



**MORI**  
TRUST HOTEL REIT

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

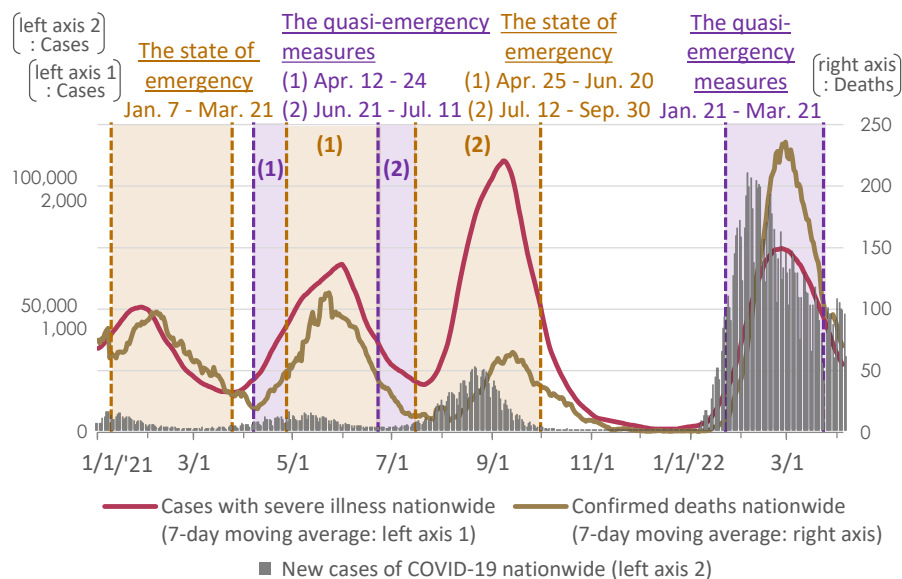
**12th Fiscal Period    Operating Results & Presentation**  
**( September 1, 2021– February 28, 2022 )**

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

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## Status of the Spread of COVID-19 in Japan



(Note 1) Prepared by the Asset Management Company based on information provided by Ministry of Health, Labour and Welfare and Our World in Data. The periods of the state of emergency and the quasi-emergency measures in Tokyo are shown at the top of the graph.

### ● Status of Relaxation of Border Measures in Japan

- ✓ Although the ban on new entry of foreign travelers for business purposes and foreign students was lifted from Nov. 8, 2021, and the quarantine period after entry was eased to a minimum of 3 days on the condition of vaccination, new entry from all over the world was suspended after Nov. 30 to deal with the Omicron variant.
- ✓ The ban on new entry of foreign travelers for business purposes and foreign students was lifted again from Mar. 1, 2022, and relaxation was implemented to eliminate the quarantine period after entry on the condition of triple vaccination (only for entry from some non-designated countries).
- ✓ The maximum number of travelers accepted for entry, which had been 3,500 per day, was raised successively from Mar. 1, 2022, and to 10,000 per day from Apr. 10. **However, entry for the purpose of tourism is not permitted.**

## Status of Relaxation of Restrictions on Activities and Border Measures in Foreign Countries

### United States

- ✓ The quarantine requirement for interstate travel has been gradually eliminated from the spring of 2021 on the condition of vaccination.
- ✓ The ban on entry of foreign travelers from countries including European countries and China was lifted (no need for quarantine) from Nov. 8 onwards on the condition of proof of vaccination and proof of negative PCR test result before departure.

### United Kingdom

- ✓ The bans on domestic travel and overseas travel were lifted on May 17 and Jul. 17, 2021, respectively.
- ✓ Changed to be treated the same as influenza from Feb. 24, 2022, and all domestic legal restrictions such as isolation of infected persons and testing of contacts, etc., were totally eliminated.
- ✓ Regardless of vaccination status, all tests before and after entry were eliminated from Mar. 18, and the restrictions on border measures have been terminated.

### Singapore

- ✓ "Vaccinated Travel Lanes" (VTLs) that exempt travelers from quarantine after entry from designated countries and territories on the condition of proof of vaccination were launched on Sep. 18, 2021, and the number of designated countries is gradually being expanded.
- ✓ VTLs were eliminated and expanded to all countries globally from Apr. 1, 2022. Moreover, arrival tests were eliminated on the condition of proof of vaccination.

### Australia

- ✓ In the state of New South Wales (NSW) where Sydney, the largest city, is located, travelers from Singapore are exempted from quarantine on the condition of vaccination from Nov. 21, 2021, and mutual quarantine-free travel (travel bubble) started.
- ✓ Restrictions on travel within NSW was lifted on Dec. 1.
- ✓ Entry without quarantine measures resumed on Feb. 21, 2022, on the condition of proof of vaccination (tests before and after entry are required). Borders were practically opened for the first time since Mar. 2020.

# **Summary of Operating Results for 12th FP Ended February 2022**

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## Distribution per unit

Results for the 12th FP  
ended February 2022

**1,061 yen**  
(+16 yen from forecast)

Operating revenues	1,423 mn yen (+0 mn yen from forecast)
Real estate rental income	771 mn yen (+4 mn yen from forecast)
NOI	1,135 mn yen (+3 mn yen from forecast)
Net income	530 mn yen (+8 mn yen from forecast)

### Assets

No. of properties	5 properties
Asset size (Note 1)	107.7 bn yen
Appraisal value	123.4 bn yen
Unrealized gain (Note 2)	18.5 bn yen
NOI yield (Note 3)	2.1 %
Yield after depreciation (Note 4)	1.4 %
No. of guestrooms	1,469 rooms

### Debt

Interest-bearing debt	53.9 bn yen
LTV (Note 5)	49.3 %
Fixed-rate debt ratio	88.9 %
Average interest rate	0.42 %
Average remaining maturity of debt	1.7 years

### Equity

NAV (Note 6)	68.5 bn yen
NAV per unit (Note 7)	137,164 yen
Market capitalization (Note 8)	61.3 bn yen
Investment units outstanding	500,000 units
Mori Trust Group's holding ratio (Note 9)	36.8 %

(Note 1) Total acquisition price  
 (Note 2) Unrealized gain = Appraisal value at end of period – Book value at end of period  
 (Note 3) NOI yield = NOI for the 12th FP (annualized) / Total acquisition price  
 (Note 4) Yield after depreciation = Real estate rental income after depreciation for the 12th FP (annualized) / Total acquisition price  
 (Note 5) LTV = Interest-bearing debt at end of period / Total assets at end of period  
 (Note 6) NAV = Net assets at end of period – Total distributions + Unrealized gain

(Note 7) NAV per unit = NAV / Investment units issued and outstanding  
 (Note 8) Market capitalization = Investment unit price (closing price on February 28, 2022) × Investment units issued and outstanding  
 (Note 9) Represents the ratio based on the number of investment units held by Mori Trust Group as of the end of the 12th FP

# Summary of the 12th FP Results

Distribution per unit (actual) : 1,061 yen (+16 yen from forecast)

(million yen)

Item	12th FP ended Feb. 2022 (actual)	12th FP ended Feb. 2022 (forecast)	Difference	10th FP ended Feb. 2021 (actual)	Difference
Operating revenues	1,423	1,423	0	1,214	209
Real estate rental revenues (i)	1,423	1,423	0	1,214	209
Shangri-La	533	533	-	353	179
Hilton Odawara	170	170	0	160	9
CY Tokyo	25	25	-	16	9
CY Shin-Osaka	41	41	-	31	10
Sunroute	653	653	-	652	1
Operating expenses	779	786	-7	781	-1
Real estate rental expenses (ii)	652	656	-4	655	-3
(Depreciation) (iii)	364	365	-0	363	0
Other operating expenses	127	130	-3	125	1
Real estate rental income (iv)=(i)-(ii)	771	767	4	558	213
NOI (iv)+(iii)	1,135	1,132	3	922	213
Operating income	644	636	7	432	211
Ordinary income	531	523	7	326	205
Net income	530	522	8	325	205
Total cash distributions	530	522	8	325	205
Investment units outstanding (units)	500,000	500,000	-	500,000	-
Distribution per unit (yen)	1,061	1,045	16	651	410

## Major factors of change

(from 12th FP forecast)

■ Operating revenues	
Real estate rental revenues	+ 0 mn yen
Shangri-La	No change
Hilton Odawara	+ 0 mn yen
CY Tokyo	No change
CY Shin-Osaka	No change
Sunroute	No change
■ Operating expenses	
Real estate rental expenses	- 4 mn yen
Other operating expenses	- 3 mn yen

(from 10th FP actual : YoY comparison)

■ Operating revenues	
Real estate rental revenues	+ 209 mn yen
Shangri-La	+ 179 mn yen
Hilton Odawara	+ 9 mn yen
CY Tokyo	+ 9 mn yen
CY Shin-Osaka	+ 10 mn yen
Sunroute	+ 1 mn yen
■ Operating expenses	
Real estate rental expenses	- 3 mn yen
Decrease in taxes and public dues	- 4 mn yen
Other operating expenses	+ 1 mn yen
■ Non-operating expenses	
Increase in interest expenses	+ 6 mn yen

# 12th FP Operating Results by Property (Year-on-Year Comparison)

## ■ Shangri-La Tokyo (SL)

Base month for rent
Rent recording month
Rent (million yen)
Difference from the minimum guaranteed rent (million yen)

10th FP (Operating period: Sep. 1, 2020 to Feb. 28, 2021)

2020							10th FP total
May	Jun.	Jul.	Aug.	Sep.	Oct.		
2020				2021			229
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.		
19	24	30	40	44	71	229	
124						124	

12th FP (Operating period: Sep. 1, 2021 to Feb. 28, 2022)

2021						12th FP total
May	Jun.	Jul.	Aug.	Sep.	Oct.	
2021				2022		533
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	
53	47	59	124	180	67	533
-						-

## ■ Hilton Odawara Resort & Spa (HO)

Base period for calculation of rent
Rent recording month
Rent (million yen)

10th FP (Operating period: Sep. 1, 2020 to Feb. 28, 2021)

Jul. 2019 to Jun. 2020						10th FP total
2020			2021			
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	
26	26	26	26	26	26	160

12th FP (Operating period: Sep. 1, 2021 to Feb. 28, 2022)

Jul. 2020 to Jun. 2021						12th FP total
2021			2022			
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	
27	27	27	27	27	27	170

\*Total includes rent revenues and other revenues.

\*Total includes rent revenues and other revenues.

## ■ Courtyard by Marriott Tokyo Station (CYT)

Base month for rent
Occupancy rate (%)
Average daily rate (ADR) (yen)
RevPAR (yen)
Rent recording month
Rent (million yen)
Difference from the minimum guaranteed rent (million yen)

10th FP (Operating period: Sep. 1, 2020 to Feb. 28, 2021)

2020						10th FP avg.
Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	
23.9%	20.9%	20.6%	22.6%	40.5%	46.1%	29.1%
15,077	15,916	14,247	15,461	15,907	15,913	15,419
3,605	3,334	2,929	3,487	6,438	7,341	4,517

2021						10th FP total
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	
6	0	0	0	4	5	16
-						-

12th FP (Operating period: Sep. 1, 2021 to Feb. 28, 2022)

2021						12th FP avg.
Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	
25.0%	24.2%	22.8%	29.4%	41.0%	44.7%	31.2%
12,919	13,832	13,154	12,621	12,892	13,136	13,095
3,224	3,346	3,001	3,705	5,284	5,870	4,068

2022						12th FP total
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	
0	0	0	0	2	0	2
22						22

## ■ Courtyard by Marriott Shin-Osaka Station (CYO)

Base month for rent
Occupancy rate (%)
Average daily rate (ADR) (yen)
RevPAR (yen)
Rent recording month
Rent (million yen)
Difference from the minimum guaranteed rent (million yen)

10th FP (Operating period: Sep. 1, 2020 to Feb. 28, 2021)

2020						10th FP avg.
Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	
22.5%	21.4%	19.2%	24.5%	34.7%	42.1%	27.4%
13,974	16,094	16,170	17,590	18,710	19,535	17,011
3,140	3,441	3,104	4,312	6,495	8,232	4,780

2021						10th FP total
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	
2	0	0	0	10	16	29
1						1

12th FP (Operating period: Sep. 1, 2021 to Feb. 28, 2022)

2021						12th FP avg.
Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	
19.5%	24.4%	19.1%	22.4%	28.8%	38.0%	25.3%
15,376	15,541	15,725	15,020	15,058	15,061	15,299
2,998	3,796	3,010	3,364	4,338	5,718	3,868

2022						12th FP total
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	
0	0	0	0	0	5	6
35						35

(Note 1) Base month (period) for rent represents the month (period) 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 SL and HO are not disclosed, however, as no consent to disclosure has been obtained from the end tenant. The base month for rent is the month four months prior to the rent recording month for SL, and the month three months prior to the rent recording month for CYT and CYO, respectively. For HO, the base period for calculation of rent, which for the 10th FP corresponds to the period from July 2019 to June 2020, and which for the 12th FP corresponds to the period from July 2020 to June 2021, is used.

(Note 2) 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. As a result of the partial transfer of CYT conducted on August 31, 2021, the rent and the difference from the minimum guaranteed rent of CYT recorded on or after September 1, 2021 are the amount equivalent to 94.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit.

(Note 3) Average daily rate (ADR) 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.

(Note 4) At SL, since the difference (shortfall) of 135 million yen between the total amount of rent for the period from April 2020 to March 2021 and the minimum annual guaranteed rent, 124 million yen was added to rent for the 10th FP and also 11 million yen was added to rent for the 11th FP separately.

(Note 5) At CYT, since the difference (shortfall) of 286 million yen between the total amount of rent for the period from October 2020 to September 2021 and the minimum annual guaranteed rent, 262 million yen was added to rent for the 11th FP and also 23 million yen (out of this amount, the amount equivalent to 94.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit is 22 million yen.) was added to rent for the 12th FP separately.

(Note 6) At CYO, since the difference (shortfall) of 21 million yen between the total amount of rent for the period from October 2019 to September 2020 and the minimum annual guaranteed rent, 20 million yen was added to rent for the 9th FP and also 1 million yen was added to rent for the 10th FP separately. Since there is the difference (shortfall) of 420 million yen between the total amount of rent for the period from October 2020 to September 2021 and the minimum annual guaranteed rent, 385 million yen was added to rent for the 11th FP and also 35 million yen was added to rent for the 12th FP separately.

# 12th FP Operating Results by Property (Period-on-Period Comparison)

## ■ Shangri-La Tokyo (SL)

Base month for rent
Rent recording month
Rent (million yen)
Difference from the minimum guaranteed rent (million yen)

11th FP (Operating period: Mar. 1, 2021 to Aug. 31, 2021)

2020	2021						11th FP total
Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
2021							351
Mar.	Apr.	May	Jun.	Jul.	Aug.		
94	80	28	32	54	61	11	

12th FP (Operating period: Sep. 1, 2021 to Feb. 28, 2022)

2021						12th FP total
May	Jun.	Jul.	Aug.	Sep.	Oct.	
2021						533
2021			2022			
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	
53	47	59	124	180	67	-

## ■ Hilton Odawara Resort & Spa (HO)

Base period for calculation of rent
Rent recording month
Rent (million yen)

11th FP (Operating period: Mar. 1, 2021 to Aug. 31, 2021)

Jan. 2020 to Dec. 2020							11th FP total
2021							
Mar.	Apr.	May	Jun.	Jul.	Aug.		
26	26	26	26	26	26	159	

12th FP (Operating period: Sep. 1, 2021 to Feb. 28, 2022)

Jul. 2020 to Jun. 2021						12th FP total
2021						
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	
27	27	27	27	27	27	170

\*Total includes rent revenues and other revenues.

\*Total includes rent revenues and other revenues.

## ■ Courtyard by Marriott Tokyo Station (CYT)

Base month for rent
Occupancy rate (%)
Average daily rate (ADR) (yen)
RevPAR (yen)
Rent recording month
Rent (million yen)
Difference from the minimum guaranteed rent (million yen)

11th FP (Operating period: Mar. 1, 2021 to Aug. 31, 2021)

2020	2021						11th FP avg.
Dec.	Jan.	Feb.	Mar.	Apr.	May		
39.5%	22.4%	29.6%	36.7%	36.6%	17.6%	30.4%	
14,548	13,929	14,016	14,450	14,446	13,322	14,122	
5,741	3,124	4,151	5,305	5,294	2,351	4,336	

2021							11th FP total
Mar.	Apr.	May	Jun.	Jul.	Aug.		
4	0	0	9	0	0	14	
262							262

12th FP (Operating period: Sep. 1, 2021 to Feb. 28, 2022)

2021						12th FP avg.
Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	
25.0%	24.2%	22.8%	29.4%	41.0%	44.7%	31.2%
12,919	13,832	13,154	12,621	12,892	13,136	13,095
3,224	3,346	3,001	3,705	5,284	5,870	4,068

2021						12th FP total	
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.		
0	0	0	0	2	0	2	
22							22

## ■ Courtyard by Marriott Shin-Osaka Station (CYO)

Base month for rent
Occupancy rate (%)
Average daily rate (ADR) (yen)
RevPAR (yen)
Rent recording month
Rent (million yen)
Difference from the minimum guaranteed rent (million yen)

11th FP (Operating period: Mar. 1, 2021 to Aug. 31, 2021)

2020	2021						11th FP avg.
Dec.	Jan.	Feb.	Mar.	Apr.	May		
21.2%	13.7%	21.2%	30.5%	19.6%	12.5%	19.8%	
16,599	16,409	16,130	15,910	15,585	15,728	16,059	
3,525	2,251	3,424	4,851	3,062	1,958	3,180	

2021							11th FP total
Mar.	Apr.	May	Jun.	Jul.	Aug.		
1	0	0	10	0	0	11	
385							385

12th FP (Operating period: Sep. 1, 2021 to Feb. 28, 2022)

2021						12th FP avg.
Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	
19.5%	24.4%	19.1%	22.4%	28.8%	38.0%	25.3%
15,376	15,541	15,725	15,020	15,058	15,061	15,299
2,998	3,796	3,010	3,364	4,338	5,718	3,868

2021						12th FP total	
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.		
0	0	0	0	0	5	6	
35							35

(Note 1) Base month (period) for rent represents the month (period) 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 SL and HO are not disclosed, however, as no consent to disclosure has been obtained from the end tenant. The base month for rent is the month four months prior to the rent recording month for SL, and the month three months prior to the rent recording month for CYT and CYO, respectively. For HO, the base period for calculation of rent, which for the 11th FP corresponds to the period from January 2020 to December 2020, and which for the 12th FP corresponds to the period from July 2020 to June 2021, is used.

(Note 2) 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. As a result of the partial transfer of CYT conducted on August 31, 2021, the rent and the difference from the minimum guaranteed rent of CYT recorded on or after September 1, 2021 are the amount equivalent to 94.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit.

(Note 3) Average daily rate (ADR) 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.

(Note 4) At SL, since the difference (shortfall) of 135 million yen between the total amount of rent for the period from April 2020 to March 2021 and the minimum annual guaranteed rent, 124 million yen was added to rent for the 10th FP and also 11 million yen was added to rent for the 11th FP separately.

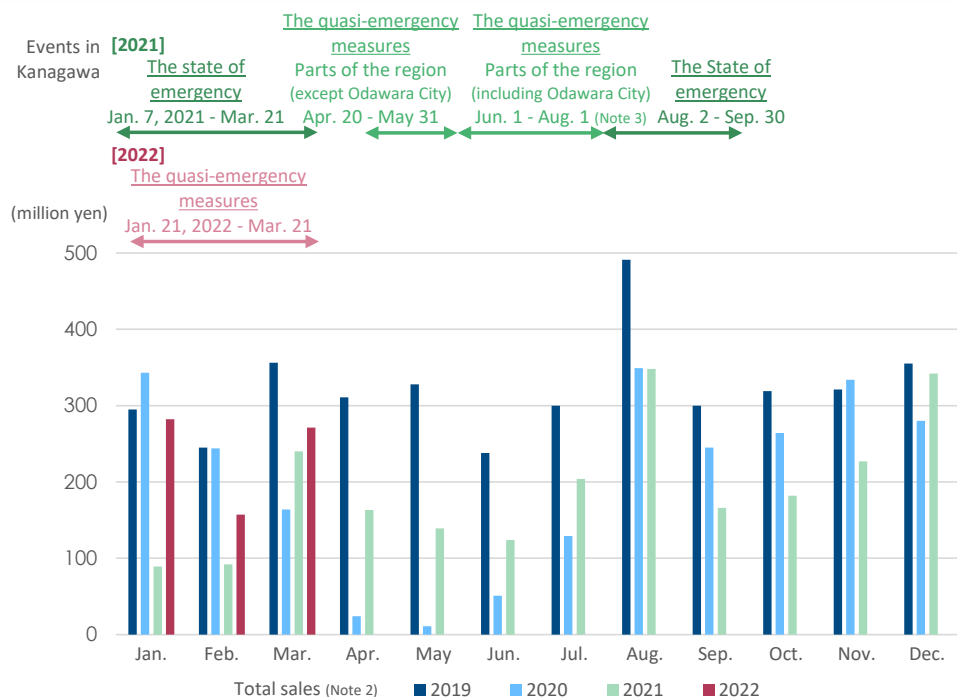
(Note 5) At CYT, since the difference (shortfall) of 286 million yen between the total amount of rent for the period from October 2020 to September 2021 and the minimum annual guaranteed rent, 262 million yen was added to rent for the 11th FP and also 23 million yen (out of this amount, the amount equivalent to 94.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit is 22 million yen.) was added to rent for the 12th FP separately.

(Note 6) At CYO, since there is the difference (shortfall) of 420 million yen between the total amount of rent for the period from October 2020 to September 2021 and the minimum annual guaranteed rent, 385 million yen was added to rent for the 11th FP and also 35 million yen was added to rent for the 12th FP separately.



- Discount Campaign for Kanagawa Prefecture Residents (Kanagawa Kenmin Wari), which was exclusive to Kanagawa Prefecture, started in December 2021 and contributed to higher unit prices of guestrooms and occupancy rates. Especially during the year-end and New Year's holidays, the unit price of guestrooms reached a record high, and consequently, the total revenue in December exceeded the same month in 2020 and nearly reached the level of the same month in 2019.
- The leisure department, including natural hot spring baths and pools, achieved higher revenue in 2021 than the same period in 2020 even from October to December, when the Go To Travel campaign was in effect in 2020, as the behavioral pattern in the time of coexisting with COVID-19 became more prevalent.
- Although sales became sluggish due to the implementation of the quasi-emergency measures in late January 2022, it bottomed out in February and is currently on a recovery trend, with the lifting of the quasi-emergency measures in late March and the launch of Discount Campaign for Regional Blocks (Kanagawa Tabi Wari) in early April.

## Change in Major Indicators (Year-on-Year Comparison)



### Rent for 12th FP (Note 1)

Base period for calculation of rent	Jul. 2020 to Jun. 2021					
	2021				2022	
	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
Rent (million yen)	27	27	27	27	27	27

### Rent for 13th FP

Base period for calculation of rent	Jan. 2021 to Dec.2021					
	2022					
	Mar.	Apr.	May	Jun.	Jul.	Aug.
Rent (million yen)	26	26	26	26	26	26

### [Reference] Base period for calculation of rent

- Odd fiscal periods (fiscal periods ended/ending in Aug.): 12 months from January to December in the previous year
- Even fiscal periods (fiscal periods ended/ending in Feb.): 12 months from July in the previous year to June in the relevant year

Year	2020				2021				2022																	
Month	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8
Fiscal Period	9th FP				10th FP				11th FP				12th FP				13th FP									
Base period for calculation of rent	12th FP profits (12-month average)												13th FP profits (12-month average)													
Rent													Rent for 12th FP				Rent for 13th FP									

(Note 1) "Rent" shows the value calculated based on the rent calculation method in the lease contract, rounded down to the nearest million yen.

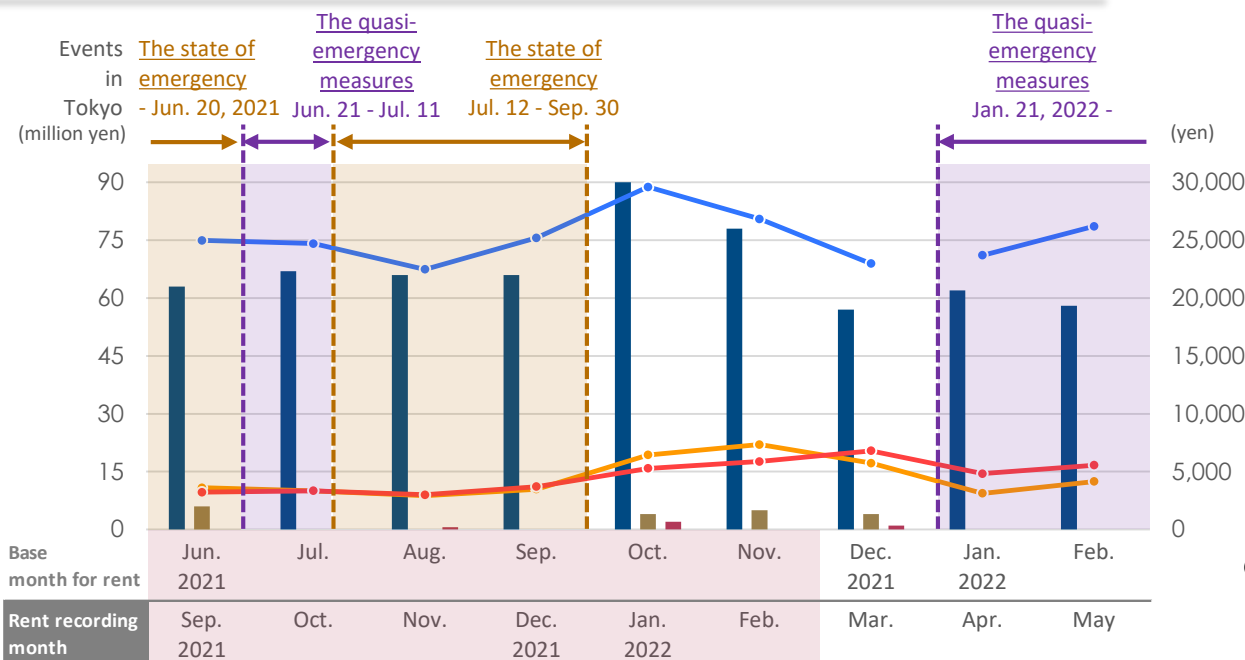
(Note 2) "Total sales" is the total amount of sales for the entire hotel (including the interest of the quasi-co-owner Mori Trust), rounded down to the nearest million yen.

(Note 3) The application period of the quasi-emergency measures to Odawara City excludes the period from Jul. 12 to 21, 2021. Hilton Odawara is in Odawara City, Kanagawa Prefecture.

# Performance of Courtyard by Marriott Tokyo Station

- RevPAR from October to November 2021 was lower than the figure for the same period in the previous year due to the loss of special demand from the Go To Travel campaign. However, the figure for in and after December 2021 was higher than that in the same period of the previous year even though the quasi-emergency measures were implemented in late January 2022.
- In the rooms department, “Marriott Bonvoy” members, who can consistently be attracted even under the COVID-19 pandemic, were captured through participation in the promotional discount campaigns provided by Marriott.com such as “Marriott Bonvoy Escapes.”
- In the food and beverage department, dinner services were resumed in mid-March prior to the lifting of the quasi-emergency measures, capturing the demand for welcome and farewell parties. For terrace seating, in addition to offering a BBQ plan to be enjoyed in the heart of the city, year-round use will be started with the installation of heating equipment.

## Change in Major Indicators (Year-on-Year Comparison)



### 12th FP avg.

Occupancy rate	31.2%
Average daily rate (ADR)	13,095 yen
RevPAR	4,068 yen

### Rent 12th FP total

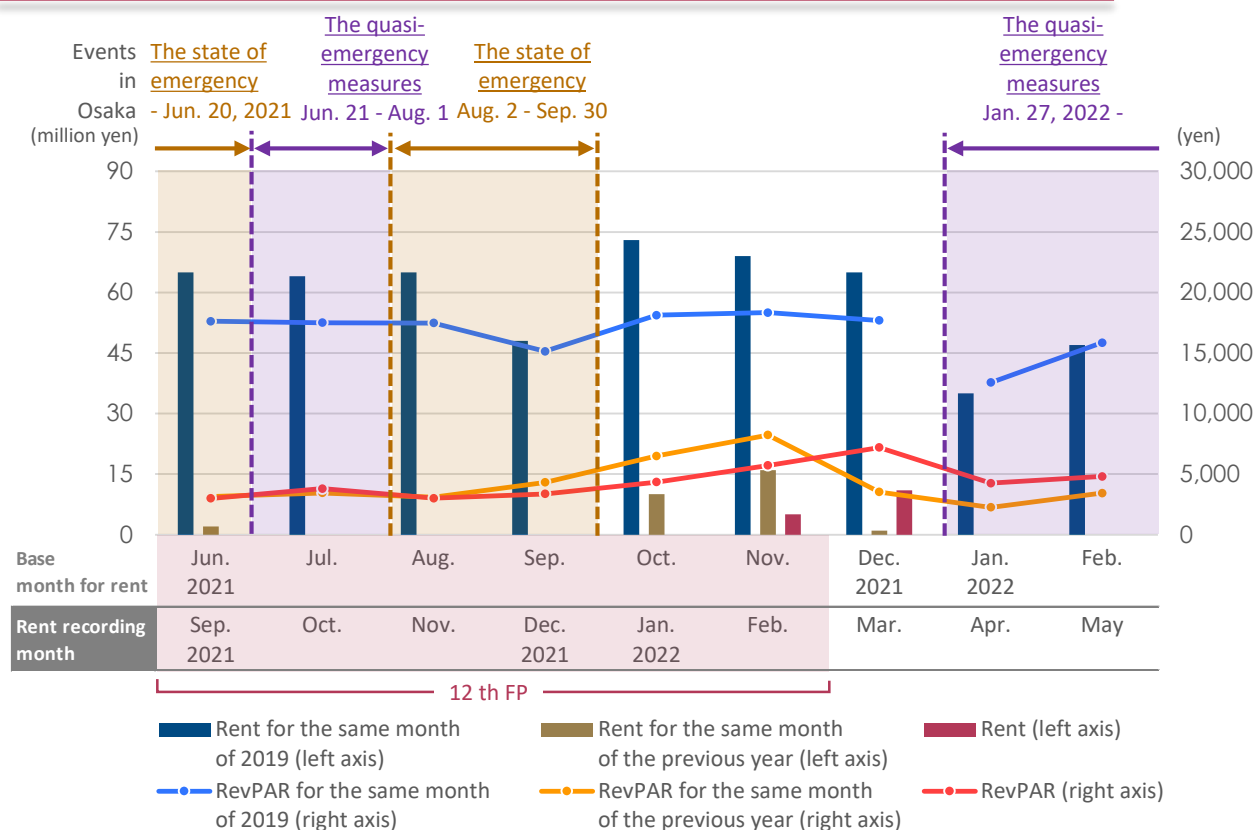
12th FP (actual) (Note 1)	25 mn yen
(Rent)	2 mn yen
(Difference from minimum guaranteed rent)	22 mn yen
12th FP (forecast)	25 mn yen
Change	- mn yen

(Note 1) Since there is the difference (shortfall) of 286 million yen between the total amount of rent for the period from October 2020 to September 2021 and the minimum annual guaranteed rent, 262 million yen was added to rent for the 11th FP and 23 million yen (out of this amount, the amount equivalent to 94.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit is 22 million yen.) was added to rent for the 12 FP separately. As a result of the partial transfer of CYT conducted on August 31, 2021, the rent recorded from September 2021 is the amount equivalent to 94.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit, as well as the difference from the minimum guaranteed rent.

(Note 2) In "Rent," difference from the minimum guaranteed rent is not included.

- Although sales had been on a recovery trend after the lifting of the state of emergency at the end of September 2021, they became sluggish again due to the implementation of the quasi-emergency measures in late January 2022. Lately, the number of foreign guests has been increasing as a result of relaxation of border measures in March 2022.
- "Osaka Welcome (Irasshai) Campaign," which provides subsidies for accommodation to residents of Osaka Prefecture, started in November 2021 and was extended to residents of neighboring prefectures in late December, leading to an increase in leisure use up through mid-January 2022.
- "Pure wellness rooms," which provide high-quality clean air environments, meet the needs for safety and peace of mind of guests, including students preparing for examinations. Repeat guests using Pure wellness rooms have increased, contributing to higher room revenue.

## Change in Major Indicators (Year-on-Year Comparison)



### 12th FP avg.

Occupancy rate	25.3%
Average daily rate (ADR)	15,299 yen
RevPAR	3,868 yen

Rent	12th FP total
12th FP (actual) (Note1)	41 mn yen
(Rent)	6 mn yen
(Difference from minimum guaranteed rent)	35 mn yen
12th FP (forecast)	41 mn yen
Change	- mn yen

(Note 1) Since there is the difference (shortfall) of 420 million yen between the total amount of rent for the period from October 2020 to September 2021 and the minimum annual guaranteed rent, 385 million yen was added to rent for the 11th FP and 35 million yen was added to rent for the 12th FP separately.

(Note 2) In "Rent," difference from the minimum guaranteed rent is not included.

# Appraisal Value of Properties (End of 12th FP)

Property name	Appraisal agency	Appraisal value at end of 12th FP (million yen)	Period-on-period change (million yen)	Appraisal value by capitalization method				Book value at end of 12th 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 11th FP (million yen)
				Capitalization rate (%)	Period-on-period change	Discount rate (%)	Terminal capitalization rate (%)				
<b>Shangri-La Tokyo</b>	Japan Real Estate Institute	49,500	-	3.2%	-	2.9%	3.4%	41,077	8,422	42,000	49,500
<b>Hilton Odawara Resort &amp; Spa</b> <small>(Note 1)</small>	Rich Appraisal Institute	6,900	-	4.7%	-	4.5%	4.8%	6,411	488	6,500	6,900
<b>Courtyard by Marriott Tokyo Station</b> <small>(Note 2)</small>	Japan Real Estate Institute	17,104	- 94	3.7%	-	3.4%	3.9%	12,658	4,446	13,041	17,199
<b>Courtyard by Marriott Shin-Osaka Station</b>	Japan Real Estate Institute	17,400	+100	4.2%	-	3.9%	4.4%	17,176	223	17,600	17,300
<b>Hotel Sunroute Plaza Shinjuku</b>	Japan Real Estate Institute	32,500	+200	3.5%	-	3.3%	3.7%	27,499	5,000	28,600	32,300
<b>Total</b>	-	123,404	+205	-	-	-	-	104,822	18,581	107,741	123,199

(Note 1) The appraisal value, book value and acquisition price for Hilton Odawara Resort & Spa are the amount equivalent to 50% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit.

(Note 2) The appraisal value, book value and acquisition price for Courtyard by Marriott Tokyo Station are the amount equivalent to 94.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit.

# 13th FP Results Forecast (Mar. 1, 2022 to Aug. 31, 2022)

- Management Status Forecast for Fiscal Period Ending August 31, 2022 (from March 1, 2022 to August 31, 2022) has yet to be determined at this point, because of the effect of the worldwide spread of COVID-19.
- The forecast is scheduled to be announced in June 2022.

## [Reference] Timing of compensating for the difference from the minimum guaranteed rent

		2020						2021						2022						2023																						
		7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9														
Fiscal period		10th FP						11th FP						12th FP						13th FP						14th FP						15th FP										
<b>Shangri-La</b>	Base month for rent (Linked to hotel total revenue)				(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)														
	Recorded difference in guaranteed minimum rent (11/12-month equivalent)																																									
	Timing of receiving difference in guaranteed minimum rent																																									
<b>CY Tokyo</b> (Note 1)	Base month for rent (Linked to hotel profit) (94.5% quasi-co-ownership interest)				(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)														
	Recorded difference in guaranteed minimum rent (11/12-month equivalent)																																									
	Timing of receiving difference in guaranteed minimum rent																																									
<b>CY Shin-Osaka</b>	Base month for rent (Linked to hotel profit)				(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(i)	(ii)	(iii)	(iv)	(v)	(vi)														
	Recorded difference in guaranteed minimum rent (11/12-month equivalent)																																									
	Timing of receiving difference in guaranteed minimum rent																																									
<b>Hilton Odawara</b>	Base period for calculation of rent (Linked to hotel profit) (50% quasi-co-ownership interest)				(i)								(iii)																													
	*Rent varies each fiscal period (The monthly amount is fixed during a fiscal period.)																																									
	Rent																																									
<b>Sunroute</b>	Rent																																									

(Note 1) MORI TRUST Hotel Reit implemented the transfer of the 5.5% quasi-co-ownership of Courtyard Tokyo to MORI TRUST CO., LTD. ("MORI TRUST") on August 31, 2021 (the "Transfer").  
 (Note 2) The amount of compensation under the minimum rent guarantee scheme is calculated by subtracting the sum of the rent for the period of 12 months from October each year to September the following year (including the portion attributable to the quasi-co-owner MORI TRUST after the Transfer, or on or after September 1, 2021) from the minimum guaranteed rent of 310,000,000 yen for such period in accordance with the provisions of the lease agreement (the difference calculated by such a calculation method is referred to as the "Difference from the minimum guaranteed rent"), and the Difference from the minimum guaranteed rent recorded on or after September 1, 2021 includes the portion attributable to the quasi-co-owner MORI TRUST. Only 94.5%, which is the quasi co-ownership interest in the property, of the entire Difference from the minimum guaranteed rent recorded on or after September 1, 2021 is recorded as operating income of MORI TRUST Hotel Reit.



## 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



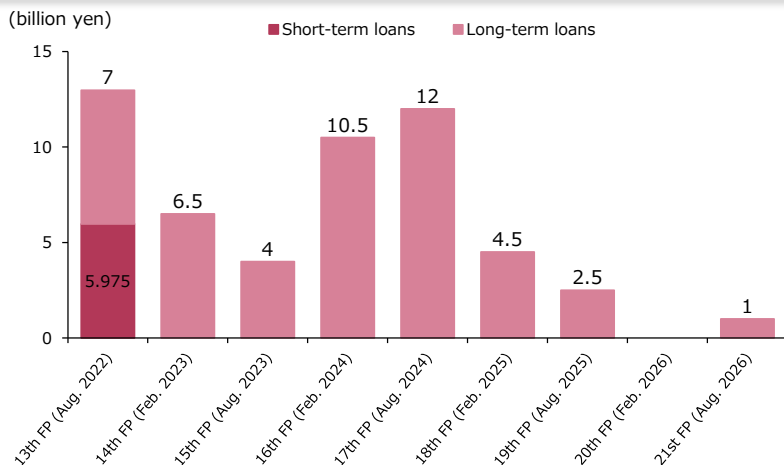
**LTV** Set 60% as upper limit, while targeting **50%** as upper limit in normal operations.

## Financial highlights for 12th FP

Gained firm trust from financial institutions for sponsor support through maintenance of the minimum rent guarantee scheme and (partial) acquisition of a property in the environment amid the COVID-19 pandemic.

- Refinanced 7.5 billion yen of long-term loans payable at maturity at the end of November 2021 with the same financial institutions for the same amount.
- Refinanced with appropriate terms to control the average interest rate.

## Diversification of Repayment Dates (as of February 28, 2022)

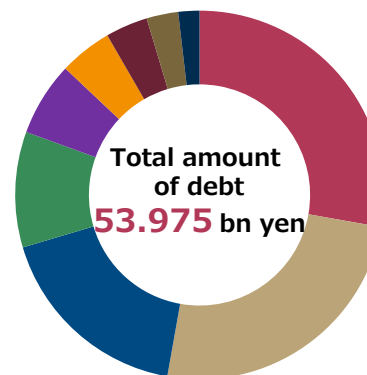


## Interest-Bearing Debt Status

Item	End of 11th FP (Aug. 31, 2021)	End of 12th FP (Feb. 28, 2022)	Period-on-period change
Total interest-bearing debt at end of period (million yen)	53,975	53,975	-
Short-term loans	5,975	5,975	-
Long-term loans	48,000	48,000	-
Investment corporation bonds	-	-	-
LTV (ratio of interest bearing debt to total assets)	48.9 %	49.3 %	+0.4 pt
Fixed-rate debt ratio	88.9 %	88.9 %	-
Average interest rate	0.42 %	0.42 %	+0.00 pt
Average remaining maturity of debt	1.8 years	1.7 years	- 0.1 years

## Diversification of Lenders (as of February 28, 2022)

### 9 financial institutions as lenders



- Mizuho Bank, Ltd. 27.8 %
- Sumitomo Mitsui Banking Corporation 25.0 %
- Sumitomo Mitsui Trust Bank, Limited 17.6 %
- MUFG Bank, Ltd. 10.1 %
- Development Bank of Japan Inc. 6.5 %
- Mizuho Trust & Banking Co., Limited 4.6 %
- Shinkin Central Bank 3.7 %
- Resona Bank, Limited 2.8 %
- Nippon Life Insurance Company 1.9 %

# **Profile of MORI TRUST Hotel REIT**

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## 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

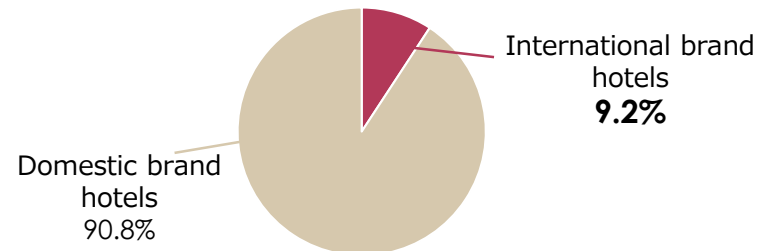
#### Advantages of member organization and use of reservation system

- 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 2022" 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”

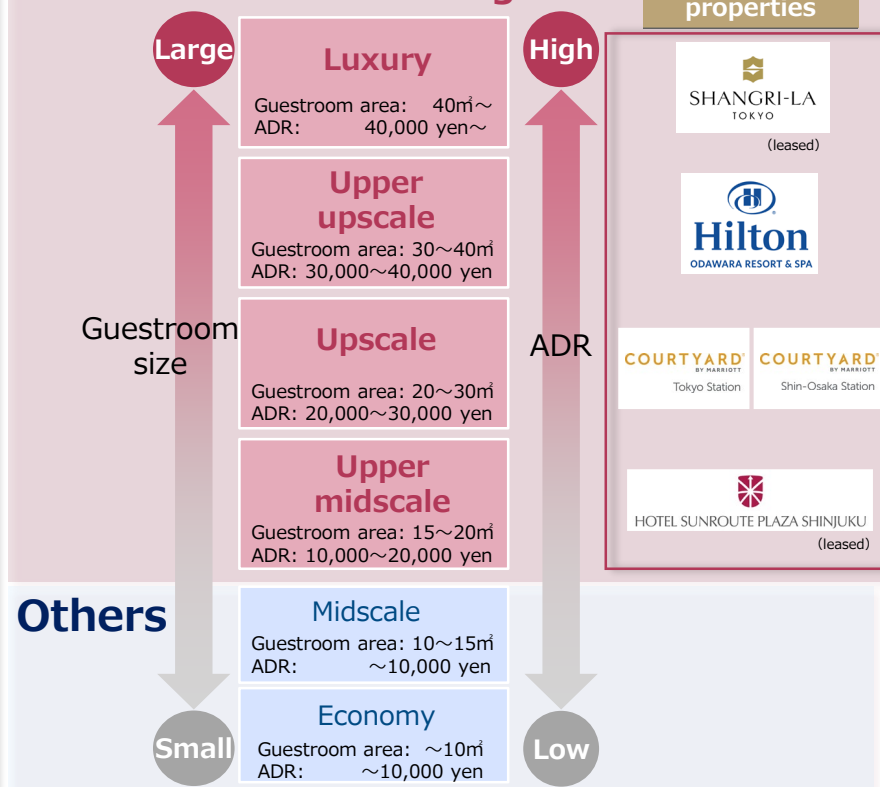
**Assets located in areas capable of attracting guests, regardless of being in city centers or regional areas**

- 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 (1)

## Portfolio Highlights (as of February 28, 2022)

No. of properties :  
**5 properties**

Total acquisition price :  
**¥107.7 billion**

Total No. of guestrooms :  
**1,469 rooms**

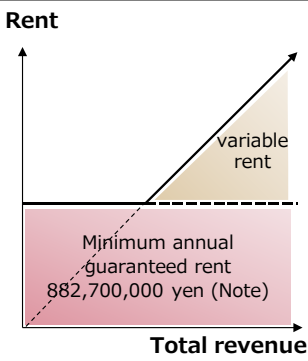
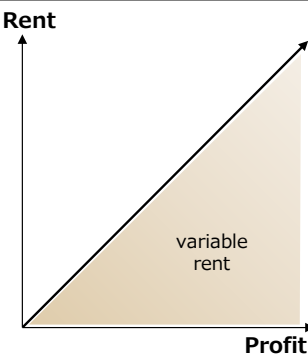
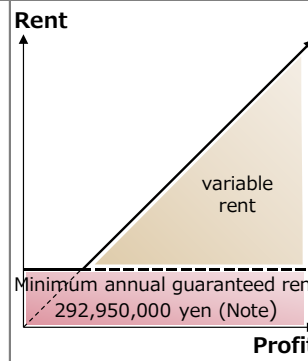
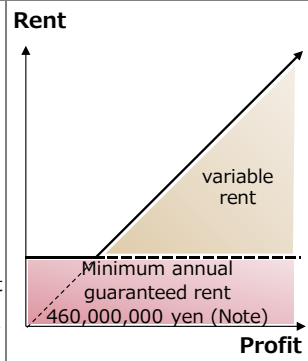
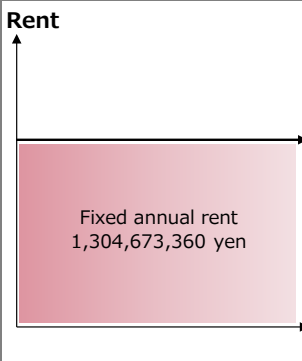
Property name	Shangri-La Tokyo	Hilton Odawara Resort & Spa	Courtyard by Marriott Tokyo Station	Courtyard by Marriott Shin-Osaka Station	Hotel Sunroute Plaza Shinjuku
Property photo					
Location	Chiyoda Ward, Tokyo 1-minute walk from Tokyo Sta.	Odawara-shi, Kanagawa About 60 minutes from Tokyo Sta. (bullet train & shuttle bus)	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	October 1997 (rebranded in February 2004)	February 2014	March 1997 (renovated in Nov. 2015)	August 2007
Acquisition date	September 1, 2016	September 2, 2019	September 16, 2016	September 16, 2016	July 28, 2016
Acquisition price (million yen)	42,000	6,500	13,041	17,600	28,600
Developer	Mori Trust	-	Mori Trust	Mori Trust	Mori Trust
Hotel grade	Luxury	Upper Upscale	Upscale	Upscale	Upper midscale
No. of guestrooms (Note 1)	200	163	150	332	624
Hotel operation format	Leased	MC (Note2)	FC (Note3)	FC (Note3)	Leased
Hotel operator	Shangri-La Hotels Japan	Hilton Worldwide Manage	Mori Trust Hotels & Resorts	Mori Trust Hotels & Resorts	Sotetsu Hotel Management

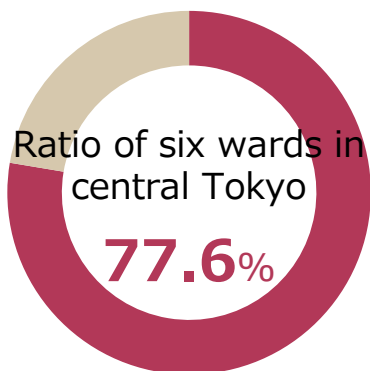
(Note 1) The number of guestrooms for Shangri-La Tokyo indicates the number of guestrooms available for sale. The number of guestrooms for other properties indicates total number of guestrooms for the entire each hotels (which may include the interests of other co-owners or quasi-co-owners).

(Note 2) MC means "under management contract," which indicates that hotel operations are outsourced by Mori Trust Group to a brand operator.

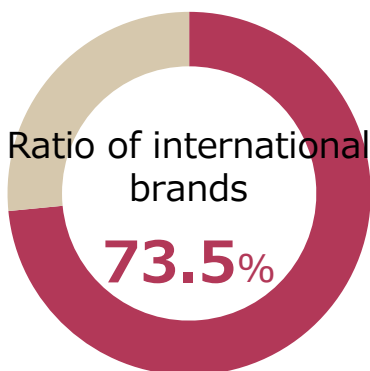
(Note 3) FC means franchised and indicates the format in which Mori Trust Group operates the hotels by itself, with brand use rights granted by respective brands.

# List of Portfolio Properties (2)

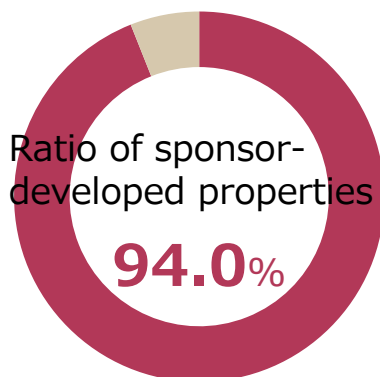
Property name	Shangri-La Tokyo	Hilton Odawara Resort & Spa	Courtyard by Marriott Tokyo Station	Courtyard by Marriott Shin-Osaka Station	Hotel Sunroute Plaza Shinjuku
<b>Contract period</b>	From Sep. 1, 2016 to Nov. 30, 2033	From Sep. 2, 2019 to Dec. 31, 2049	From Sep. 16, 2016 to Apr. 1, 2039	From Sep. 16, 2016 to Nov. 1, 2040	From Aug. 20, 2007 to Aug. 31, 2027
<b>[Termination during the contracted period]</b>	Not allowed	Not allowed for the first 5 years	Not allowed for the first 10 years	Not allowed for the first 10 years	Not allowed
<b>[Revision of rent]</b>	Possible by consultation every 5 years	Possible by consultation every 5 years	Possible by consultation every 5 years	Possible by consultation every 5 years	None
<b>Tenant</b>	Mori Trust (Master Lessee)	MT & Hilton Hotel	Mori Trust (Master Lessee)	Mori Trust (Master Lessee)	Sotetsu Hotel Management
<b>[Subtenant]</b>	Shangri-La Hotels Japan	-	MORI TRUST HOTELS & RESORTS CO., LTD.	MORI TRUST HOTELS & RESORTS CO., LTD.	-
<b>Rent type</b>	Variable (monthly) With minimum annual guaranteed rent	Rent varies each fiscal period (The monthly amount is fixed during a fiscal period.)	Variable (monthly) With minimum annual guaranteed rent	Variable (monthly) With minimum annual guaranteed rent	Fixed
<b>Calculation base for variable rent</b>	Total revenue	Profit	Profit	Profit	-
<b>lease agreements</b>	 <p>Minimum annual guaranteed rent 882,700,000 yen (Note)</p>	 <p>Minimum annual guaranteed rent 292,950,000 yen (Note)</p>	 <p>Minimum annual guaranteed rent 460,000,000 yen (Note)</p>	 <p>Minimum annual guaranteed rent 460,000,000 yen (Note)</p>	 <p>Fixed annual rent 1,304,673,360 yen</p>
	<b>Rent scheme</b>	<p>(Note) 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.</p>	-	<p>(Note) 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 February next year, together with the rent for September next year. Minimum annual guaranteed rent shows the figures equivalent to 94.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit.</p>	<p>(Note) 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 February next year, together with the rent for September next year.</p>



- Being particular about location, MORI TRUST Hotel Reit invests in properties with high asset value located in the six wards of central Tokyo (Chiyoda Ward, Minato Ward, Chuo Ward, Shinjuku Ward, Shibuya Ward, Shinagawa Ward)
- MORI TRUST Hotel Reit selects highly competitive properties and also focuses on distance to the nearest station



- MORI TRUST Hotel Reit has a high ratio of international brands, and as the number of international brands are limited in Japan, the portfolio helps take in increasing demand from inbound tourists
- MORI TRUST Hotel Reit invests in the properties of top brands such as Marriott and Hilton, some of the largest hotel chains in the world



- Most of the properties have been developed by the sponsor, MORI TRUST
- MORI TRUST Hotel Reit invests in high-quality properties that maximize the development capabilities of Mori Trust Group, a comprehensive developer

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

Development Capabilities



Operation & Management Capabilities



Strategic Hotel Development

Alliance with a variety of international brand hotels



## Resort Areas

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

9	JW Marriott Hotel Nara	158 rooms	MC
10	Suiran, a Luxury Collection Hotel, Kyoto	39 rooms	FC
11	IRAPH SUI, a Luxury Collection Hotel, Miyako Okinawa	58 rooms	FC
12	Sheraton Okinawa Sunmarina Resort	246 rooms	FC
13	Hilton Okinawa Sesoko Resort	298 rooms	MC
14	Hilton Odawara Resort & Spa	163 rooms	MC

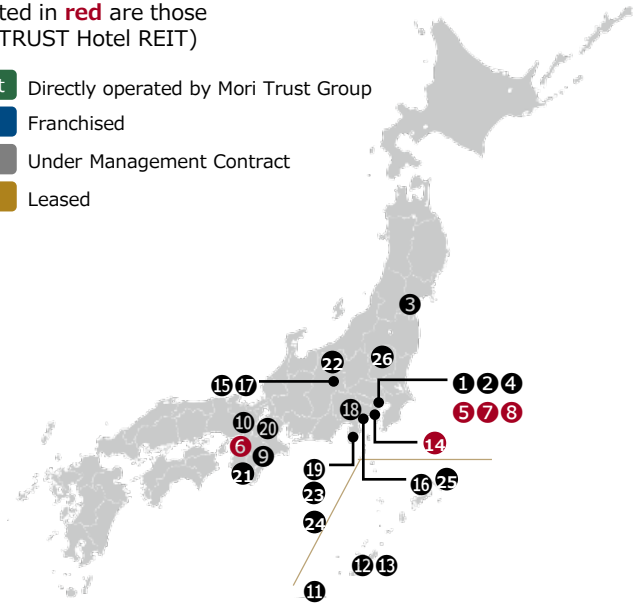
15	MAMPEI HOTEL	109 rooms	Direct
16	Gora-Kansuiro	14 rooms	Direct
17	Karuizawa Marriott Hotel	142 rooms	FC
18	Fuji Marriott Hotel Lake Yamanaka	105 rooms	FC
19	Izu Marriott Hotel Shuzenji	128 rooms	FC
20	Lake Biwa Marriott Hotel	274 rooms	FC
21	Nanki-Shirahama Marriott Hotel	182 rooms	FC
22	Courtyard by Marriott Hakuba	72 rooms	FC
23	Hotel Laforet Shuzenji	212 rooms	Direct
24	Laforet Club Ito Onsen Yunoniwa	84 rooms	Direct
25	Laforet Club Hakone Gora Yunosumika	44 rooms	Direct
26	Resort Hotel Laforet Nasu	118 rooms	Direct

## Major Metropolitan Areas

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

1	The Tokyo EDITION, Toranomom	206 rooms	MC
2	CONRAD TOKYO	291 rooms	MC
3	The Westin Sendai	292 rooms	FC
4	Tokyo Marriott Hotel	249 rooms	FC
5	Courtyard by Marriott Tokyo Station	150 rooms	FC
6	Courtyard by Marriott Shin-Osaka Station	332 rooms	FC
7	Shangri-La Tokyo	200 rooms	LE
8	Hotel Sunroute Plaza Shinjuku	624 rooms	LE

- Direct Directly operated by Mori Trust Group
- FC Franchised
- MC Under Management Contract
- LE Leased



(Source) Prepared by the Asset Management Company based on the information of Mori Trust Group available as of February 28, 2022  
 (Note) Except for the assets owned as of February 28, 2022, 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

## Multiple new hotel development projects

### Major Metropolitan Areas

The Tokyo EDITION, Ginza

Hotel development plan in AKASAKA 2 PROJECT (Tentative)

### Resort Areas

Sapporo Odori Park

Karuizawa Shiozawa

Karuizawa Nagakura

Karuizawa Shinonome

Kanazawa Hirooka

Hida Takayama

Hakuba Sakka

Hakone Nakagora

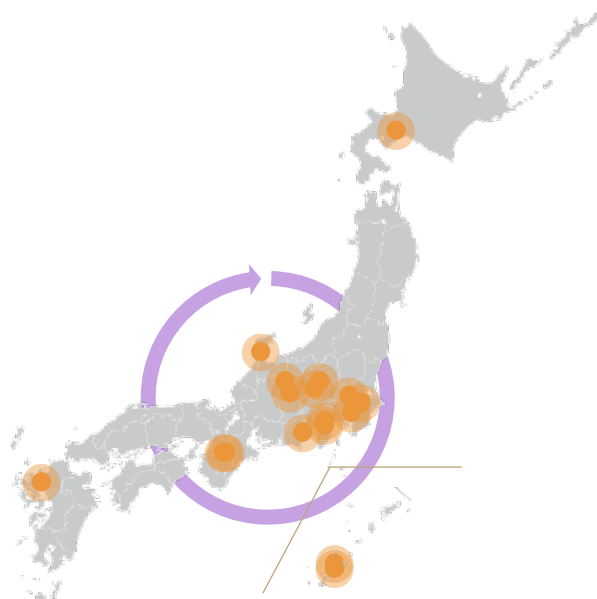
Hakone Gora

Atami Kinomiya

Nara Yoshikien

Nagasaki Minamiyamate

Okinawa Fuchaku



Luxury Destination Network

### Major Metropolitan Areas



The Tokyo EDITION, Ginza

THE TOKYO GINZA  
EDITION

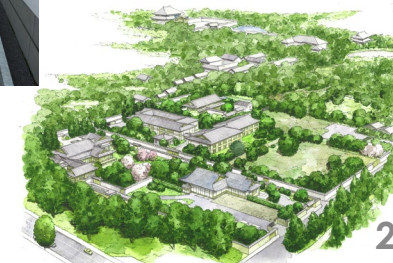


Hotel development plan in AKASAKA 2 PROJECT (Tentative)

### Resort Areas -Nara-



Nara Yoshikien PROJECT



(Source) Prepared by the Asset Management Company based on the information of Mori Trust Group available as of February 28, 2022

(Note) Except for the assets owned as of February 28, 2022, 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.



## Recent Initiatives in ESG

### ■ Revision of Sustainability Policy

- ✓ In March 2022, “Respect for Human Rights” was newly added to the “Sustainability Policy” in response to the recent increase in interest in human rights in Japan and abroad.
- ✓ MORI TRUST Hotel Reit respects human rights in accordance with international principles such as the Universal Declaration of Human Rights, and its business is conducted in compliance with the human rights laws of the countries and regions where its business activities are conducted.

#### 【Sustainability Policy】

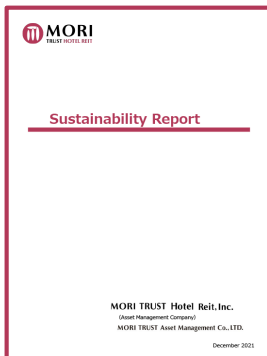
1. Promoting energy savings and GHG emissions reduction
2. Contributing to recycling-oriented society
3. Streamlining the internal management system and strengthening compliance

#### 4. Respect for Human Rights

New

5. Promoting health and comfort
6. Responding to climate change and improving resilience
7. Collaborating with external stakeholders
8. Disclosing ESG information

### ■ Issuance of Sustainability Report



In December 2021, a Sustainability Report was newly issued and disclosed on the website of MORI TRUST Hotel Reit for the purpose of reporting to stakeholders on the philosophy of MORI TRUST Hotel Reit and the Asset Management Company on ESG, their various measures, and other related matters.

[Click here for details](#)

(Link to the website of MORI TRUST Hotel Reit)

(Top>Features of MORI TRUST Hotel Reit>Sustainability Initiatives>Policies and Management Structure)

### ■ Evaluation of Materiality

In December 2021, MORI TRUST Hotel Reit identified issues such as those recognized in the REIT sector and evaluated the materiality from its perspective based on importance and priority. MORI TRUST Hotel Reit seeks 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 (Environment)	Responding to climate change and improving resilience (Saving energy and reducing greenhouse gas (GHG) emissions)	
	Contributing to a recycling-oriented society	
	Reducing environmental load of buildings through collaboration with tenants and suppliers	
S (Social)	Promoting health and well-being of hotel guests and operators	
	Creating comfortable workplace environments for employees	
	Contributing to local areas and communities	
G (Governance)	Ensuring full scale implementation of compliance and risk management	
	Initiatives for the ESG disclosure	

### ■ Support for Task Force on Climate-related Financial Disclosure (TCFD) Recommendations



- ✓ In March 2022, the asset management company expressed its support for the recommendations of TCFD, which was established by the Financial Stability Board (FSB).
- ✓ The 4 items for climate-related risks and opportunities (governance, strategy, risk management, and metrics and targets), which are listed in the TCFD recommendations, are planned to be disclosed.

## Environmental Initiatives

### ■ Replacement of Equipment and Installation of LED Lighting

- ✓ Promoting energy savings to reduce environmental load by replacing equipment to equipment with higher environmental performance and introducing LED lighting
- ✓ For the 12th FP, equipment upgrades were conducted to improve environmental performance

#### (Major Upgrades)

- Oct. 2021 Renewal of centralized monitoring system (Hilton Odawara Resort & Spa)
- Feb. 2022 Installation of smart meters (Shangri-La Tokyo)

## Social Initiatives

### ■ COVID-19 Prevention Measures at Each Hotel

#### Introduction of Pure wellness rooms

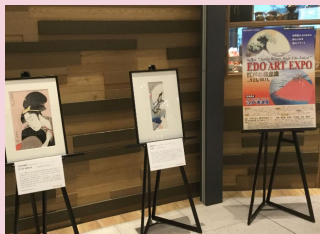
Hilton Odawara Resort & Spa and Courtyard by Marriott Tokyo Station/Shin-Osaka Station have made some guestrooms “Pure wellness rooms” which provide a high-quality clean air environment and have been introduced in hotels around the world.

### ■ Contribution to Local Communities

- ✓ Participating in/supporting community events with each hotel

(Courtyard by Marriott Tokyo Station)

Participated in a community event “EDO ART EXPO”



(Hilton Odawara Resort & Spa)

Held a charity event “Christmas Train”



## (Reference) Employee Initiatives by Mori Trust Group

### ■ Employee Initiatives (the Asset Management Company)

#### Implementation of Employee Satisfaction Survey

The Asset Management Company implements an employee satisfaction survey every year to be engaged in initiatives to provide a healthy and comfortable environment for employees to work in order to help maximize the abilities of each of them.

### ■ Employee Initiatives (MORI TRUST CO., LTD.) (Note 1)

#### Promotion of Women’s participation and work-life balance

MORI TRUST CO., LTD. is engaged in initiatives to promote women’s participation and work-life balance from the perspective of diversity.

(1) Female employment rate		33.3%
(2) Female employee rate		27.7%
(3) Female management position rate		6.8%
(4) Rate of taking childcare leave	Male	90.0%
	Female	100.0%
(5) Rate of paid leave taken		79.1%

((1)(4)(5): FY2021, (2)(3): as of March 31, 2022)  
(Note 2)



Acquired certification as a company that supports employees with childcare (Kurumin certification) and certification as a company that promotes women’s participation and advancement in the workplace (Eruboshi certification) (Minister of Health, Labour and Welfare certification)

(Note 1) The employees of the Hotel REIT Management Division of the Asset Management Company of MORI TRUST Hotel REIT are comprised of personnel seconded from MORI TRUST CO., LTD.

(Note 2) Figures shown in (1), (2) and (3) are calculated for employees employed by MORI TRUST CO., LTD. and figures shown in (4) and (5) are calculated for employees assigned to MORI TRUST CO., LTD.)

## (Reference) 2021 GRESB Real Estate Assessment

• GRESB Rating  
「3 Stars」



• GRESB Public Disclosure  
「A」



# APPENDIX

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## NO.1

### SHANGRI-LA TOKYO



## Shangri-La Tokyo



Luxury	Upper upscale	Upscale	Upper midscale
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Location : Chiyoda Ward, Tokyo  
 Floors : 37 with 4 basement floors (Note 1)  
 Guestrooms : 200 (Note 2)

Developed by MORI TRUST

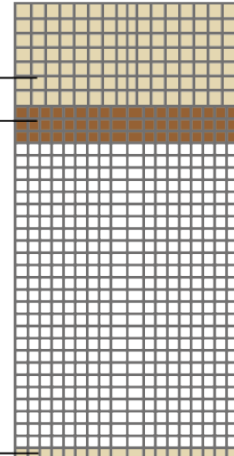
Leased



**[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.

(Note 1) The figure indicates the number of floors for the Tower MAIN and Tower NORTH of Marunouchi Trust Tower.  
 (Note 2) The figure indicates the number of guest rooms available for sale.



**NO.2**  
**HILTON**  
**ODAWARA**  
**RESORT & SPA**

## Hilton Odawara Resort & Spa



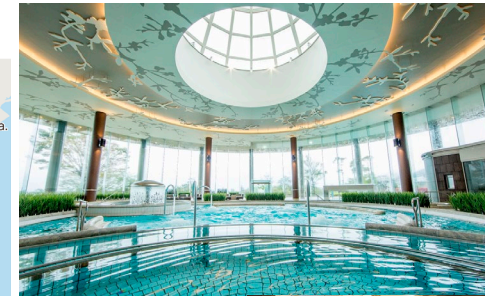
Luxury

**Upper upscale**

Upscale

Upper  
midscale

Location : Odawara-shi, Kanagawa  
 Floors : 12 with 1 basement floors (Note 1)  
 Guestrooms : 163 (Note 2)



### Property characteristics

- Located in a favorable resort area with convenient access being only 1 hour from the Tokyo metropolitan area.
- High-quality building grade under the Hilton brand with all guestrooms offering ocean views.
- Extended-stay resort with natural hot spring baths, advanced sports facilities incl. 10 types of pools and amusement facilities.

(Note 1) The floors of the main facility is stated.

(Note 2) The number of guestrooms indicates total number of guestrooms for the entire hotels (which may include the interests of other quasi-co-owners).





**NO.3**  
**COURTYARD**  
**BY MARRIOTT**  
**TOKYO STATION**

## Courtyard by Marriott Tokyo Station

**COURTYARD**  
BY MARRIOTT

Tokyo Station

Luxury

Upper upscale

Upscale

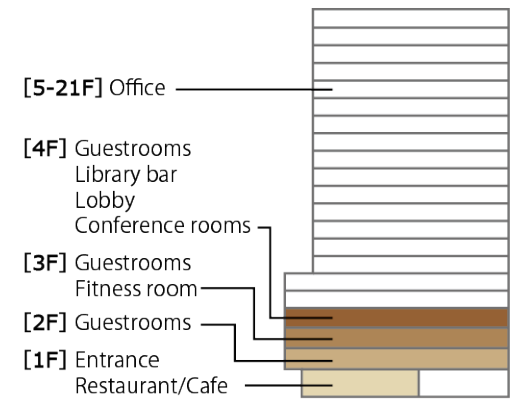
Upper midscale

Location : Chuo Ward, Tokyo  
 Floors : 21 with 3 basement floors (Note1)  
 Guestrooms : 150 (Note 2)

**Developed by  
MORI TRUST**

**Operated by  
Mori Trust  
Group**

4-minute walk from Tokyo Sta.



### 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 8,000 hotels globally. Membership program of the Marriott Group applicable for over 160 million members. (Note 3)

(Note 1) The figure indicates the number of floors of the entire building.  
 (Note 2) The number of guestrooms indicates total number of guestrooms for the entire hotels (which may include the interests of other quasi-co-owners).  
 (Note 3) Based on the website of Marriott International (as of April 11, 2022).



**NO.4**  
**COURTYARD**  
**BY MARRIOTT**  
**SHIN-OSAKA STATION**

## Courtyard by Marriott Shin-Osaka Station

**COURTYARD**  
 BY MARRIOTT

Shin-Osaka Station

Luxury	Upper upscale	<b>Upscale</b>	Upper midscale
--------	---------------	----------------	----------------

Location : Yodogawa Ward, Osaka  
 Floors : 18 floors (Note 1)  
 Guestrooms : 332 (Note 2)

**Developed by**  
**MORI TRUST**

**Operated by**  
**Mori Trust Group**



### 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 (Note 2), have an area of 30 m<sup>2</sup> to 90 m<sup>2</sup>, securing comfortably wide spaces.

(Note 1) The figure indicates the number of floors of the entire building.

(Note 2) The number of guestrooms indicates total number of guestrooms for the entire hotels (which may include the interests of other co-owners).



## NO.5

### HOTEL SUNROUTE PLAZA SHINJUKU

## Hotel Sunroute Plaza Shinjuku



HOTEL SUNROUTE PLAZA SHINJUKU

Luxury

Upper upscale

Upscale

Upper  
midscale

Developed by  
MORI TRUST

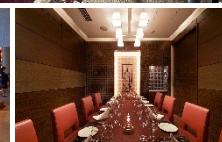
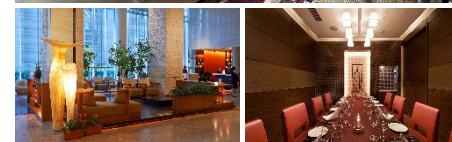
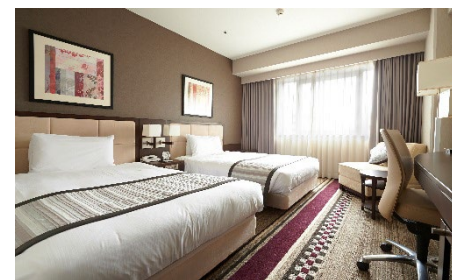
Leased

Location : Shibuya Ward, Tokyo

Floors : 14 with 1 basement floor

Guestrooms : 624

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.

# Balance Sheets and Statements of Income (12th FP)

(Thousand yen)

## Balance Sheets (as of February 28, 2022)

<b>Current assets</b>	4,702,479	<b>Current liabilities</b>	19,983,512
Cash and deposits	3,189,330	Operating accounts payable	31,449
Cash and deposits in trust	1,490,463	Short-term loans payable	5,975,000
Operating accounts receivable	13,684	Current portion of long-term loans payable	13,500,000
Prepaid expenses	9,000	Accounts payable	108,635
<b>Non-current assets</b>	104,832,633	Accrued expenses	43,985
Property and equipment	104,822,368	Distribution payable	3,016
Machinery and equipment	14,898	Income taxes payable	827
Accumulated depreciation	- 2,522	Advances received	320,266
Tools, furniture and fixtures	47,079	Deposits received	331
Accumulated depreciation	- 13,322	<b>Non-current liabilities</b>	39,020,949
Buildings in trust	20,522,837	Long-term loans payable	34,500,000
Accumulated depreciation	- 3,668,723	Tenant leasehold and security deposits	4,520,923
Structures in trust	8,450	Other	26
Accumulated depreciation	- 5,416	<b>Total liabilities</b>	59,004,462
Machinery and equipment in trust	5,034	<b>Unitholders' equity</b>	50,530,651
Accumulated depreciation	- 1,261	Unitholders' capital	50,000,000
Tools, furniture and fixtures in trust	31,302	Surplus	530,651
Accumulated depreciation	- 7,304	Unappropriated retained earnings	530,651
Land in trust	87,891,316	<b>Total net assets</b>	50,530,651
Intangible assets	254	<b>Total liabilities and net assets</b>	109,535,113
Software	254		
Investments and other assets	10,010		
Guarantee deposits	10,000		
Deferred tax assets	10		
<b>Total assets</b>	109,535,113		

## Statements of Income (September 1, 2021 – February 28, 2022)

<b>Operating revenues</b>	1,423,875
Rental revenues	1,420,550
Other rental revenues	3,324
<b>Operating expenses</b>	779,489
Rental expenses	652,054
Asset management fee	87,769
Asset custody and administrative service fees	12,018
Directors' compensations	3,600
Other operating expenses	24,047
<b>Operating income</b>	644,385
<b>Non-operating income</b>	208
Interest income	23
Reversal of distributions payable	184
<b>Non-operating expenses</b>	113,356
Interest expenses	113,339
Other	17
<b>Ordinary income</b>	531,236
<b>Income before income taxes</b>	531,236
Income taxes – current	830
Income taxes – deferred	5
<b>Net income</b>	530,400
Retained earnings brought forward	250
<b>Unappropriated retained earnings</b>	530,651

# Revenues and Expenses by Property (12th FP)

Item		Shangri-La Tokyo	Hilton Odawara Resort & Spa	Courtyard by Marriott Tokyo Station	Courtyard by Marriott Shin-Osaka Station	Hotel Sunroute Plaza Shinjuku	Total
		12th FP	12th FP	12th FP	12th FP	12th FP	12th FP
<b>Operating period</b>	(from) (to)	Sep. 1, 2021 Feb. 28, 2022	Sep. 1, 2021 Feb. 28, 2022	Sep. 1, 2021 Feb. 28, 2022	Sep. 1, 2021 Feb. 28, 2022	Sep. 1, 2021 Feb. 28, 2022	Sep. 1, 2021 Feb. 28, 2022
<b>Operating days</b>	(days)	181	181	181	181	181	181
<b>Real estate rental revenues and expenses</b> (thousand yen)							
<b>Real estate rental revenues</b>	(i)	533,359	170,015	25,519	41,563	653,416	1,423,875
<b>Rent revenues</b>		533,359	167,770	25,519	41,563	652,336	1,420,550
<b>Other revenues</b>		-	2,244	-	-	1,080	3,324
<b>Real estate rental expenses</b>	(ii)	241,281	94,857	67,830	71,696	176,389	652,054
<b>Taxes and public dues</b>		129,721	43,188	22,494	13,962	66,711	276,078
<b>Insurance expenses</b>		1,525	1,787	377	718	1,037	5,446
<b>Repairs and maintenance expenses</b>		-	215	1,836	3,349	-	5,400
<b>Depreciation</b>	(iii)	109,833	49,515	42,881	53,466	108,440	364,138
<b>Other</b>		200	150	240	200	200	990
<b>Real estate rental income</b>	(iv)=(i)-(ii)	292,078	75,158	- 42,310	- 30,132	477,026	771,820
<b>NOI</b>	(v)=(iv)+(iii)	401,912	124,674	570	23,333	585,467	1,135,958
<b>NOI yield (annualized)</b>	(Note 1)	1.9%	3.9%	0.0%	0.3%	4.1%	2.1%
<b>Acquisition price</b>	(million yen)	42,000	(Note 2) 6,500	(Note 3) 13,041	17,600	28,600	107,741

(Note 1) Annualized NOI for the 12th FP / Acquisition price

(Note 2) The acquisition price for Hilton Odawara Resort & Spa are the amount equivalent to 50% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit.

(Note 3) The acquisition price for Courtyard by Marriott Tokyo Station is the amount equivalent to 94.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit.

# List of Interest-Bearing Debt

(as of February 28, 2022)

Category	Lender	Loan amount (mn yen)	Interest rate	Drawdown date	Repayment date	Remarks
Short-term loans	MUFG Bank, Ltd.	975	Base rate (Note) + 0.34%	Aug. 31, 2021	Aug. 31, 2022	Lump-sum repayment upon maturity Unsecured Unguaranteed Floating interest rate
	Mizuho Bank, Ltd.	500	Base rate (Note) + 0.34%	Aug. 31, 2021	Aug. 31, 2022	
	Sumitomo Mitsui Banking Corporation	500	Base rate (Note) + 0.34%	Aug. 31, 2021	Aug. 31, 2022	
	Sumitomo Mitsui Trust Bank, Limited	500	Base rate (Note) + 0.34%	Aug. 31, 2021	Aug. 31, 2022	
	Sumitomo Mitsui Banking Corporation	1,500	Base rate (Note) + 0.33%	Aug. 31, 2021	Aug. 31, 2022	
	Sumitomo Mitsui Trust Bank, Limited	1,500	Base rate (Note) + 0.33%	Aug. 31, 2021	Aug. 31, 2022	
	Mizuho Bank, Ltd.	500	Base rate (Note) + 0.33%	Aug. 31, 2021	Aug. 31, 2022	
<b>Subtotal</b>		5,975				
Long-term loans	Sumitomo Mitsui Banking Corporation	2,000	0.42661%	Nov. 30, 2018	Aug. 31, 2022	Lump-sum repayment upon maturity Unsecured Unguaranteed Fixed interest rate
	Mizuho Bank, Ltd.	1,000	0.42661%	Nov. 30, 2018	Aug. 31, 2022	
	Sumitomo Mitsui Trust Bank, Limited	1,000	0.42661%	Nov. 30, 2018	Aug. 31, 2022	
	Shinkin Central Bank	1,000	0.42661%	Nov. 30, 2018	Aug. 31, 2022	
	Mizuho Trust & Banking Co., Limited	2,000	0.25750%	Nov. 29, 2019	Aug. 31, 2022	
	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	
	Sumitomo Mitsui Banking Corporation	5,500	0.28250%	Nov. 29, 2019	Feb. 28, 2023	
	Nippon Life Insurance Company	1,000	0.55565%	Nov. 30, 2017	May 31, 2023	
	Mizuho Bank, Ltd.	1,000	0.49909%	Nov. 30, 2018	Aug. 31, 2023	
	Sumitomo Mitsui Trust Bank, Limited	1,000	0.49909%	Nov. 30, 2018	Aug. 31, 2023	
	MUFG Bank, Ltd.	1,000	0.49909%	Nov. 30, 2018	Aug. 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	
	Mizuho Bank, Ltd.	1,000	0.30000%	Nov. 30, 2020	Nov. 30, 2023	
	Sumitomo Mitsui Banking Corporation	1,000	0.30000%	Nov. 30, 2020	Nov. 30, 2023	
	Resona Bank, Limited	1,000	0.29000%	Nov. 30, 2020	Nov. 30, 2023	
	Mizuho Bank, Ltd.	2,000	0.33250%	Nov. 29, 2019	Feb. 29, 2024	
	Mizuho Bank, Ltd.	5,000	0.35750%	Nov. 29, 2019	Aug. 30, 2024	
	Sumitomo Mitsui Trust Bank, Limited	2,000	0.45000%	Aug. 31, 2021	Aug. 30, 2024	
	Mizuho Bank, Ltd.	1,000	0.45000%	Aug. 31, 2021	Aug. 30, 2024	
	Sumitomo Mitsui Banking Corporation	1,000	0.45000%	Aug. 31, 2021	Aug. 30, 2024	
	MUFG Bank, Ltd.	3,000	0.52470%	Nov. 30, 2021	Aug. 30, 2024	
	Sumitomo Mitsui Trust Bank, Limited	3,000	0.52750%	Nov. 30, 2021	Nov. 29, 2024	
	Development Bank of Japan Inc.	1,500	0.52750%	Nov. 30, 2021	Nov. 29, 2024	
	Shinkin Central Bank	1,000	0.29880%	Sep. 2, 2019	Aug. 29, 2025	
Development Bank of Japan Inc.	500	0.29880%	Sep. 2, 2019	Aug. 29, 2025		
Mizuho Trust & Banking Co., Limited	500	0.29880%	Sep. 2, 2019	Aug. 29, 2025		
Resona Bank, Limited	500	0.29880%	Sep. 2, 2019	Aug. 29, 2025		
Mizuho Bank, Ltd.	1,000	0.36000%	Sep. 2, 2019	Aug. 31, 2026		
<b>Subtotal</b>		48,000				
<b>Total</b>		53,975				

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

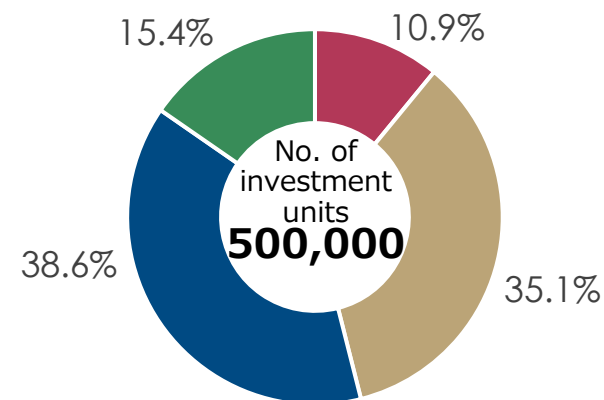
Debt financing conducted in the 12th FP ended February 2022



# Status of Unitholders (End of 12th FP)

## Breakdown of Unitholders (as of February 28, 2022)

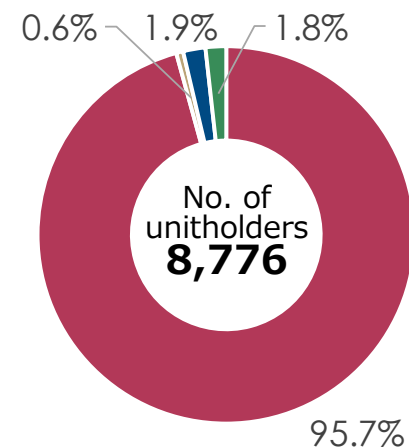
	Individuals	Financial institutions (including securities firms)	Other domestic corporations	Overseas corporations and individuals	Total
<b>No. of investment units (units)</b>	54,729	175,542	192,930	76,799	500,000
	10.9%	35.1%	38.6%	15.4%	100%
<b>No. of unitholders (persons)</b>	8,401	52	168	155	8,776
	95.7%	0.6%	1.9%	1.8%	100%



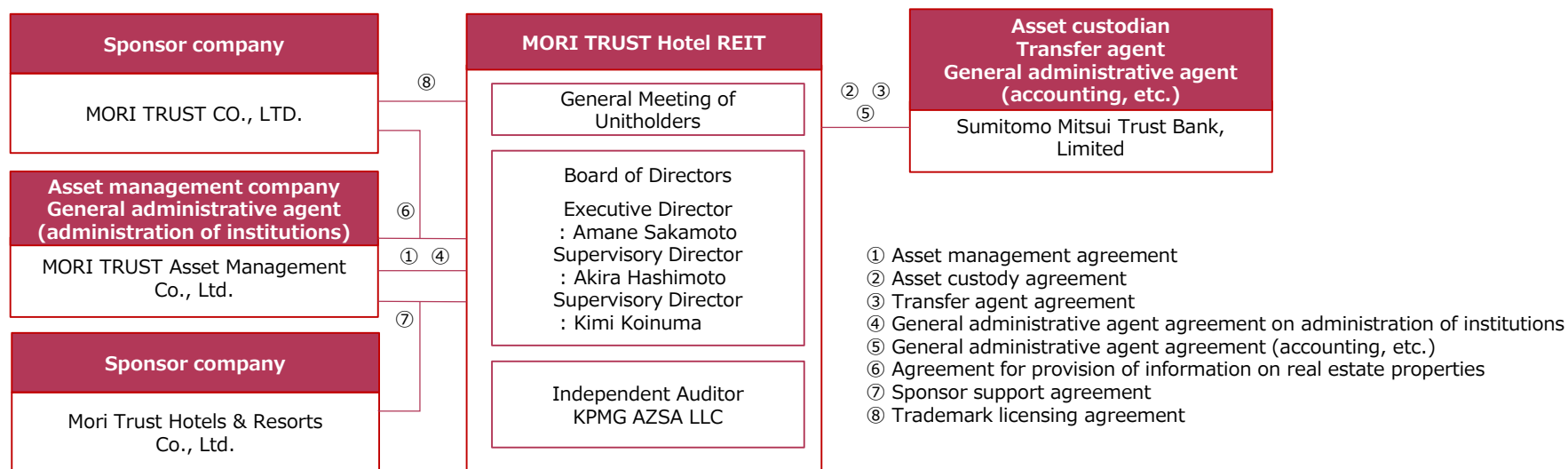
## Major Unitholders (Top 10 Firms) (as of February 28, 2022)

Name	No. of owned units (units)	Unitholding ratio (%)
Mori Trust Holdings Inc.	184,000	36.8%
Custody Bank of Japan, Ltd. (Trust Account)	79,899	16.0%
The Master Trust Bank of Japan, Ltd. (Trust Account)	49,734	9.9%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	14,288	2.9%
SSBTC CLIENT OMNIBUS ACCOUNT	10,814	2.2%
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	8,647	1.7%
THE BANK OF NEW YORK MELLON 140044	4,500	0.9%
The Chugoku Bank, Ltd.	4,061	0.8%
DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	3,846	0.8%
STATE STREET BANK AND TRUST COMPANY 505011	3,227	0.6%
<b>Total (top 10 firms)</b>	<b>363,016</b>	<b>72.6%</b>

- Individuals
- Financial institutions (including securities firms)
- Other domestic corporations
- Overseas corporations and individuals



## Structure of MORI TRUST Hotel REIT (as of February 28, 2022)



## Structure of MORI TRUST Asset Management (as of February 28, 2022)

<b>Company name</b>	MORI TRUST Asset Management Co., Ltd.
<b>Shareholder composition</b>	MORI TRUST CO., LTD. 95% Mori Trust Hotels & Resorts Co., Ltd. 5%
<b>Registration / licenses</b>	Financial instruments business, Registration No.: Kanto Local Finance Bureau Director-General (Financial instruments business) No.407 Comprehensive real estate investment advisory business, Registration No.: Minister of Land, Infrastructure and Transportation No.000001 Building lot and building transaction business, License No.: Minister of Land, Infrastructure and Transportation(5) No.6009 Discretionary trading agent, etc. for building lot and building transaction business, Permission No.: Minister of Land, Infrastructure and Transportation No.4 Member of The Investment Trusts Association, Japan

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The information indicated in this material may include forward-looking statements regarding the financial condition and operating results of MORI TRUST Hotel REIT. Please note that these forward-looking statements include portions that assume certain risks and uncertainty, and the actual results may differ due to changes in the business environment and other factors going forward.

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