543	11	555	- 0
(Depreciation) ③	312	312	0	312	0
Other operating expenses	130	137	- 6	129	1
Real estate rental income ④=①-②	1,730	1,763	- 32	1,854	- 123
NOI ④+③	2,043	2,075	- 31	2,167	- 123
Operating income	1,600	1,625	- 25	1,725	- 124
Ordinary income	1,495	1,534	- 39	1,628	- 133
Net income	1,494	1,533	- 39	1,627	- 133
Total cash distributions	1,494	1,533	- 39	1,627	- 133
Investment units outstanding (units)	500,000	500,000	-	500,000	-
Distribution per unit (yen)	2,988	3,067	- 79	3,255	- 267

Major factors of difference

(From 4th FP actual: YoY comparison)

■ Operating revenues	
Real estate rental revenues	-21 mn yen
Shangri-La	+15 mn yen
CY Tokyo	+23 mn yen
CY Shin-Osaka	-59 mn yen
Sunroute	No difference as rents are fixed
■ Operating expenses	
Real estate rental expenses	+11 mn yen
Increase in taxes and public dues	+12 mn yen
Decrease in repairs and maintenance expenses	-1 mn yen
Other operating expenses	-6 mn yen
■ Non-operating expenses	
Increase in interest expenses	+13 mn yen

Basic Policy for Debt Financing

Make it a basic policy to implement stable and sound financial operations, with an aim to build a robust financial standing.

- Achieve an optimal mix of short-term and long-term loans
 - Diversify repayment dates
 - Diversify lender formation
-
- Mitigate refinance risks
 - Reduce funding costs

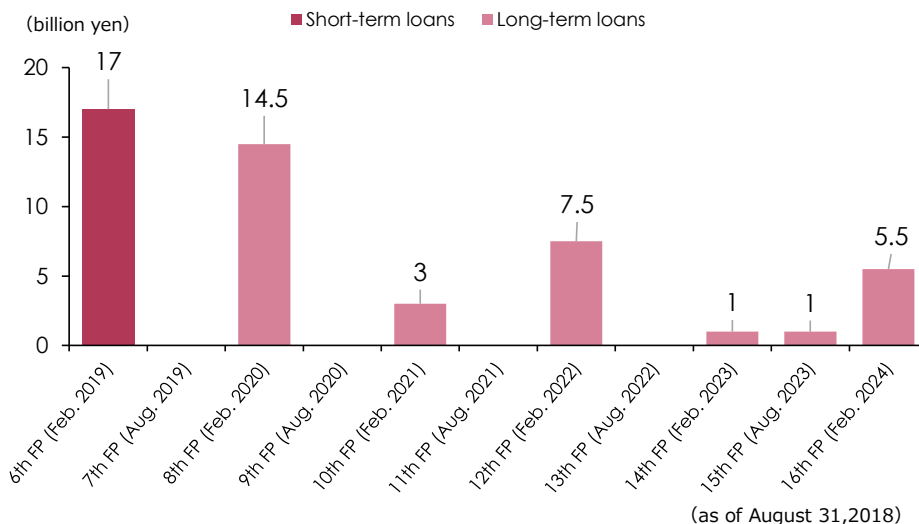
LTV Set 60% as upper limit, while targeting 50% as upper limit in normal operations.

Interest-Bearing Debt Status

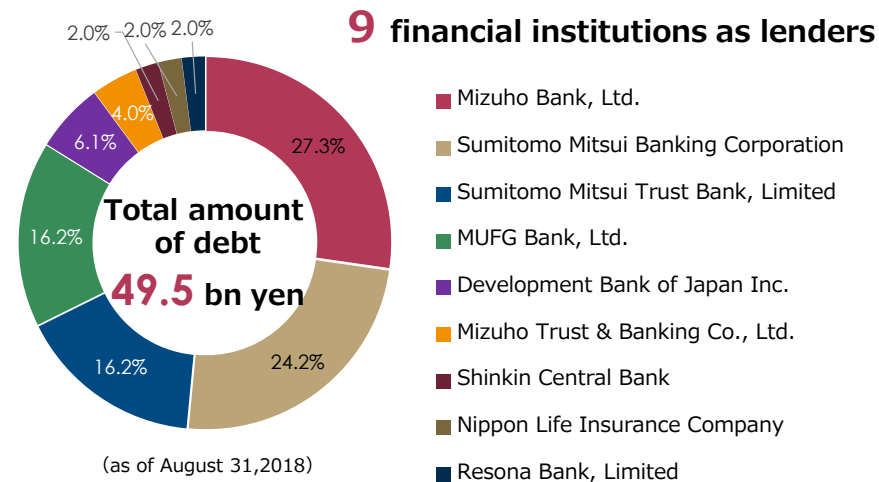
Item	End of 4th FP (Feb. 28, 2018)	End of 5th FP (Aug. 31, 2018)	Period-on- period change
Total interest-bearing debt at end of period (million yen)	49,500	49,500	-
Short-term loans	17,000	17,000	-
Long-term loans	32,500	32,500	-
Investment corporation bonds	-	-	-
LTV (ratio of interest bearing debt to total assets)	46.6 %	46.5 %	- 0.1 pt
Fixed-rate debt ratio	65.7 %	65.7 %	-
Average interest rate	0.39 %	0.39 %	+0.0 pt
Average remaining maturity of debt	2.3 years	1.8 years	- 0.5 years

(as of August 31,2018)

Diversification of Repayment Dates



Diversification of Lenders



Growth strategy that makes the best use of support by Mori Trust Group, both in terms of development and operation aspects

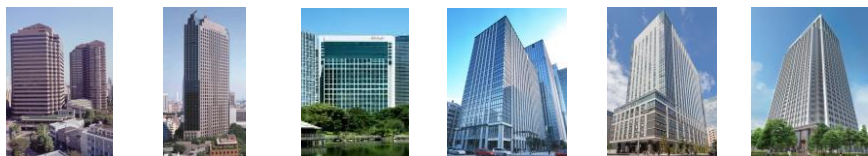
Development

Development capabilities



Years of achievements by Mori Trust Group in large-scale, multi-use development projects and hotel development and operations

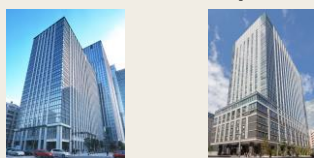
Gotenyama Trust Tower 1990	Shiroyama Trust Tower 1991	Tokyo Shiodome Building 2005	Marunouchi Trust City 2008	Kyobashi Trust Tower 2014	Tokyo World Gate (underway) Scheduled for 2020
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Focus on Asset Quality

- Selection and concentration
 - : track record of development in selected locations
- Quality-focused creation of facilities
 - : cutting-edge functionalities
- Creation of highly advanced, sustainable communities
 - : disaster prevention and environmental performances

Invite hotels as “urban facilities” in multi-use development



Marunouchi Trust City
Shangri-La Hotel Tokyo

Kyobashi Trust Tower
Courtyard by Marriott Tokyo Station

The Number of Rental / managed facilities	Total floor area of Rental / managed Facilities	Rental Buildings
194 facilities	1.58mn ㎡	177 facilities 1.34 mn ㎡

(as of June 30, 2018)

Agreement for information provision on real estate properties

- Provide information on real estate transfer by Mori Trust Group
- Provide information on investment opportunities offered by third parties

Operation

Outstanding capabilities to operate and manage hotels



Conduct business through a variety of methods including business management, operations, investment, invitation and consulting

Mampe Hotel Capital and management participation in 1997	Shangri-La Hotel Tokyo Invited in 2009	Tokyo Marriott Hotel Opened in 2013	Suiran, a Luxury Collection Hotel, Kyoto Opened in 2015
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Alliance with the industry’s front runners

Alliance with a variety of international brand hotels

- Alliance with multiple hotel brands including Marriott International and Shangri-La Hotels & Resorts, the world’s largest hotel chains
- Worked with many international brand hotels that had otherwise no presence in Japan

Hotel chain	Marriott International	Shangri-La Hotels & Resorts	HILTON WORLDWIDE
Hotel brands developed by Mori Trust Group (examples)	 Courtyard by Marriott Tokyo Station	 The Westin Sendai	 Suiran, a Luxury Collection Hotel, Kyoto
		 Shangri-La Hotel Tokyo (lease)	 CONRAD TOKYO

Agreement on sponsor support

- Provide information on the hotel market
- Provide information on acquisition, operation and administration of hotels, etc.



Aim to achieve growth strategy built on external growth

(Note)Except for the assets owned as of August 31, 2018, there is no fact that MORI TRUST Hotel REIT has decided to acquire the properties listed above, or there is no guarantee that it can acquire them in the future.

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



Alliance with a variety of international brand hotels



Correspondence to global standards by rebranding hotels (Opened in Jul. 28, 2017)

Of the Laforet Hotels & Resorts hotels, 5 hotels in Karuizawa, Yamanakako, Shuzenji, Biwako and Nanki-Shirahama have been rebranded to Marriott hotels.



Resort Areas

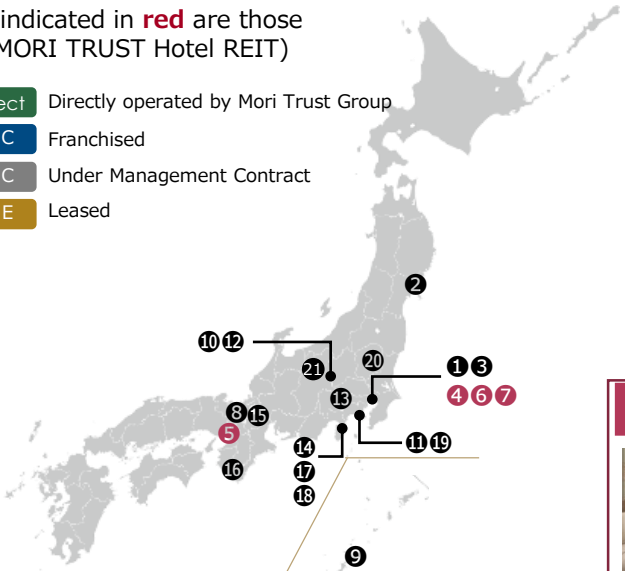
8	Suiran, a Luxury Collection Hotel, Kyoto	39 rooms	F C
9	Sheraton Okinawa Sunmarina Resort	246 rooms	F C
10	MAMPEI HOTEL	109 rooms	Direct
11	Gora-Kansuiro	14 rooms	Direct
12	Karuizawa Marriott Hotel	142 rooms	F C
13	Fuji Marriott Hotel Lake Yamanaka	105 rooms	F C
14	Izu Marriott Hotel Shuzenji	128 rooms	F C
15	Lake Biwa Marriott Hotel	274 rooms	F C
16	Nanki-shirahama Marriott Hotel	182 rooms	F C
17	Hotel Laforet Shuzenji	212 rooms	Direct
18	Laforet Club Ito Onsen Yunoniwa	84 rooms	Direct
19	Laforet Club Hakone Gora Yunosumika	44 rooms	Direct
20	Resort Hotel Laforet Nasu	118 rooms	Direct
21	Laforet Club Hotel Hakuba Happo	45 rooms	Direct

Major Metropolitan Areas

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

1	CONRAD TOKYO	290 rooms	M C
2	The Westin Sendai	292 rooms	F C
3	Tokyo Marriott Hotel	249 rooms	F C
4	Courtyard by Marriott Tokyo Station	150 rooms	F C
5	Courtyard by Marriott Shin-Osaka Station	332 rooms	F C
6	Shangri-La Hotel Tokyo	200 rooms	L E
7	Hotel Sunroute Plaza Shinjuku	624 rooms	L E

- Direct** Directly operated by Mori Trust Group
- F C** Franchised
- M C** Under Management Contract
- L E** Leased



Announcement of the latest rebranding (Dated Sep. 27, 2018)



Laforet Club Hotel Hakuba Happo is rebranded as Courtyard by Marriott Happo and is scheduled to open in winter 2018 after increasing the number of guestrooms to 72.

(Source) Prepared by the Asset Management Company based on the information of Mori Trust Group available as of August 31, 2018

(Note) Except for the assets owned as of August 31, 2018, there is no fact that MORI TRUST Hotel REIT has decided to acquire the properties listed above, or there is no guarantee that it can acquire them in the future.

Development Capabilities



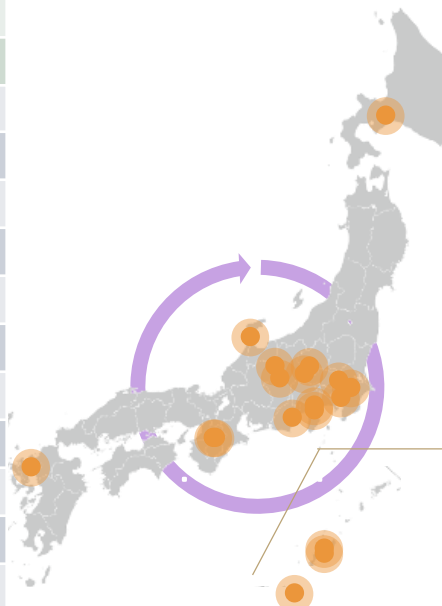
Operation & Management Capabilities



Strategic Investment

18 New Developments

Tokyo Edition Toranomon
Tokyo Edition Ginza
Akasaka 2-chome
Sapporo Odori Park
Karuizawa Shiozawa
Karuizawa Shinonome
Kanazawa Hirooka
Hida Takayama
Hakuba Sakka
Hakone Nakagora
Hakone Gora
Atami Kinomiya
Nara Noborioji
JW Marriott Hotel Nara
Nagasaki Minamiyamate
IRAPH SUI, a Luxury Collection Hotel, Miyako Okinawa
Okinawa Sesoko
Okinawa Fucyaku



Luxury Destination Network

Major Metropolitan Areas



Hotel project in Tokyo World Gate
Tokyo Edition Toranomon
Scheduled to open in the spring through summer of 2020

JW Marriott Hotel Nara

Scheduled to open in the spring of 2020

EDITION



Tokyo Edition Ginza
Scheduled to open in the spring through summer of 2020

IRAPH SUI, a Luxury Collection Hotel, Miyako Okinawa

Scheduled to open on Nov. 21th, 2018



Akasaka 2-chome
Scheduled to complete in fiscal 2024

Hilton Okinawa Sesoko Resort (tentative name)

Scheduled to open in 2020

The Hilton Grand Vacations Club on Sesokojima Island

Scheduled to open in 2021

Resort Areas



JW MARRIOTT

Resort Areas in Okinawa



IRAPH SUI MIYAKO OKINAWA



Hilton HILTON GRAND VACATIONS



(Source) Prepared by the Asset Management Company based on the information of Mori Trust Group available as of August 31, 2018

(Note) Except for the assets owned as of August 31, 2018, there is no fact that MORI TRUST Hotel REIT has decided to acquire the properties listed above, or there is no guarantee that it can acquire them in the future.

Market Conditions

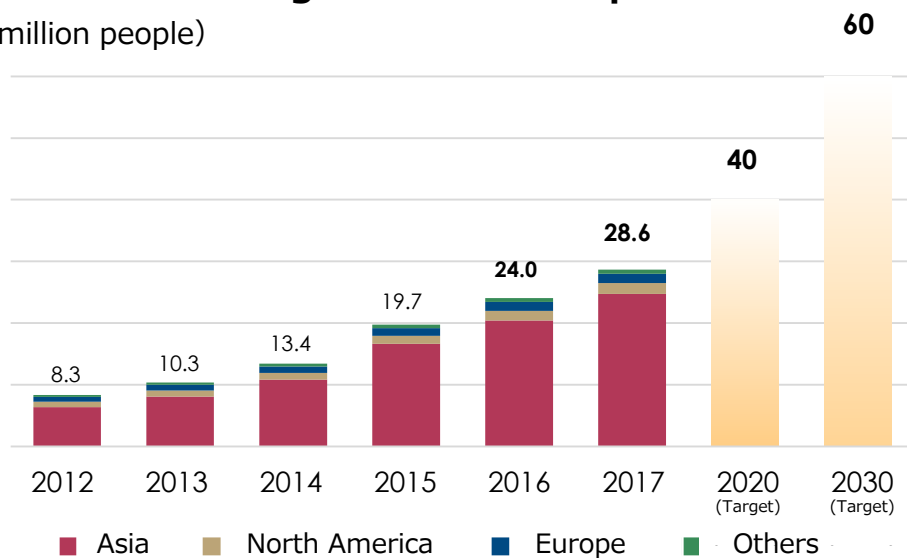
Number of Foreign Visitors to Japan

- Amid domestic travel remaining stagnant, the number of foreigners visiting Japan surpassed the government's target in 2016, significantly ahead of planned schedule.
- The number of foreigners visiting Japan in 2017 totaled 28.69 mn (year-on-year increase of 19.3%); and that in January to August 2018 stood at 21.3 mn (increase of 12.6%), growing to break the 20 mn mark at the fastest pace.

(Source) Materials publicized by Japan National Tourism Organization

Number of Foreign Visitors to Japan

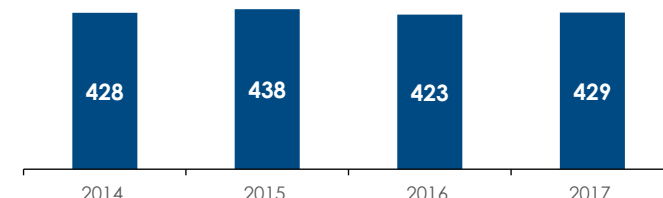
(million people)



(Source) Prepared by the Asset Management Company based on the collection of measures in the "Tourism Vision to Support the Future of Japan" publicized by the government and materials publicized by Japan National Tourism Organization.

Number of Japanese Users Lodging in Domestic Accommodation Facilities

(million people staying overnight)



(Source) Prepared by the Asset Management Company based on the materials publicized by the Japan Tourism Agency.

Average Overnight Stays of Foreigners Visiting Japan (for Sightseeing and Leisure) in 2017 by Country

All countries	China	South Korea	Taiwan	Hong Kong
5.8	6.1	3.2	5.1	5.6
U.S.	U.K.	Germany	Russia	Australia
10.0	12.7	14.1	10.3	12.8

(Source) Prepared by the Asset Management Company based on the Consumption Trend Survey for Foreigners Visiting Japan by the Japan Tourism Agency

[Measures by the Government]

- Toward the goal of establishing Japan as **an advanced country in tourism**, implement a variety of measures to strongly support the tourism industry so that it will become a key industry.
- Japan Tourism Agency is **promoting development of new markets** including **Europe, the U.S. and Australia** to develop new demand and reinforcing attraction of **high net worth individuals** and **guests staying for longer periods** in order to expand tourist consumption.
- **Revised the Inbound Tourism Promotion Act** (Note 1) to oblige public transport operators, etc. to make efforts on provision of Wi-Fi service, installment of western-style toilets, etc. in addition to provision of information in multiple languages, in order to **promote visits to and stays in regional areas**.

(Note 1) Official name: Act on Promotion of Inbound Tourism through Enhancing Travel Convenience for Foreign Tourists (provisional translation)

~Enjoy my Japan~

Global campaign for travelers from Europe, the U.S. and Australia, announced on February 6, 2018.

- Strengthen communication of **diverse charms of Japan** to the outsiders in order to promote inbound tourism.
- Websites and apps developed from **the viewpoints of foreigners** with **the largest budget ever** for a tourism campaign by the Japanese government.
- Promoting communication to Europe, the U.S., Australia and other target countries around the world **through SNS and local TV networks** based on a strategy for each country.



Promotion of invitation of MICE

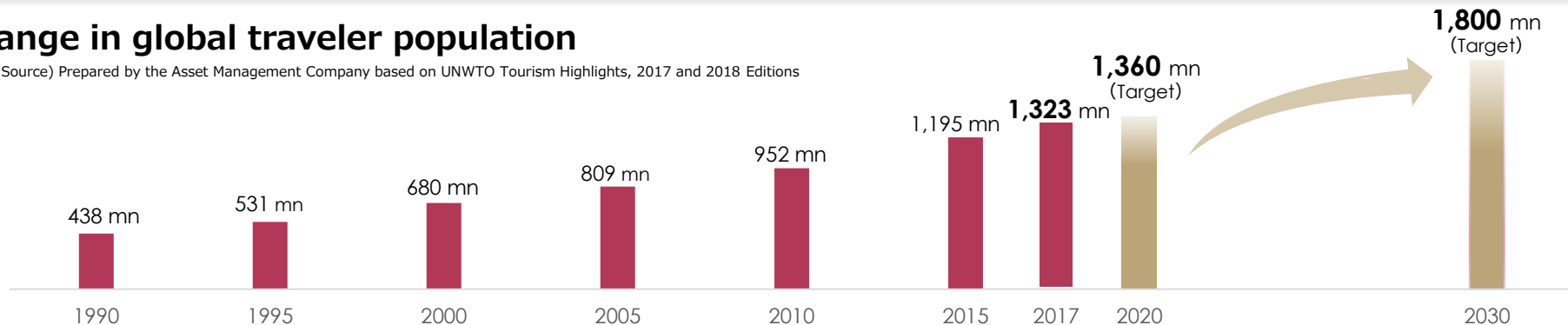
- With an aim to **invite more MICEs**, formulated “Recommendation by Committee to Strengthen MICE International Competition”^(Note1) and “MICE Support Action Plan by Related Ministries and Agencies 2018”^(Note1) in July 2018.
- Set the overall target for spending by MICE-related foreign visitors to Japan in 2030 at **800 billion yen** (approximately 150 billion yen for 2016).
- Promotion of proactive use of **unique venues** under cooperation of related ministries and agencies, strengthening of **overseas publicity** and strengthening of **use of MICE** under measures by related ministries and agencies.



- Global traveler population continues to grow, reaching 1.32 billion in 2017 and expecting to reach 1.8 billion in 2030.
- Travel expenditures from Japan's neighbors, the Asia Pacific region and Russia, have shown high growth.

Change in global traveler population

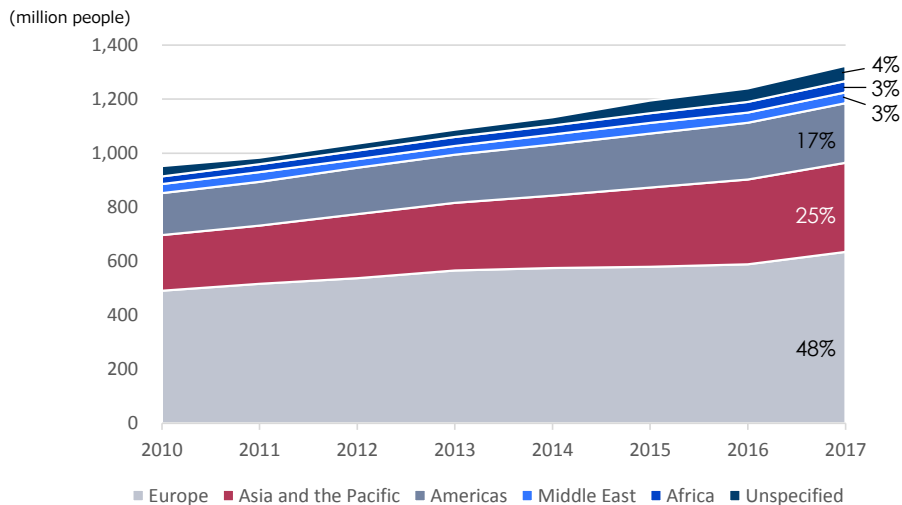
(Source) Prepared by the Asset Management Company based on UNWTO Tourism Highlights, 2017 and 2018 Editions



Growth in travelers from the Asia

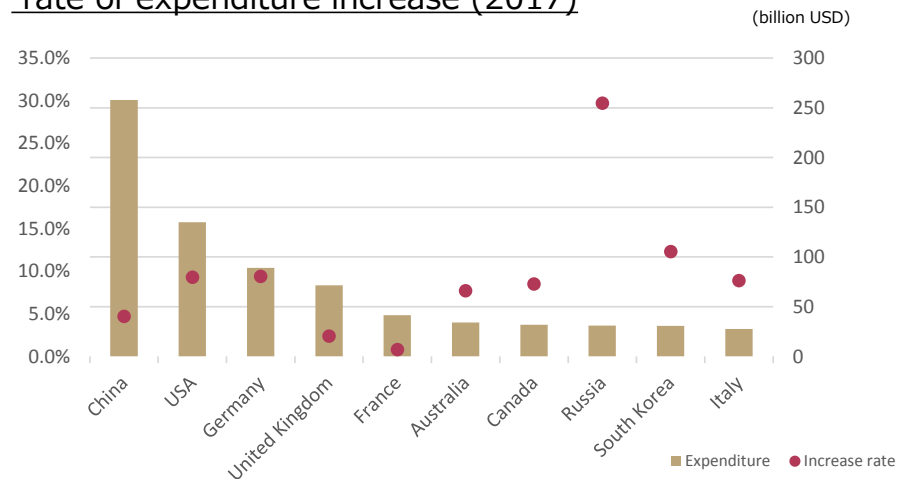
(Source) Prepared by the Asset Management Company based on UNWTO Tourism Highlights, 2012 - 2018 Edition

Change in travelers' region of origin



Travelers from the Asia Pacific region accounts for only a quarter of all travelers.

Top spenders in international tourism and rate of expenditure increase (2017)



Count also on wealthy travelers from Asian countries and Russia in the future.

Profile of MORI TRUST Hotel REIT

Build on the Growth Potential of Japan's Tourism Industry

Capture a variety of needs associated with increasing inbound tourism

Attract tourists from Europe and the U.S.

Advantage of high-quality hotels focused on international brand hotels

Globally extended customer base

- Get customers from not only Asia but wider areas including North America and Europe
- Operate hotels stably bolstered by the abundant customer base ranging over wide areas

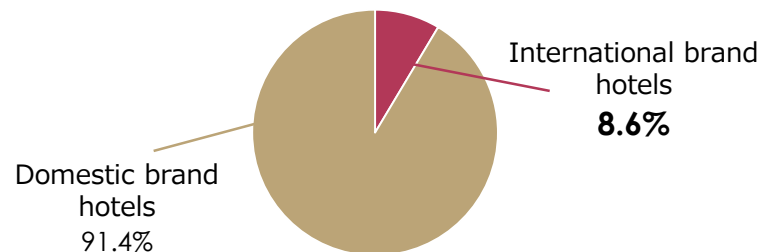
Advantages of member organization and use of reservation system

- Attract member customers around the world having strong trust in brands
- Accept direct reservation by member customers through the reservation systems unique to the brands

Provision of world-class services and operational expertise

- Respond to inbound customers who want services matching global standards
- Improve the proprietary operating expertise through franchised hotel operations

International brand hotels account for less than 10% of hotels in Japan



(Note) Prepared by the Asset Management Company based on "List of Hotel Chain Groups in Japan 2018" by Weekly Hotels and Restaurants. The compilation covers the hotels indicated in the source, not the entire hotels in Japan.

Implementing the hotel business by the sponsors



MORI TRUST



MORI TRUST HOTELS & RESORTS

Expertise of Mori Trust Group

Development capabilities

×

Hotel operation and Management capabilities

Cooperation

Stimulating the market by providing opportunities for investment



MORI TRUST HOTEL REIT

Focused investments in "high-quality and attractive hotel assets"

A new "REIT specialized in hotels"

Quality of Mori Trust Group Providing Support with its Development and Operation Capabilities



Capabilities to develop hotels with potential high asset quality

- Locations vigorously selected under the “selection and concentration” policy
- Grade of buildings demonstrating high quality
- Facility specifications featuring disaster prevention and environmental performances

Trust Quality

Expertise of Mori Trust Group

Development Capabilities
×
Operation and Management Capabilities



Excellent hotel operation and management capabilities

- Alliance with industry front runners
- Scenario creation for enhancing profitability
- Support system through efficient organizational functions

Trust Value

Focused Investment in Hotel Assets that Share the “Trust Value” Created by “Trust Quality”



Asset quality

Stability

Growth potential

Hotel assets that demonstrate **Asset Quality × Stability × Growth Potential**

- Situated in prime locations in central Tokyo or world-famous tourist destination areas
- Quality that is assessed “excellent” by customers around the world
- Customer base not only in Japan but extending throughout the world
- High-level hospitality offered by hotel operators having abundant experiences and achievements
- Proportion of “fixed rent and variable rent” giving considerations to the balance of stability and growth potential
- Enjoying the growth potential backed by the Japanese government’s policies and demand from inbound tourists

Aim to Develop a Portfolio that Demonstrates **“Asset Quality × Stability × Growth Potential”**

Area

Pay attention to **“asset quality”**, which is the essential worthiness of real estate

Major cities around Japan

23 wards of Tokyo and government ordinance-designated cities

Famous tourist destinations

Areas expected to attract many tourists

Focus on “locations and areas”

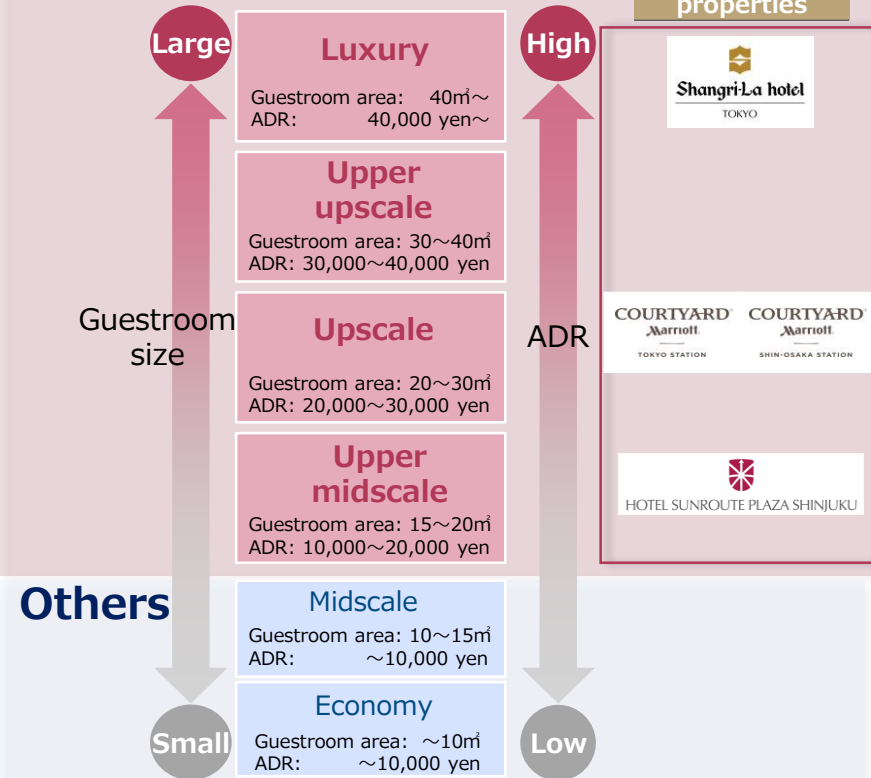
Assets located in areas capable of attracting guests, regardless of being in city centers or regional areas

- Ability to attract guests in a stable manner
- High competitiveness due to superiority of locations
- Mitigates the impact of changes in economic environment
- Advantageous for inviting international brand hotels

Grade

Focus investments in hotels of the **top four grades**

Focused investment targets



List of Portfolio Properties

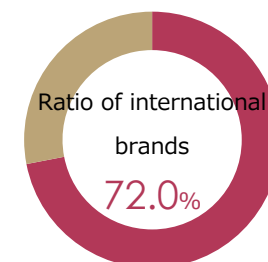
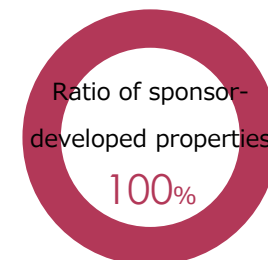
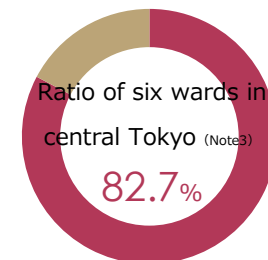
Portfolio Highlights
(as of August 31, 2018)

No. of properties :
4 properties

Total acquisition price :
¥102.0 billion

Total No. of guestrooms :
1,306 rooms

Property name	Shangri-La Hotel Tokyo	Courtyard by Marriott Tokyo Station	Courtyard by Marriott Shin-Osaka Station	Hotel Sunroute Plaza Shinjuku
Property photo				
Location	Chiyoda Ward, Tokyo 1-minute walk from Tokyo Sta.	Chuo Ward, Tokyo 4-minute walk from Tokyo Sta.	Yodogawa Ward, Osaka 1-minute walk from Shin-Osaka Sta.	Shibuya Ward, Tokyo 3-minute walk from Shinjuku Sta.
Complete	November, 2008	February, 2014	March, 1997 (renovated in Nov., 2015)	August, 2007
Acquisition date	September 1, 2016	September 16, 2016	September 16, 2016	July 28, 2016
Acquisition price (million yen)	42,000	13,800	17,600	28,600
Developer	Mori Trust	Mori Trust	Mori Trust	Mori Trust
Hotel grade	Luxury	Upscale	Upscale	Upper midscale
No. of guestrooms	200	150	332 (Note1)	624
Hotel operation format	Leased	FC (Note2)	FC (Note2)	Leased
Hotel operator	Shangri-La Hotels Japan	Mori Trust Hotels & Resorts	Mori Trust Hotels & Resorts	Sotetsu Hotel Management



※The respective ratios have been calculated on the basis of acquisition price.

(Note1) The figure indicates the total number of guest rooms of the entire building, including the rooms under co-ownership by other owners. The equity held by MORI TRUST Hotel REIT in the trust beneficiary interest is 74/100.

(Note2) FC means franchised and indicates the format in which Mori Trust Group operates the hotels by itself, with brand use rights granted by respective brands.

(Note3) Represents Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa Wards

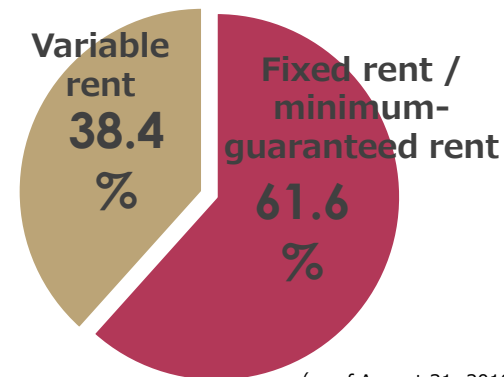
Variable rent ^(Note1) : Possible to enjoy upside growth potential

Minimum-guaranteed rent ^(Note2) / **Fixed rent** ^(Note3) : Secures stability



Pursue an Optimal Mix of Stability and Growth Potential

Ratio by Rent Type of the Portfolio ^(Note4)



(as of August 31, 2018)

Property name	Rent type	Calculation base for variable rent	Fixed rent (minimum-guaranteed rent)
Shangri-La Hotel Tokyo	Variable With minimum annual guaranteed rent	Sales	Minimum annual guaranteed rent ^(Note5) 882,700,000 yen
Coutyard by Marriott Tokyo Station	Variable With minimum annual guaranteed rent	Profit	Minimum annual guaranteed rent ^(Note6) 310,000,000 yen
Coutyard by Marriott Shin-Osaka Station	Variable With minimum annual guaranteed rent	Profit	Minimum annual guaranteed rent ^(Note6) 460,000,000 yen
Hotel Sunroute Plaza Shinjuku	Fixed	-	Fixed annual rent 1,304,673,360 yen

(Note1) Variable rent refers to the rent determined by such management indices as sales and profits from hotel operations.

(Note2) Minimum-guaranteed rent represents the rent format in which, when the total rent for a certain period falls short of a certain amount (minimum-guaranteed rent), the difference between the amount of minimum-guaranteed rent and the total rent shall be paid later.

(Note3) Fixed rent refers to the rent that shall be paid at a fixed amount each time for a certain period.

(Note4) Variable rent is calculated based on the amount that is obtained by subtracting the minimum annual guaranteed rent (pro rata value in accordance with the operating days of the 5th FP) of the three properties (Shangri-La Hotel, Tokyo, Coutyard by Marriott Tokyo Station and Coutyard by Marriott Shin-Osaka Station) from the total rent of these properties received in the 5th FP.

(Note5) If the total rent for the period from April each year to March next year falls short of the minimum annual guaranteed rent, the difference shall be paid by the end of February next year, together with the rent for March next year.

(Note6) If the total rent for the period from October each year to September next year falls short of the minimum annual guaranteed rent, the difference shall be paid by the end of August next year, together with the rent for September next year.

APPENDIX



NO.1
SHANGRI-LA
HOTEL
TOKYO

Shangri-La Hotel Tokyo



Luxury	Upper upscale	Upscale	Upper midscale
--------	---------------	---------	----------------

Location : Chiyoda Ward, Tokyo
 Floors (Note1) : 37 with 4 basement floors
 Guestrooms : 200 (Note2)

Developed by
Mori Trust

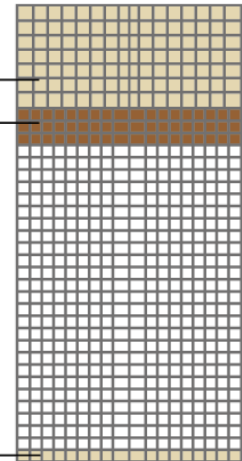
Leased



[31-37F]
Guestrooms

[27-29F]
Lobby/Lounge
Conference rooms
Banquet/The Spa
Restaurants
Health club
Swimming pool

[1F]
Entrance



Property Characteristics

- International luxury hotel with high scarcity value, in close proximity to Tokyo Station.
- Located in Marunouchi, Chiyoda Ward, Tokyo – location that is rare and precious for REIT-owned properties.
- The first foray in Japan for Shangri-La, a top-of-the-line international brand hotel.

(Note1) The figure indicates the number of floors for the Tower MAIN and Tower NORTH of Marunouchi Trust Tower.

(Note2) The figure indicates the number of guest rooms available for sale.

NO.2 COURTYARD BY MARRIOTT TOKYO STATION



Courtyard by Marriott Tokyo Station

COURTYARD[®]
Marriott
—
TOKYO STATION

Luxury

Upper upscale

Upscale

Upper
midscale

Location : Chiyoda Ward, Tokyo
Floors (Note1) : 21 with 3 basement floors
Guestrooms : 150 (Note2)

Developed by
Mori Trust

Operated by
Mori Trust
Group

4-minute walk from Tokyo Sta.



[5-21F] Office

[4F] Guestrooms
Library bar
Lobby
Conference rooms

[3F] Guestrooms
Fitness room

[2F] Guestrooms

[1F] Entrance
Restaurant/Cafe

Property Characteristics

- A 4-minute walk from Tokyo Station, featuring comfortable access both for business and sightseeing purposes.
- A core brand having the largest number of facilities among the Marriott Group.
- Among the largest hotel chains in the world, with over 6,700 hotels globally. Membership program of the Marriott Group applicable for over 110 million members. (Note2)

(Note1) The figure indicates the number of floors of the entire building.

(Note2) Based on the website of Marriott International (as of October 10, 2018).

NO.3 COURTYARD BY MARRIOTT SHIN-OSAKA STATION



Courtyard by Marriott Shin-Osaka Station

COURTYARD[®]
Marriott.
SHIN-OSAKA STATION

Luxury

Upper upscale

Upscale

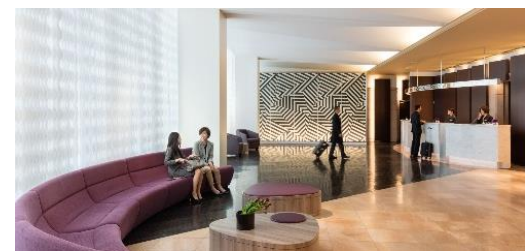
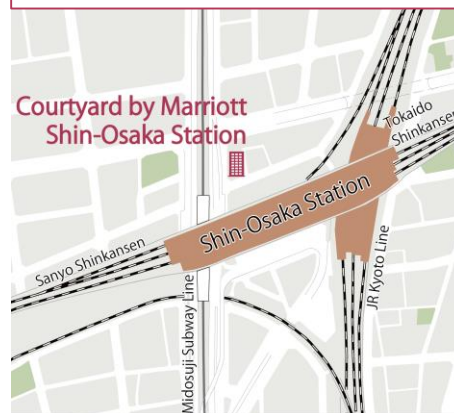
Upper
midscale

Location : Yodogawa Ward, Osaka
Floors : 18 floors (Note1)
Guestrooms : 332 (Note2)

Developed by
Mori Trust

Operated by
Mori Trust Group

1-minute walk from Shin-Osaka Sta.



Property Characteristics

- A 1-minute walk from Shin-Osaka Station, which is the base for sightseeing and business purposes.
- Rebranded from Hotel Laforet Shin-Osaka to Courtyard by Marriott and opened in November 2015.
- The guest rooms, which count to 332 rooms in total (Note2), have an area of 30 m² to 90 m², securing comfortably wide spaces.

(Note1) The figure indicates the number of floors of the entire building.

(Note2) The figure indicates the total number of guest rooms of the entire building, including the rooms under co-ownership by other owners. The equity held by MORI TRUST Hotel REIT in the trust beneficiary interest is

NO.4 HOTEL SUNROUTE PLAZA SHINJUKU

Hotel Sunroute Plaza Shinjuku



HOTEL SUNROUTE PLAZA SHINJUKU

Luxury

Upper upscale

Upscale

Upper
midscale

Location : Shibuya Ward, Tokyo
Floors : 14 with a basement floor
Guestrooms : 624

Developed by
Mori Trust

Leased

3-minute walk from Shinjuku Sta.



Property Characteristics

- A 3-minute walk from Shinjuku Station, which has the largest number of passengers getting on/off trains on average in Japan.
- A flagship hotel of the Sunroute chain with the affix of Plaza.
- A hotel mainly for overnight stays, with restaurants, bar and conference rooms available.

Development Capabilities of Mori Trust Group

Years of achievements by Mori Trust Group in large-scale, multi-use development projects and hotel development and operations

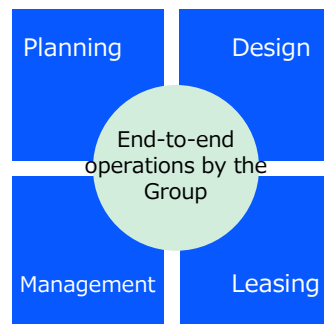


Focus on asset quality

- Selection and concentration
 - : track record of development in selected locations
- Quality-focused creation of facilities
 - : cutting-edge functionalities
- Creation of highly advanced, sustainable communities
 - : disaster prevention and environmental performances

Real estate development structure

Utilizing accumulated expertise



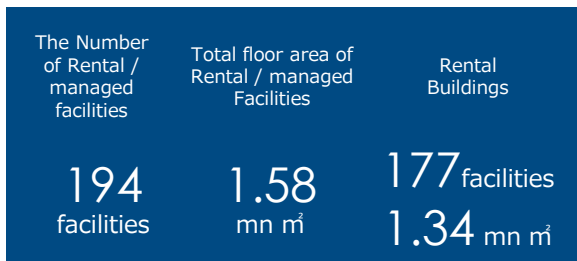
A business and commercial area representing Japan, with Tokyo Station serving as the base point



Marunouchi Trust City
Shangri-La Hotel Tokyo (Leased)



Kyobashi Trust Tower
Courtyard by Marriott Tokyo Station



As of June 30, 2018

(Note) Except for the assets owned as of August 31, 2018, there is no fact that MORI TRUST Hotel REIT has decided to acquire the properties listed above, or there is no guarantee that it can acquire them in the future.

Years of Achievements by Mori Trust Group in Developing and Operating Hotels





Alliance with the industry's front runners

- Alliance with a variety of international brand hotels
 - Works to develop and operate hotels offering added value through alliance with Marriott International and Shangri-La Hotels & Resorts, the world's largest hotel chains.
 - Involved with multiple international brand hotels to embark on their first forays in Japan.

■ Strengths of international brand hotels

- Globally extended customer base
- Direct reservation by utilizing the membership organization and reservation systems
- Provision of services matching global standards and operational expertise

Hotel chain	Marriott International	Shangri-la Hotels & Resorts	HILTON WORLDWIDE
No. of brands	30	5	14
Brand	Marriott, Courtyard by Marriott, Westin, Luxury Collection, JW Marriott and others	Shangri-La Hotel, Hotel Jen, Kerry Hotel and others	Conrad, Hilton, Waldorf Astoria and others
No. of hotels and guestrooms	Over 6,700 hotels / over 1.25 mn rooms	Over 100 hotels / over 40,000 rooms	Over 5,400 hotels / over 879,000 rooms
No. of countries and regions	130	22	106
No. of members	Over 110 million	Over 4 million	Nearly 78 million
Brand of hotels developed by the Mori Trust Group	<ul style="list-style-type: none"> ●Tokyo Marriott Hotel ●Courtyard by Marriott Tokyo Station ●Courtyard by Marriott Shin-Osaka Station ●The Westin Sendai ●Suiran, a Luxury Collection Hotel, Kyoto 	<ul style="list-style-type: none"> ●Shangri-La Hotel, Tokyo (leased) 	<ul style="list-style-type: none"> ●CONRAD TOKYO 

※Hotels indicated in red are the first hotels of the brands in Japan

(Source) Prepared by the Asset Management Company based on the publicized figures on the websites of the respective hotel chains (as of October 10, 2018)

(Note) Except for the assets owned as of August 31, 2018, there is no fact that MORI TRUST Hotel REIT has decided to acquire the properties listed above, or there is no guarantee that it can acquire them in the future.

Balance Sheets and Statements of Income (5th FP)

(Thousands of yen)

Balance Sheets (as of August 31, 2018)

Current assets	5,207,777	Current liabilities	17,731,756
Cash and deposits	3,541,621	Operating accounts payable	115,973
Cash and deposits in trust	1,664,811	Short-term loans payable	17,000,000
Prepaid expenses	1,324	Accounts payable	108,170
Deferred tax assets	19	Accrued expenses	37,827
Non-current assets	101,206,222	Distribution payable	6,412
Property and equipment	101,194,052	Income taxes payable	1,001
Buildings in trust	16,819,776	Accrued consumption taxes	59,844
Accumulated depreciation	-1,277,115	Advances received	401,907
Structures in trust	5,640	Deposits received	620
Accumulated depreciation	-3,154	Non-current liabilities	37,054,473
Tools, furniture and fixtures in trust	4,522	Long-term loans payable	32,500,000
Accumulated depreciation	-64	Tenant leasehold and security deposits	4,554,473
Land in trust	85,644,447	Total liabilities	54,786,229
Intangible assets	2,170	Unitholders' equity	51,627,769
Software	2,170	Unitholders' capital	50,000,000
Investments and other assets	10,000	Surplus	1,627,769
Guarantee deposits	10,000	Unappropriated retained earnings	1,627,769
Total assets	106,413,999	Total net assets	51,627,769
		Total liabilities and net assets	106,413,999

Statements of income (March 1, 2018 – August 31, 2018)

Operating revenues	2,409,917
Rental revenues	2,409,917
Operating expenses	684,843
Rental expenses	555,316
Asset management fee	91,170
Asset custody and administrative service fees	11,959
Directors' compensations	3,600
Other operating expenses	22,796
Operating income	1,725,074
Non-operating income	52
Interest income	23
Insurance income	28
Other	0
Non-operating expenses	96,387
Interest expenses	96,387
Ordinary income	1,628,740
Income before income taxes	1,628,740
Income taxes – current	1,004
Income taxes – deferred	-6
Net income	1,627,741
Retained earnings brought forward	27
Unappropriated retained earnings	1,627,769

Revenues and Expenses by Property (5th FP)

Item	Shangri-La Hotel Tokyo	Courtyard by Marriott Tokyo Station	Courtyard by Marriott Shin-Osaka Station	Hotel Sunroute Plaza Shinjuku	Entire portfolio
	5th FP	5th FP	5th FP	5th FP	5th FP
Operating period (from) (to)	Mar. 1, 2018 Aug. 31, 2018	Mar. 1, 2018 Aug. 31, 2018	Mar. 1, 2018 Aug. 31, 2018	Mar. 1, 2018 Aug. 31, 2018	Mar. 1, 2018 Aug. 31, 2018
Operating days (days)	184	184	184	184	184
Real estate rental revenues and expenses (thousand yen)					
Real estate rental revenues ①	1,018,116	367,790	371,674	652,336	2,409,917
Rent revenues	1,018,116	367,790	371,674	652,336	2,409,917
Real estate rental expenses ②	243,873	68,526	68,710	174,205	555,316
Taxes and public dues	133,747	23,093	14,983	64,496	236,321
Insurance expenses	1,313	346	616	889	3,166
Repairs and maintenance expenses	-	363	2,241	-	2,605
Depreciation ③	108,612	44,523	50,668	108,619	312,423
Other	200	200	200	200	800
Real estate rental income ④=①-②	774,242	299,263	302,964	478,131	1,854,601
NOI ⑤=④+③	882,855	343,786	353,632	586,750	2,167,025
NOI yield (annualized) (Note)	4.2%	4.9%	4.0%	4.1%	4.2%
Acquisition price (million yen)	42,000	13,800	17,600	28,600	102,000

(Note) Annualized NOI for the 5th FP / Acquisition price

List of Interest-Bearing Debt (End of 5th FP)

(as of August 31, 2018)

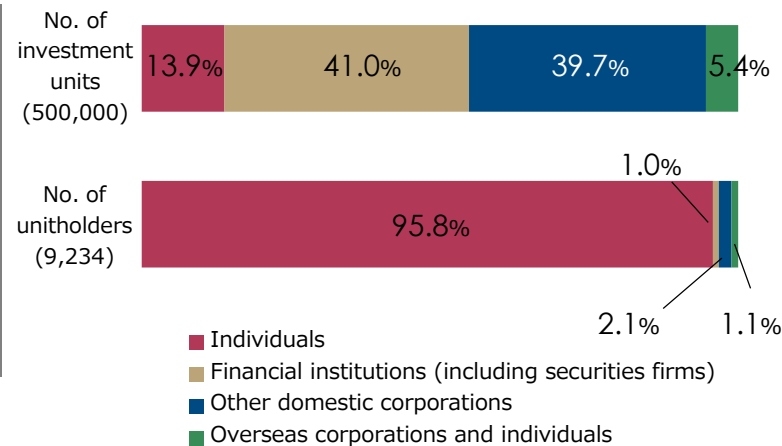
Category	Lender	Loan amount (mn yen)	Interest rate	Drawdown date	Repayment date	Remarks
Short-term loans	Sumitomo Mitsui Trust Bank, Limited	4,500	Base rate (Note) + 0.20%	Nov. 30, 2017	Nov. 30, 2018	Lump-sum repayment upon maturity Unsecured Unguaranteed Floating interest rate
	MUFG Bank, Ltd.	4,500	Base rate (Note) + 0.20%	Nov. 30, 2017	Nov. 30, 2018	
	Mizuho Bank, Ltd.	3,500	Base rate (Note) + 0.20%	Nov. 30, 2017	Nov. 30, 2018	
	Sumitomo Mitsui Banking Corporation	3,500	Base rate (Note) + 0.20%	Nov. 30, 2017	Nov. 30, 2018	
	Shinkin Central Bank	1,000	Base rate (Note) + 0.20%	Nov. 30, 2017	Nov. 30, 2018	
	Subtotal	17,000				
Long-term loans	Mizuho Bank, Ltd.	7,000	0.36750%	Nov. 30, 2016	Nov. 29, 2019	Lump-sum repayment upon maturity Unsecured Unguaranteed Fixed interest rate
	Sumitomo Mitsui Banking Corporation	5,500	0.36750%	Nov. 30, 2016	Nov. 29, 2019	
	Mizuho Trust & Banking Co., Ltd.	2,000	0.36750%	Nov. 30, 2016	Nov. 29, 2019	
	Mizuho Bank, Ltd.	1,000	0.38750%	Nov. 30, 2017	Nov. 30, 2020	
	Sumitomo Mitsui Banking Corporation	1,000	0.38750%	Nov. 30, 2017	Nov. 30, 2020	
	Resona Bank, Limited	1,000	0.37750%	Nov. 30, 2017	Nov. 30, 2020	
	Sumitomo Mitsui Trust Bank, Limited	3,000	0.49630%	Nov. 30, 2016	Nov. 30, 2021	
	MUFG Bank, Ltd.	3,000	0.49630%	Nov. 30, 2016	Nov. 30, 2021	
	Development Bank of Japan Inc.	1,500	0.49630%	Nov. 30, 2016	Nov. 30, 2021	
	Sumitomo Mitsui Trust Bank, Limited	500	0.53250%	Nov. 30, 2017	Nov. 30, 2022	
	MUFG Bank, Ltd.	500	0.53250%	Nov. 30, 2017	Nov. 30, 2022	
	Nippon Life Insurance Company	1,000	0.55565%	Nov. 30, 2017	May 31, 2023	
	Mizuho Bank, Ltd.	2,000	0.63750%	Nov. 30, 2016	Nov. 30, 2023	
	Sumitomo Mitsui Banking Corporation	2,000	0.63750%	Nov. 30, 2016	Nov. 30, 2023	
Development Bank of Japan Inc.	1,500	0.63750%	Nov. 30, 2016	Nov. 30, 2023		
	Subtotal	32,500				
	Total	49,500				

(Note) The base rate is the JBA (Japanese Bankers Association) 1-month Japanese Yen TIBOR.

Breakdown of Unitholders

(as of August 31, 2018)

	Individuals	Financial institutions (including)	Other domestic corporations	Overseas corporations and individuals	Total
No. of investment units (units)	69,395	204,969	198,664	26,972	500,000
	13.9%	41.0%	39.7%	5.4%	100%
No. of unitholders (persons)	8,844	92	194	104	9,234
	95.8%	1.0%	2.1%	1.1%	100%



Major Unitholders (Top 11 Firms)

(as of August 31, 2018)

Name	No. of owned units (units)	Unitholding ratio (%)
Mori Trust Co., Ltd.	164,000	32.8%
Japan Trustee Services Bank, Ltd. (Trust Account)	73,397	14.7%
The Master Trust Bank of Japan, Ltd. (Trust Account)	47,217	9.4%
Mori Trust Hotels & Resorts Co., Ltd.	20,000	4.0%
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	14,404	2.9%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	12,997	2.6%
STATE STREET BANK AND TRUST COMPANY 505012	6,427	1.3%
The Bank of Kyoto, Ltd.	6,363	1.3%
NOMURA BANK (LUXEMBOURG) S.A.	3,750	0.8%
Fukoku Mutual Life Insurance Company	3,500	0.7%
Yamato Shinkin Bank	3,500	0.7%
合計 (上位11社)	355,555	71.1%

Equity investment "in the same boat" by Mori Trust Group

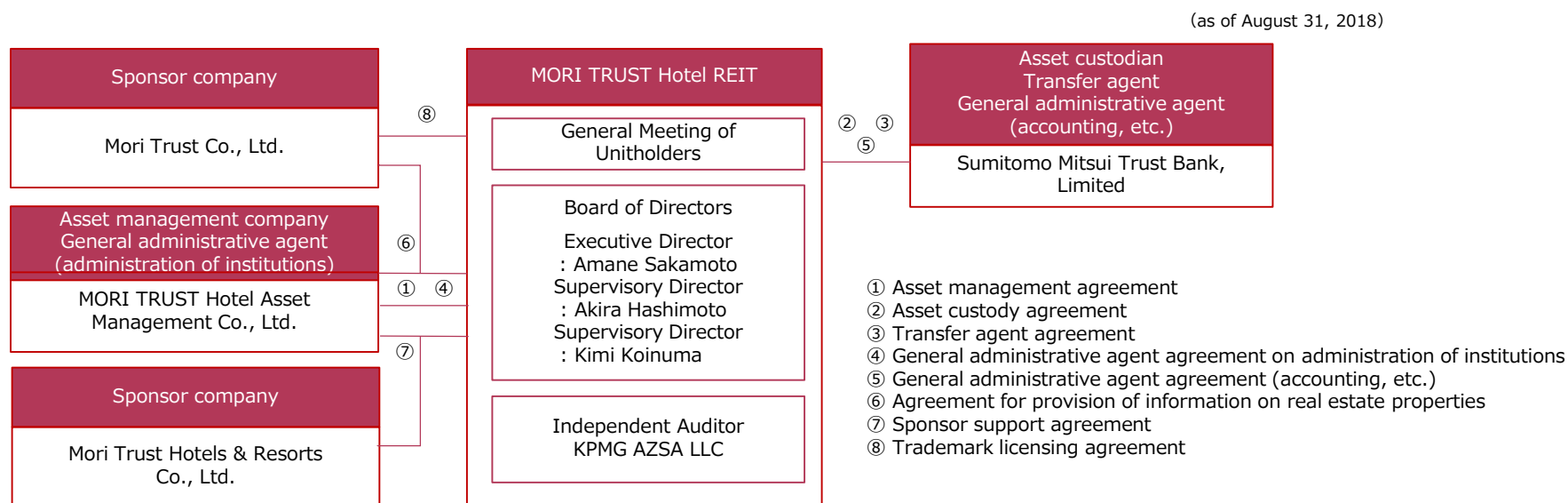
(as of August 31, 2018)

Unitholding ratio of Mori Trust Group

36.8%

Mori Trust 164,000 units
 Mori Trust Hotels & Resorts 20,000 units

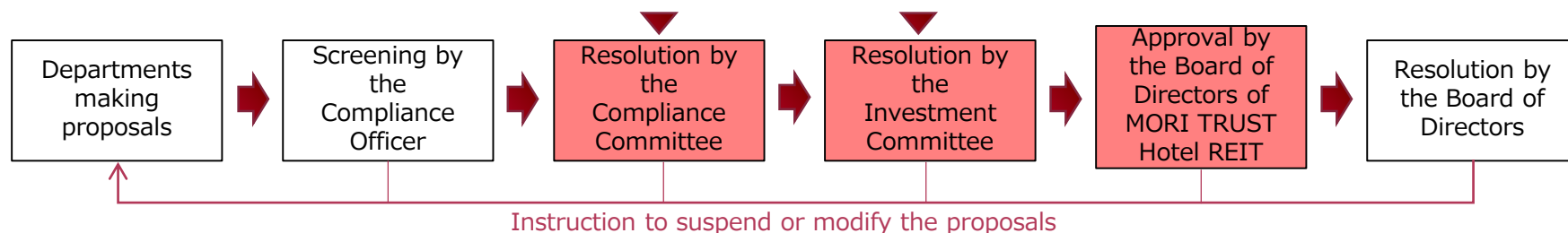
Structure of MORI TRUST Hotel REIT



Asset Management Company's Decision-Making Flowchart on Transactions with Interested Parties

- Outside experts are appointed as members (Outside Members) of both the Investment Committee and the Compliance Committee.
- Transactions falling under the category of those with interested parties require consent of the Outside Members at the Compliance Committee and the Investment Committee as well as approval by the Board of Directors of MORI TRUST Hotel REIT.

Attendance and consent by the Outside Members are indispensable for concluding resolutions

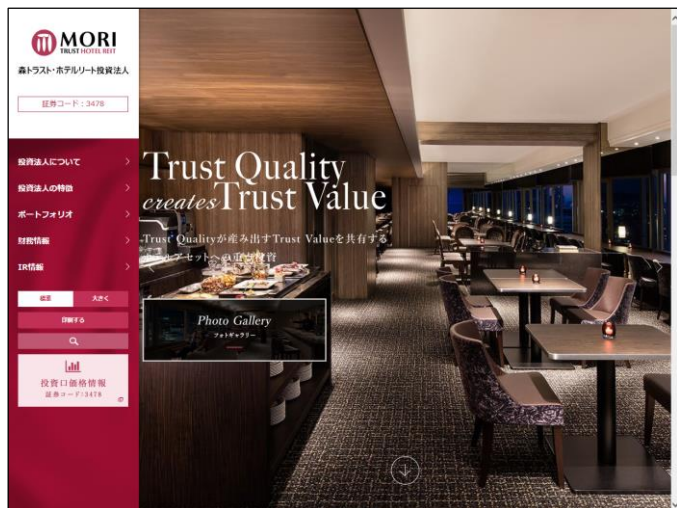


Asset Management Company Profile

(as of August 31, 2018)

Company name	MORI TRUST Hotel Asset Management Co., Ltd.	
Representative	Amane Sakamoto, President and CEO	
Established	August 20, 2015	
Paid-in capital	200 million yen	
Shareholder composition	Mori Trust Co., Ltd.	90%
	Mori Trust Hotels & Resorts Co., Ltd.	10%
Registration / license	Registered as financial instruments exchange business: Director of Kanto Local Finance Bureau (Kinsho) No.2881 Licensed as building lots and buildings transaction business: The Governor of Tokyo No. (1) 98353 Licensed as discretionary transaction agent: The Minister of Land, Infrastructure, Transportation and Tourism No.97 Member of The Investment Trusts Association, Japan	

Website of MORI TRUST Hotel REIT



URL <http://www.mt-hotelreit.jp/>

- Delivers a variety of information on MORI TRUST Hotel REIT in a timely manner
- Posts detailed information on owned properties with abundant photos
- Comfortably visible by smartphones as well

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(Contact)

Asset management company: MORI TRUST Hotel Asset Management Co., Ltd.

Phone : +81-3-6435-7290