

## Summary of Financial Results (REIT) for Fiscal Period Ended August 31, 2022

October 20, 2022

REIT Securities Issuer	MORI TRUST Hotel Reit, Inc.	Stock Exchange Listing:	Tokyo Stock Exchange
Securities Code:	3478	URL:	<a href="http://www.mt-hotelreit.jp/en/">http://www.mt-hotelreit.jp/en/</a>
Representative:	Amane Sakamoto, Executive Director		
Asset Management Company:	MORI TRUST Asset Management Co., Ltd.		
Representative:	Michio Yamamoto, President and Representative Director		
Contact:	Nobuyuki Aizawa, General Manager, Strategic Management Department, Hotel REIT Management Division Tel: 03-6435-7011		

Scheduled date of submission of securities report: November 29, 2022

Scheduled date of commencement of cash distribution payment: November 21, 2022

Preparation of supplementary financial results briefing materials: Yes

Holding of financial results briefing session: No

(Amounts are rounded down to the nearest million yen)

### 1. Status of Management and Assets for Fiscal Period Ended August 31, 2022 (from March 1, 2022 to August 31, 2022)

(1) Management Status (% figures are the rate of period-on-period increase (decrease))

Fiscal Period	Operating Revenue		Operating Income		Ordinary Income		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
Ended Aug. 2022	2,053	44.2	1,257	95.1	1,145	115.7	1,144	115.8
Ended Feb. 2022	1,423	(32.5)	644	(51.0)	531	(56.0)	530	(56.0)

Fiscal Period	Net Income per Unit	Net Income to Total Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
	yen	%	%	%
Ended Aug. 2022	2,289	2.3	1.0	55.8
Ended Feb. 2022	1,060	1.0	0.5	37.3

(2) Distributions Status

Fiscal Period	Distributions per Unit (excluding distributions in excess of earnings)	Total Distributions (excluding distributions in excess of earnings)	Distributions in Excess of Earnings per Unit	Total Distributions in Excess of Earnings	Distributions Payout Ratio	Distributions Ratio to Net Assets
	yen	million yen	yen	million yen	%	%
Ended Aug. 2022	2,289	1,144	-	-	100.0	2.3
Ended Feb. 2022	1,061	530	-	-	100.1	1.0

(3) Financial Position

Fiscal Period	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Unit
	million yen	million yen	%	yen
Ended Aug. 2022	110,357	51,144	46.3	102,289
Ended Feb. 2022	109,535	50,530	46.1	101,061

(4) Cash Flows Status

Fiscal Period	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of the Period
	million yen	million yen	million yen	million yen
Ended Aug. 2022	1,892	(68)	(530)	5,972
Ended Feb. 2022	711	(50)	(1,205)	4,679

2. Management Status Forecast for Fiscal Period Ending February 28, 2023 (from September 1, 2022 to February 28, 2023)

Management Status Forecast for Fiscal Period Ending February 28, 2023 (from September 1, 2022 to February 28, 2023) has yet to be determined at this point because it is difficult to make a rational calculation of performance forecast as the global spread of COVID-19 has yet to cease. We will carefully assess the impact and aim to announce it in December 2022.

\* Others

(1) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatement

- |   |      |
|---|------|
| (i) Changes in accounting policies in accordance with amendments to accounting standards, etc.: | None |
| (ii) Changes in accounting policies other than (i):   | None |
| (iii) Changes in accounting estimates:  | None |
| (iv) Retrospective restatement:   | None |

(2) Total number of Investment Units Issued and Outstanding

- |   |         |
|---|---------|
| (i) Total number of investment units issued and outstanding (including own investment units) at end of the period |         |
| Fiscal period ended August 31, 2022   | 500,000 |
| Fiscal period ended February 28, 2022   | 500,000 |
| (ii) Number of own investment units at end of the period  |         |
| Fiscal period ended August 31, 2022   | 0       |
| Fiscal period ended February 28, 2022   | 0       |

\* This financial report has not undergone any audit performed by a certified public accountant or auditing firm.

\* Special Note

Not applicable.

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## 1. Management Status

### (1) Overview of the Fiscal Period under Review

#### (i) Major Change in MORI TRUST Hotel Reit

MORI TRUST Hotel Reit, Inc. (“MORI TRUST Hotel Reit”) was established with an investment amount of 100 million yen (1,000 units) on January 15, 2016, with MORI TRUST Hotel Asset Management Co., Ltd. (Note) as the organizer and Mori Trust Co., Ltd. (“Mori Trust”) and Mori Trust Hotels & Resorts Co., Ltd. (“Mori Trust Hotels & Resorts”) as the sponsors based on the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended), and registration with the Kanto Local Finance Bureau (Registration number: Kanto Local Finance Bureau Director-General No. 112) was completed on February 10, 2016.

After that, MORI TRUST Hotel Reit issued new investment units (499,000 units) by conducting capital increase through private placement on June 1, 2016, and was listed on the Tokyo Stock Exchange Real Estate Investment Trust Securities Market on February 7, 2017 (Securities Code: 3478).

The total number of investment units issued and outstanding is 500,000 as of the end of the fiscal period under review.

(Note) An absorption-type merger with MORI TRUST Hotel Asset Management Co., Ltd. as the absorbed company and MORI TRUST Asset Management Co., Ltd. (the “Asset Management Company”) as the surviving company was conducted on March 1, 2019, and the assets of MORI TRUST Hotel Reit are managed by the Asset Management Company after the merger.

#### (ii) Investment Environment and Management Results

The Japanese economy is slowly recovering with the impact of the COVID-19 pandemic abating despite rising resource prices and other factors.

In the tourism industry, new entry of foreign nationals into Japan for purposes other than tourism was resumed subject to certain conditions from March 2022, and guided package tours for foreign tourists began to be accepted in June, but the number of foreign visitors to Japan remains at a low level. The total number of foreign visitors to Japan from January to August 2022 dropped by 96.3% compared with the same period in 2019 (estimate by Japan National Tourism Organization) before the COVID-19 pandemic, and continued to be significantly lower. On the other hand, based on the government policy of easing movement restrictions while preventing the spread of COVID-19 so that people can continue their daily lives and socioeconomic activities, the quasi-emergency measures were lifted in all prefectures in March 2022, and other movement restrictions have also been relaxed thereafter. While the total number of Japanese overnight guests in 2021 (final figures of Overnight Travel Statistics Survey by Japan Tourism Agency) decreased by 34.7% compared with that in 2019, the figure from January to August 2022 (preliminary figures) decreased by 15.2% compared with the same period in 2019, showing a gradual recovery in domestic lodging demand.

Under such an environment, MORI TRUST Hotel Reit continually held discussions with the hotel side to enhance profitability, upon understanding the business environment and operating conditions of each hotel at its owned properties on a monthly basis. MORI TRUST Hotel Reit also strove to enhance profitability by promoting efficiency in operating costs, utilizing government subsidies such as special measures for employment adjustment subsidies, cooperative subsidies for the prevention of the spread of COVID-19, etc., as well as by offering products that respond to changes in demand due to the impact of COVID-19 to capture domestic demand. As a result, rental revenues for the fiscal period under review was higher than that for the fiscal period ended August 2020 and fiscal period ended August 2021, although it continued to be lower than that for the fiscal period ended August 2019, which was not impacted by COVID-19. Minimum guaranteed rents were applied for some hotels with variable rent as in the previous year.

In order to eliminate conflict with financial covenants between MORI TRUST Hotel Reit and financial institutions, MORI TRUST Hotel Reit transferred 1.0% quasi-co-ownership interest of the trust beneficiary interest of “Courtyard by Marriott Tokyo Station” on August 31, 2022 and 46 million yen was recorded as the gain on sale of real estate.

As of the end of the fiscal period under review, MORI TRUST Hotel Reit owns five properties with a total acquisition price of 107,603 million yen, and its total number of guestrooms is 1,469 rooms.

Further, the Asset Management Company recognizes that efforts to improve sustainability such as environmental consideration, contribution to society, and strengthening corporate governance in asset management operations are essential for growing MORI TRUST Hotel Reit’s unitholder value in the medium to long term. As a result, it has established and implements the “Sustainability Policy.” In the fiscal year under review, identification of climate-related risks and opportunities and assessment of financial impacts were conducted as initiatives for climate change for “E: Environmental”; free hotel shuttle bus service was provided by a hotel operator (Hilton Odawara Resort & Spa) to support local elementary school children leaving school for “S: Society”; and compliance training was conducted for employees for “G: Governance.” In the GRESB Real Estate Assessment in 2022, MORI TRUST Hotel Reit received a “3 Stars” in GRESB Rating, which is based on GRESB Overall Score and its quintile position relative to global participants. It also won a “Green Star” designation by achieving high performance

both in “Management Component” that evaluates policies and organizational structure for ESG promotion and “Performance Component” that assesses environmental performance and tenant engagement of properties owned.

### (iii) Overview of Financing

In the fiscal period under review, MORI TRUST Hotel Reit executed the borrowing of 12,975 million yen on August 2022 in order to repay existing loans of 12,975 million yen, which reached maturity.

As a result, the outstanding balance of interest-bearing debt as of the end of the fiscal period under review was 53,975 million yen, of which 5,475 million yen are short-term loans and 48,500 million yen are long-term loans (including 10,500 million yen of current portion of long-term loans payable). Moreover, the ratio of interest-bearing debt to total assets at the end of period was 48.9%.

### (iv) Overview of Business Performance and Distribution

As a result of the above management, operating revenue was 2,053 million yen, operating income was 1,257 million yen, ordinary income was 1,145 million yen and net income was 1,144 million yen.

As for distributions, MORI TRUST Hotel Reit distributed the entire amount of unappropriated retained earnings excluding distributions per unit of less than 1 yen with an intent to include profit distributions in deductible expenses by applying the Special Provisions for Taxation System on Investment Corporations (Article 67-15 of the Act on Special Measures Concerning Taxation). As a result, distributions per unit was 2,289 yen.

## (2) Outlook for the Next Fiscal Period

### (i) Investment Environment

As it moves into a new phase of coexisting with COVID-19, the Japanese economy is expected to continue to rally back due in part to the effects of various policies. However, as global monetary tightening and other factors continue, there is a risk that a downturn in overseas economies will cause downward pressure on the Japanese economy. In addition, there is a great degree of uncertainty surrounding the Japanese economy, including the course of COVID-19 in Japan and abroad and its impact, future developments in the situation in Ukraine, and trends in resource prices and in overseas economies and prices. Under such circumstances, there is a need to closely monitor developments in financial and foreign exchange markets and their impacts on the Japanese economy and prices.

In the tourism industry, as it moves into a new phase of coexisting with COVID-19, policy-based support, such as the nationwide travel discount program launched by Japan Tourism Agency on October 11, 2022, is anticipated and a further recovery in domestic demand is expected. Also, as the global movement to relax restrictions on cross-border travel accelerates with the exception of a few countries and regions, the Japanese government is also moving to relax restrictions. Since entry restrictions have been eased significantly, with the removal of the daily cap on the entry and the lifting of the ban on entry of individual foreign tourists on October 11, 2022, a recovery in travel to Japan is also expected going forward. However, there is a need to closely monitor changes in the situation of the spread of COVID-19 and restrictions on cross-border travel in each country and region, impacts of the situation in Ukraine on air travel, etc.

Under such an environment, the business performance of the hotels owned by MORI TRUST Hotel Reit are expected to gradually recover by capturing domestic demand, promoting efficiency in operating costs and ensuring capturing of demand from foreign visitors to Japan, who are expected to recover in the future, upon continuing to implement measures to prevent the spread of COVID-19.

### (ii) Future Management Policy and Issues to Be Handled

With Mori Trust and Mori Trust Hotels & Resorts as its sponsors, MORI TRUST Hotel Reit plans to realize its growth strategies, making full use of the support of the Mori Trust Group, including the two sponsor companies.

As its internal growth strategy, MORI TRUST Hotel Reit will maximize the revenue of investment real estate by utilizing efficient operational know-how with the sponsor support from Mori Trust Hotels & Resorts as well as further strengthen the base of hardware, software and humanware and aim for stabilization and growth of revenue by conducting appropriate renovation and rebranding.

As its external growth strategy, MORI TRUST Hotel Reit will invest in competitive and high-quality hotels centering on international brand hotels with high recognition both inside and outside Japan.

In order to seize the opportunity for property acquisitions, MORI TRUST Hotel Reit has concluded an agreement concerning the provision of information on real estate, etc. with Mori Trust and the Asset Management Company, and established a structure to preferentially obtain information on sales of real estate, etc. which are “mainly used as hotels (accommodation facilities including hotels and inns as well as incidental facilities)” owned by Mori Trust Group. It will strive to acquire highly

competitive properties and aim to achieve external growth by utilizing the information provided by Mori Trust Group and the Asset Management Company's unique information-gathering ability.

With such efforts, MORI TRUST Hotel Reit intends to secure stable revenue and achieve steady growth of assets under management and aims to maximize unitholder value.

Furthermore, although it is difficult to forecast the impact of the COVID-19 pandemic, MORI TRUST Hotel Reit will closely monitor future trends and take appropriate action.

(iii) Financial Strategies, Etc.

MORI TRUST Hotel Reit aims to reduce refinancing risks and financing costs by establishing a solid and stable business relationship with leading financial institutions in Japan as well as intending to achieve the best mix of short-term and long-term loans, diversification of repayment dates and diversification of bank formation.

With respect to the ratio of interest-bearing debt to total assets, MORI TRUST Hotel Reit will set 60% as a target for the upper limit (however, LTV may exceed 60% temporarily due to the acquisition of new investment real estate, etc.) and conduct financial operation, with 50% as a target for the upper limit in normal time.

(iv) Significant Subsequent Events

(Reference)

• Scheduled Change of Executive Director

Executive Director Amane Sakamoto has indicated his intent to resign from the post of Executive Director of MORI TRUST Hotel Reit as of October 31, 2022. In accordance with his resignation, Nobuyuki Aizawa, the substitute Executive Director, is scheduled to assume the post of Executive Director as of November 1, 2022. The career summary of the new Executive Director is as follows.

Name (Date of birth)	Major Career Summary	
Nobuyuki Aizawa (May 28, 1968)	Apr. 1992	Joined Fujita Corporation
	Feb. 2002	Seconded to Council for Real Estate Syndication (now the Association for Real Estate Securitization)
	Nov. 2003	Asset Consulting Department, Urban Revitalization Promotion Division, Fujita Corporation
	Apr. 2005	Joined MORI TRUST CO., LTD.
	Apr. 2006	Seconded to MORI TRUST Asset Management Co., Ltd. Compliance Officer
	Jul. 2007	Seconded to MORI TRUST Asset Management Co., Ltd. Manager, Planning and Finance Department
	Jun. 2015	Seconded to MORI TRUST Asset Management Co., Ltd. General Manager, Planning and Finance Department
	Aug. 2015	Seconded to Real Asset Management Co., Ltd. (now MORI TRUST Asset Management Co., Ltd.) Director and General Manager, Planning and Finance Department
	Mar. 2019	Seconded to MORI TRUST Asset Management Co., Ltd. General Manager, Strategic Management Department, Hotel REIT Management Division, and General Manager, Planning and Finance Department (present post)
	Nov. 2022	Executive Director of MORI TRUST Hotel Reit, Inc. (scheduled) Seconded to MORI TRUST Asset Management Co., Ltd. Representative Director, Chief Operating Officer (COO), Head of Hotel REIT Management Division, and General Manager, Strategic Management Department, Hotel REIT Management Division, and General Manager, Planning and Finance Department (scheduled)

(v) Outlook of Management Status

The global spread of COVID-19 has caused demand for hotel services to remain stagnant, including demand from domestic and foreign tourists, business travelers, and banquet hall users, etc. Although MORI TRUST Hotel Reit's revenue is impacted by the variable rent linked to hotel revenue, it is difficult to predict the impact that this will have at this point in time.

Therefore, Management Status Forecast for Fiscal Period Ending February 28, 2023 (from September 1, 2022 to February 28, 2023) has yet to be determined at this point because it is difficult to make a rational calculation of performance forecast. We will carefully assess the impact and aim to announce it in December 2022.

Operating revenue	TBD
Operating income	TBD
Ordinary income	TBD
Net income	TBD
Distributions per unit	TBD
Distributions in excess of earnings per unit	TBD

## 2. Financial Statements

### (1) Balance Sheets

(Thousands of yen)

	Previous fiscal period (as of February 28, 2022)	Current fiscal period (as of August 31, 2022)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	3,189,330	3,900,818
Cash and deposits in trust	1,490,463	2,071,843
Operating accounts receivable	—	1,752
Consumption taxes receivable	13,684	—
Prepaid expenses	9,000	2,003
<b>Total current assets</b>	<b>4,702,479</b>	<b>5,976,417</b>
<b>Non-current assets</b>		
<b>Property and equipment</b>		
Machinery and equipment	14,898	14,898
Accumulated depreciation	(2,522)	(3,458)
<b>Machinery and equipment, net</b>	<b>12,375</b>	<b>11,440</b>
Vehicles	—	216
Accumulated depreciation	—	(13)
<b>Vehicles, net</b>	<b>—</b>	<b>203</b>
Tools, furniture and fixtures	47,079	59,495
Accumulated depreciation	(13,322)	(16,996)
<b>Tools, furniture and fixtures, net</b>	<b>33,757</b>	<b>42,498</b>
Buildings in trust	20,522,837	20,529,730
Accumulated depreciation	(3,668,723)	(4,023,117)
<b>Buildings in trust, net</b>	<b>16,854,113</b>	<b>16,506,612</b>
Structures in trust	8,450	10,972
Accumulated depreciation	(5,416)	(5,722)
<b>Structures in trust, net</b>	<b>3,033</b>	<b>5,250</b>
Machinery and equipment in trust	5,034	5,034
Accumulated depreciation	(1,261)	(1,519)
<b>Machinery and equipment in trust, net</b>	<b>3,773</b>	<b>3,515</b>
Tools, furniture and fixtures in trust	31,302	31,801
Accumulated depreciation	(7,304)	(9,686)
<b>Tools, furniture and fixtures in trust, net</b>	<b>23,997</b>	<b>22,114</b>
Land in trust	87,891,316	87,778,332
<b>Total property and equipment</b>	<b>104,822,368</b>	<b>104,369,968</b>
<b>Intangible assets</b>		
Software	254	1,337
<b>Total intangible assets</b>	<b>254</b>	<b>1,337</b>
<b>Investments and other assets</b>		
Guarantee deposits	10,000	10,000
Deferred tax assets	10	17
<b>Total investments and other assets</b>	<b>10,010</b>	<b>10,017</b>
<b>Total non-current assets</b>	<b>104,832,633</b>	<b>104,381,323</b>
<b>Total assets</b>	<b>109,535,113</b>	<b>110,357,741</b>

(Thousands of yen)

	Previous fiscal period (as of February 28, 2022)	Current fiscal period (as of August 31, 2022)
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	31,449	134,049
Short-term loans payable	5,975,000	5,475,000
Current portion of long-term loans payable	13,500,000	10,500,000
Accounts payable	108,635	115,468
Accrued expenses	43,985	38,341
Distribution payable	3,016	2,835
Income taxes payable	827	968
Accrued consumption taxes	—	92,750
Advances received	320,266	338,430
Deposits received	331	214
Total current liabilities	19,983,512	16,698,059
Non-current liabilities		
Long-term loans payable	34,500,000	38,000,000
Tenant leasehold and security deposits	4,520,923	4,514,823
Other non-current liabilities	26	26
Total non-current liabilities	39,020,949	42,514,849
Total liabilities	59,004,462	59,212,909
Net assets		
Unitholders' equity		
Unitholders' capital	50,000,000	50,000,000
Surplus		
Unappropriated retained earnings	530,651	1,144,832
Total surplus	530,651	1,144,832
Total unitholders' equity	50,530,651	51,144,832
Total net assets	*1 50,530,651	*1 51,144,832
Total liabilities and net assets	109,535,113	110,357,741

## (2) Statements of Income

(Thousands of yen)

	Previous fiscal period (September 1, 2021 – February 28, 2022)		Current fiscal period (March 1, 2022 – August 31, 2022)	
<b>Operating revenues</b>				
Rental revenues	*1	1,420,550	*1	2,003,270
Other rental revenues	*1	3,324	*1	3,353
Gain on sale of real estate properties		—	*2	46,801
<b>Total operating revenues</b>		<b>1,423,875</b>		<b>2,053,425</b>
<b>Operating expenses</b>				
Rental expenses	*1	652,054	*1	665,259
Asset management fee		87,769		91,370
Asset custody and administrative service fees		12,018		11,822
Directors' compensations		3,600		3,600
Other operating expenses		24,047		24,014
<b>Total operating expenses</b>		<b>779,489</b>		<b>796,066</b>
<b>Operating income</b>		<b>644,385</b>		<b>1,257,358</b>
<b>Non-operating income</b>				
Interest income		23		23
Reversal of distributions payable		184		211
Interest on refund		—		55
Subsidy income		—		3,780
<b>Total non-operating income</b>		<b>208</b>		<b>4,070</b>
<b>Non-operating expenses</b>				
Interest expenses		113,339		115,783
Other		17		—
<b>Total non-operating expenses</b>		<b>113,356</b>		<b>115,783</b>
<b>Ordinary income</b>		<b>531,236</b>		<b>1,145,645</b>
<b>Income before income taxes</b>		<b>531,236</b>		<b>1,145,645</b>
Income taxes - current		830		971
Income taxes - deferred		5		(6)
<b>Total income taxes</b>		<b>836</b>		<b>964</b>
<b>Net income</b>		<b>530,400</b>		<b>1,144,681</b>
Retained earnings brought forward		250		151
<b>Unappropriated retained earnings</b>		<b>530,651</b>		<b>1,144,832</b>

## (3) Statements of Changes in Net Assets

Previous fiscal period (September 1, 2021 – February 28, 2022)

(Thousands of yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings	Total surplus		
Balance at beginning of current period	50,000,000	1,206,250	1,206,250	51,206,250	51,206,250
Changes of items during period					
Distribution of retained earnings		(1,206,000)	(1,206,000)	(1,206,000)	(1,206,000)
Net income		530,400	530,400	530,400	530,400
Total changes of items during period	—	(675,599)	(675,599)	(675,599)	(675,599)
Balance at end of current period	*1 50,000,000	530,651	530,651	50,530,651	50,530,651

Current fiscal period (March 1, 2022 – August 31, 2022)

(Thousands of yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings	Total surplus		
Balance at beginning of current period	50,000,000	530,651	530,651	50,530,651	50,530,651
Changes of items during period					
Distribution of retained earnings		(530,500)	(530,500)	(530,500)	(530,500)
Net income		1,144,681	1,144,681	1,144,681	1,144,681
Total changes of items during period	—	614,181	614,181	614,181	614,181
Balance at end of current period	*1 50,000,000	1,144,832	1,144,832	51,144,832	51,144,832

## (4) Statements of Cash Distributions

(Yen)

	Previous fiscal period (September 1, 2021 – February 28, 2022)	Current fiscal period (March 1, 2022 – August 31, 2022)
I. Unappropriated retained earnings	530,651,093	1,144,832,101
II. Distributions (Distributions per unit)	530,500,000 (1,061)	1,144,500,000 (2,289)
III. Retained earnings brought forward	151,093	332,101
Calculation method of distribution amount	Pursuant to the policy for cash distribution set forth in Article 36, paragraph 1 of the Articles of Incorporation of MORI TRUST Hotel Reit, Inc., distributions shall be limited to the amount within profits, which shall be an amount exceeding ninety hundredths (90/100) of distributable profits, as stipulated in Article 67-15, paragraph 1 of the Act on Special Measures Concerning Taxation. In consideration of this policy, MORI TRUST Hotel Reit, Inc. will pay distributions of profits at the total amount of ¥530,500,000, which is the amount that does not exceed the unappropriated retained earnings and is the greatest value among integral multiples of 500,000, which is the number of investment units issued and outstanding.	Pursuant to the policy for cash distribution set forth in Article 36, paragraph 1 of the Articles of Incorporation of MORI TRUST Hotel Reit, Inc., distributions shall be limited to the amount within profits, which shall be an amount exceeding ninety hundredths (90/100) of distributable profits, as stipulated in Article 67-15, paragraph 1 of the Act on Special Measures Concerning Taxation. In consideration of this policy, MORI TRUST Hotel Reit, Inc. will pay distributions of profits at the total amount of ¥1,144,500,000, which is the amount that does not exceed the unappropriated retained earnings and is the greatest value among integral multiples of 500,000, which is the number of investment units issued and outstanding.

## (5) Statements of Cash Flows

(Thousands of yen)

	Previous fiscal period (September 1, 2021 – February 28, 2022)	Current fiscal period (March 1, 2022 – August 31, 2022)
<b>Cash flows from operating activities</b>		
Income before income taxes	531,236	1,145,645
Depreciation	364,408	367,559
Interest income	(23)	(23)
Interest expenses	113,339	115,783
Decrease (increase) in operating accounts receivable	1,752	(1,752)
Decrease (increase) in consumption taxes receivable	(13,684)	13,684
Decrease (increase) in prepaid expenses	2,490	6,997
Decrease (increase) in long-term prepaid expenses	412	–
Increase (decrease) in operating accounts payable	(109,405)	115,389
Increase (decrease) in accounts payable	(12,588)	6,833
Increase (decrease) in accrued consumption taxes	(104,734)	92,750
Increase (decrease) in advances received	53,344	18,164
Decrease in property and equipment in trust due to sale	–	133,552
Other, net	103	(325)
Subtotal	826,651	2,014,258
Interest income received	23	23
Interest expenses paid	(113,729)	(121,427)
Income taxes paid	(953)	(830)
Net cash provided by operating activities	711,992	1,892,024
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(4,469)	(13,019)
Purchase of property and equipment in trust	(46,493)	(48,270)
Purchase of intangible assets	–	(1,294)
Repayments of tenant leasehold and security deposits	–	(6,100)
Net cash used in investing activities	(50,962)	(68,685)
<b>Cash flows from financing activities</b>		
Proceeds from short-term loans payable	–	5,475,000
Repayments of short-term loans payable	–	(5,975,000)
Proceeds from long-term loans payable	7,500,000	7,500,000
Repayments of long-term loans payable	(7,500,000)	(7,000,000)
Distributions paid	(1,205,631)	(530,471)
Net cash provided by (used in) financing activities	(1,205,631)	(530,471)
Net increase (decrease) in cash and cash equivalents	(544,601)	1,292,867
Cash and cash equivalents at beginning of period	5,224,396	4,679,794
Cash and cash equivalents at end of period	*1 4,679,794	*1 5,972,661

(6) Notes on Going Concern Assumption

Not applicable.

(7) Notes on Matters Concerning Significant Accounting Policies

1. Method of depreciation of non-current assets	<p>(1) Property and equipment (including trust accounts) The straight-line method is used. The useful lives of major property and equipment components are as follows:</p> <table border="0"><tr><td>Machinery and equipment</td><td>8 to 10 years</td></tr><tr><td>Vehicles</td><td>4 years</td></tr><tr><td>Tools, furniture and fixtures</td><td>4 to 15 years</td></tr><tr><td>Buildings in trust</td><td>6 to 72 years</td></tr><tr><td>Structures in trust</td><td>2 to 20 years</td></tr><tr><td>Machinery and equipment in trust</td><td>8 to 10 years</td></tr><tr><td>Tools, furniture and fixtures in trust</td><td>3 to 15 years</td></tr></table> <p>(2) Intangible assets The straight-line method is used. Internal-use software are amortized by the straight-line method over their useful lives (5 years).</p>	Machinery and equipment	8 to 10 years	Vehicles	4 years	Tools, furniture and fixtures	4 to 15 years	Buildings in trust	6 to 72 years	Structures in trust	2 to 20 years	Machinery and equipment in trust	8 to 10 years	Tools, furniture and fixtures in trust	3 to 15 years
Machinery and equipment	8 to 10 years														
Vehicles	4 years														
Tools, furniture and fixtures	4 to 15 years														
Buildings in trust	6 to 72 years														
Structures in trust	2 to 20 years														
Machinery and equipment in trust	8 to 10 years														
Tools, furniture and fixtures in trust	3 to 15 years														
2. Recognition of revenue and expenses	<p>(1) Accounting standard for revenue The main performance obligations related to revenue generated by contracts with customers of MORI TRUST Hotel Reit, Inc. and the typical time for fulfilling such performance obligations (the typical time for recognizing revenue) is as follows Sales of real estate and other assets MORI TRUST Hotel Reit, Inc. recognizes revenue from the sale of real estate and other assets when the buyer, as the customer, obtains control of the real estate and other assets by fulfilling the delivery obligations stipulated in the contract for the sale of real estate and other assets.</p> <p>(2) Accounting treatment of property tax, etc. For property taxes, city planning taxes, depreciable assets taxes, etc., for real estate held, the amount of tax levied corresponding to the relevant accounting period is recorded as rental expenses. The amount equivalent to property taxes, etc. to be paid by MORI TRUST Hotel Reit, Inc. in the first year for acquisition of trust beneficiary rights in real estate is not recorded as expenses but included in the acquisition costs for the related trust beneficiary rights. No property taxes, etc. were included in acquisition costs for trust beneficiary rights for the previous fiscal period and the current fiscal period.</p>														
3. Scope of cash and cash equivalents in the statements of cash flows	<p>Cash and cash equivalents in the statements of cash flows include the following:</p> <p>(1) cash on hand and cash in trust; (2) deposits and deposits in trust that can be withdrawn at any time; and (3) short-term investments that are readily convertible, bear little risk in price fluctuations, and mature within three months of the date of acquisition.</p>														
4. Accounting treatment of trust beneficiary interests in real estate, etc.	<p>For trust beneficiary interests in real estate owned by MORI TRUST Hotel Reit, Inc., all accounts of assets and liabilities within the assets in trust as well as all accounts of revenue generated and expenses incurred from the assets in trust are recognized in the relevant accounts of the balance sheets and statements of income. The following assets in trust recognized in the relevant accounts are presented separately on the balance sheets due to their materiality.</p> <p>(1) Cash and deposits in trust (2) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, and land in trust</p>														

(8) Notes on Significant Accounting Estimates

Valuation of non-current assets

1. Book value of non-current assets and the impairment loss recorded

(Thousands of yen)

	Previous fiscal period (as of and for the six-month period ended February 28, 2022)	Current fiscal period (as of and for the six-month period ended August 31, 2022)
Property and equipment	104,822,368	104,369,968
Intangible assets	254	1,337
Impairment loss	—	—

2. Information on the nature of significant accounting estimates for identified items

In accordance with the accounting standard for impairment of non-current assets, MORI TRUST Hotel Reit, Inc. has adopted the accounting treatment to reduce the book value of non-current assets to a recoverable amount when the invested amount is deemed to be unrecoverable due to lowered profitability.

In adopting the accounting treatment, the respective properties owned by MORI TRUST Hotel Reit, Inc. are regarded as a single asset group, and judgment is made whether it is required to recognize impairment losses when indications of impairment are deemed to exist for the group due to continuous operating losses, a significant decline in the market value and significant deterioration of the business environment, etc.

Future cash flow estimates are used to determine whether or not to recognize impairment losses. When it is determined that impairment losses should be recognized, the book value is reduced to the recoverable amount, and the reduced amount is recorded as impairment losses.

In estimating the future cash flow, the underlying rent, occupancy rate and real estate rental expenses, etc. are calculated by comprehensively taking into account the market trends and transaction cases of similar properties, etc.

In the course of real estate rental business of MORI TRUST Hotel Reit, Inc., demand for hotel services from domestic and foreign tourists, business guests, banquets, etc. is still weak due to the worldwide spread of the novel coronavirus (COVID-19), and variable rents based on hotel operating performance have decreased significantly.

The timing of the convergence of COVID-19 is uncertain and difficult to estimate. MORI TRUST Hotel Reit, Inc. made estimate on accounting to apply accounting for impairment of non-current assets including whether there is any indication of impairment loss based on assumptions that impact by COVID-19 will continue through fiscal period ending February 28, 2023 (from September 1, 2022 to February 28, 2023) and gradually recover after certain period of time.

Since it is difficult to predict with certainty when the spread of COVID-19 will be eliminated and the extent of the impact, any change in the spread of COVID-19 and impact on the economy may affect the status of asset, profit and loss, cash flow of MORI TRUST Hotel Reit, Inc.

## (9) Notes to Financial Statements

## [Notes to Balance Sheets]

	Previous fiscal period (as of February 28, 2022)	Current fiscal period (as of August 31, 2022)
*1 Minimum net assets as provided in Article 67, paragraph 4 of the Investment Trust Law	50,000 thousand yen	50,000 thousand yen

## [Notes to Statements of Income]

(Thousands of yen)

	Previous fiscal period (September 1, 2021 – February 28, 2022)	Current fiscal period (March 1, 2022 – August 31, 2022)
*1 Breakdown of real estate rental income	A. Real estate rental revenues Rental revenues Rent 1,420,550 Other rental revenues Others 3,324 Total real estate rental revenues 1,423,875 B. Real estate rental expenses Rental expenses Property and other taxes 276,078 Insurance expenses 5,446 Repairs and maintenance expenses 5,400 Depreciation 364,138 Other rental expenses 990 Total real estate rental expenses 652,054 C. Real estate rental income (A – B) 771,820	A. Real estate rental revenues Rental revenues Rent 2,003,270 Other rental revenues Others 3,353 Total real estate rental revenues 2,006,624 B. Real estate rental expenses Rental expenses Property and other taxes 281,767 Insurance expenses 5,446 Repairs and maintenance expenses 9,593 Depreciation 367,459 Other rental expenses 990 Total real estate rental expenses 665,259 C. Real estate rental income (A – B) 1,341,365
*2 Breakdown of gain on sale of real estate properties	—	Courtyard by Marriott Tokyo Station (1.0% Quasi-Co-Ownership Interest) Proceeds from sale of real estate properties 181,000 Cost of sale of real estate properties 133,552 Other expenses on sale 646 Gain on sale of real estate properties 46,801

[Notes to Statements of Changes in Net Assets]

	Previous fiscal period (September 1, 2021 – February 28, 2022)	Current fiscal period (March 1, 2022 – August 31, 2022)
*1 Total number of authorized investment units and total number of investment units issued and outstanding		
Total number of authorized investment units	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding at the end of the fiscal period	500,000 units	500,000 units

[Notes to Statements of Cash Flows]

(Thousands of yen)

	Previous fiscal period (September 1, 2021 – February 28, 2022)	Current fiscal period (March 1, 2022 – August 31, 2022)
*1 Reconciliation between cash and cash equivalents at the end of period and relevant amounts on the balance sheets	(as of February 28, 2022)	(as of August 31, 2022)
	Cash and deposits 3,189,330	Cash and deposits 3,900,818
	Cash and deposits in trust 1,490,463	Cash and deposits in trust 2,071,843
	Cash and cash equivalents 4,679,794	Cash and cash equivalents 5,972,661

[Notes on Lease Transactions]

Operating lease transactions (Lessor)

Future lease payments

(Thousands of yen)

	Previous fiscal period (as of February 28, 2022)	Current fiscal period (as of August 31, 2022)
Due within 1 year	1,304,673	1,304,673
Due after 1 year	5,871,030	5,218,693
Total	7,175,703	6,523,366

[Notes on Financial Instruments]

1. Matters regarding financial instruments

(1) Policy for financial instruments

To conduct the efficient management of assets and contribute to the management stability, MORI TRUST Hotel Reit, Inc. procures funds for the acquisition of assets, the payment of repair and maintenance expenses and dividends, the repayment of debt (including the repayment of leasehold deposits, etc. and loans as well as the obligations of investment corporation bonds), working capital, etc. mainly by borrowing, issuing investment corporation bonds, or issuing investment units.

Surplus funds are carefully invested in consideration of the safety of the investment and convertibility into cash and in view of interest rates and cash flows.

(2) Types of financial instruments, related risk and risk management for financial instruments

Proceeds from borrowings are used mainly to acquire trust beneficiary interests in real estate.

These borrowings are exposed to liquidity risks at maturity. However, MORI TRUST Hotel Reit, Inc. appropriately manages the LTV ratio to limit the impact of higher market interest rates on MORI TRUST Hotel Reit, Inc.'s operations, and also seeks to disperse of maturities to manage this risk.

(3) Supplementary remarks on fair value of financial instruments

As certain assumptions are used in calculating the fair value of financial instruments, these values may vary if different assumptions are used.

2. Matters regarding fair value of financial instruments

Balance sheet carrying amounts, fair values, and the differences between them as of February 28, 2022 are as shown below. Notes to "Cash and deposits," "Cash and deposits in trust," and "Short-term loans payable" are omitted as these are settled within a short period of time, thus the fair value approximates the book value. Also, as "Tenant leasehold and security deposits" are immaterial, related notes are omitted.

(Thousands of yen)

	Balance sheet carrying amount	Fair value	Difference
(1) Current portion of long-term loans payable	13,500,000	13,497,074	(2,925)
(2) Long-term loans payable	34,500,000	34,471,256	(28,743)
Total liabilities	48,000,000	47,968,331	(31,668)

Balance sheet carrying amounts, fair values, and the differences between them as of August 31, 2022 are as shown below. Notes to "Cash and deposits," "Cash and deposits in trust," and "Short-term loans payable" are omitted as these are settled within a short period of time, thus the fair value approximates the book value. Also, as "Tenant leasehold and security deposits" are immaterial, related notes are omitted.

(Thousands of yen)

	Balance sheet carrying amount	Fair value	Difference
(1) Current portion of long-term loans payable	10,500,000	10,503,802	3,802
(2) Long-term loans payable	38,000,000	37,970,433	(29,566)
Total liabilities	48,500,000	48,474,235	(25,764)

(Note 1) Measurement of fair values of financial instruments

Liabilities

- (1) Current portion of long-term loans payable and (2) Long-term loans payable

The fair value of these items are calculated by discounting the total of principal and interest at the rate to be applied if similar new loans were entered into.

(Note 2) Redemption schedule for monetary claims after balance sheet date (as of February 28, 2022)

(Thousands of yen)

	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Cash and deposits	3,189,330	—	—	—	—	—
Cash and deposits in trust	1,490,463	—	—	—	—	—
Total	4,679,794	—	—	—	—	—

Redemption schedule for monetary claims after balance sheet date (as of August 31, 2022)

(Thousands of yen)

	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Cash and deposits	3,900,818	—	—	—	—	—
Cash and deposits in trust	2,071,843	—	—	—	—	—
Total	5,972,661	—	—	—	—	—

(Note 3) Expected amount of repayments of loans after balance sheet date (as of February 28, 2022)

(Thousands of yen)

	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term loans payable	5,975,000	—	—	—	—	—
Current portion of long-term loans payable	13,500,000	—	—	—	—	—
Long-term loans payable	—	14,500,000	16,500,000	2,500,000	1,000,000	—
Total	19,475,000	14,500,000	16,500,000	2,500,000	1,000,000	—

Expected amount of repayments of loans after balance sheet date (as of August 31, 2022)

(Thousands of yen)

	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term loans payable	5,475,000	—	—	—	—	—
Current portion of long-term loans payable	10,500,000	—	—	—	—	—
Long-term loans payable	—	22,500,000	10,500,000	5,000,000	—	—
Total	15,975,000	22,500,000	10,500,000	5,000,000	—	—

[Notes on Related Party Transactions]

1. Parent company and major corporate unitholders, etc.

Previous fiscal period (September 1, 2021 – February 28, 2022)

Not applicable.

Current fiscal period (March 1, 2022 – August 31, 2022)

Not applicable.

2. Affiliated companies, etc.

Previous fiscal period (September 1, 2021 – February 28, 2022)

Not applicable.

Current fiscal period (March 1, 2022 – August 31, 2022)

Not applicable.

3. Sister companies, etc.

Previous fiscal period (September 1, 2021 – February 28, 2022)

Attribute	Name	Location	Capital stock (Thousands of yen)	Business or occupation	Ownership ratio of units, etc.	Nature of relationship		Nature of transaction	Amount of transaction (Thousands of yen)	Account	Balance at the end of the period (Thousands of yen)
						Concurrent officers, etc.	Business relationship				
Subsidiary of other related company	Mori Trust Co., Ltd.	Minato-ku, Tokyo	30,000,000	Real estate business	—	None	Leasing and management of real estate	Leasing of real estate	600,443	Advances received	176,387
										Tenant leasehold and security deposits	3,247,450
Subsidiary of other related company	MT & Hilton Hotel Co., Ltd.	Minato-ku, Tokyo	20,000	Hotel management	—	None	Leasing and management of real estate	Leasing of real estate	167,770	Advances received	29,126
Subsidiary of other related company	MORI TRUST Asset Management Co., Ltd.	Minato-ku, Tokyo	400,000	Management of assets of investment corporation	—	One concurrently serving officer	Asset management company	Payment of asset management fee	87,769	Accounts payable	96,546

(Note 1) Consumption taxes are not included in transaction amounts but are included in the balance at the end of the period.

(Note 2) Transaction terms and policies for determining transaction terms: Transaction terms are determined taking into consideration current market prices.

Current fiscal period (March 1, 2022 – August 31, 2022)

Attribute	Name	Location	Capital stock (Thousands of yen)	Business or occupation	Ownership ratio of units, etc.	Nature of relationship		Nature of transaction	Amount of transaction (Thousands of yen)	Account	Balance at the end of the period (Thousands of yen)
						Concurrent officers, etc.	Business relationship				
Subsidiary of other related company	Mori Trust Co., Ltd.	Minato-ku, Tokyo	30,000,000	Real estate business	—	None	Leasing and management of real estate	Leasing of real estate	1,192,063	Advances received	190,115
										Tenant leasehold and security deposits	3,241,350
								Partial transfer of real estate trust beneficiary interest	181,000	—	—
Subsidiary of other related company	MT & Hilton Hotel Co., Ltd.	Minato-ku, Tokyo	20,000	Hotel management	—	None	Leasing and management of real estate	Leasing of real estate	158,870	Advances received	33,914
Subsidiary of other related company	MORI TRUST Asset Management Co., Ltd.	Minato-ku, Tokyo	400,000	Management of assets of investment corporation	—	One concurrently serving officer	Asset management company	Payment of asset management fee	91,370	Accounts payable	100,507

(Note 1) Consumption taxes are not included in transaction amounts but are included in the balance at the end of the period.

(Note 2) Transaction terms and policies for determining transaction terms: Transaction terms are determined taking into consideration current market prices.

4. Officers and major individual unitholders

Previous fiscal period (September 1, 2021 – February 28, 2022)

Not applicable.

Current fiscal period (March 1, 2022 – August 31, 2022)

Not applicable.

[Notes on Tax Effect Accounting]

(Thousands of yen)

	Previous fiscal period (as of February 28, 2022)		Current fiscal period (as of August 31, 2022)	
1. Significant components of deferred tax assets and liabilities	(Deferred tax assets)		(Deferred tax assets)	
	Accrued enterprise tax	10	Accrued enterprise tax	17
	Total deferred tax assets	10	Total deferred tax assets	17
	Net deferred tax assets	10	Net deferred tax assets	17
2. Reconciliation of difference between the statutory tax rate and the effective tax rate after application of tax effect accounting	Statutory tax rate	31.46%	Statutory tax rate	31.46%
	(Adjustments)		(Adjustments)	
	Deductible distributions	(31.42%)	Deductible distributions	(31.43%)
	Other	0.12%	Other	0.05%
	Effective tax rate after application of tax accounting	0.16%	Effective tax rate after application of tax accounting	0.08%

[Notes on Investment and Rental Properties]

MORI TRUST Hotel Reit, Inc. holds investment and rental properties for use as hotels in Tokyo and other regions. The balance sheet carrying amounts, changes during the fiscal period, and fair values of these investment and rental properties are as follows.

(Thousands of yen)

Use		Previous fiscal period (September 1, 2021 – February 28, 2022)	Current fiscal period (March 1, 2022 – August 31, 2022)
Hotel	Balance sheet carrying amount		
	Balance at beginning of period	105,111,367	104,822,522
	Changes during period	(288,844)	(451,216)
	Balance at end of period	104,822,522	104,371,305
	Fair value at end of period	123,404,500	123,473,500

(Note 1) The balance sheet carrying amount is the acquisition cost less accumulated depreciation.

(Note 2) The main reason for the increase during the previous period is the capital expenditure (75,293 thousand yen), and the main reason for the decrease during the previous period is depreciation (364,138 thousand yen). The main reason for the increase during the current period is the capital expenditure (49,795 thousand yen), and the main reasons for the decrease during the current period are the partial transfer of Courtyard by Marriott Tokyo Station (133,552 thousand yen) and depreciation (367,459 thousand yen).

(Note 3) Fair value at end of period is the appraisal value provided by an independent real estate appraiser.

The profit or loss concerning investment and rental properties is indicated under “Notes to Statements of Income.”

[Notes on Revenue Recognition]

Previous fiscal period (September 1, 2021 – February 28, 2022)

Disclosure is omitted since there is no eligible revenue.

Current fiscal period (March 1, 2022 – August 31, 2022)

Information on breakdown of revenue generated from contracts with customers

For the information on breakdown of revenue generated from contracts with customers, please refer to “\*2 Breakdown of gain on sale of real estate properties” in “Notes to Statements of Income”. The major revenue generated from contracts with customers is “Proceeds from sale of real estate properties.”

[Notes on Per Unit Information]

	Previous fiscal period (September 1, 2021 – February 28, 2022)		Current fiscal period (March 1, 2022 – August 31, 2022)
Net assets per unit	101,061yen	Net assets per unit	102,289yen
Net income per unit	1,060yen	Net income per unit	2,289yen
Net income per unit is calculated by dividing net income by the day-weighted average number of investment units for the period.		Net income per unit is calculated by dividing net income by the day-weighted average number of investment units for the period.	
Diluted net income per investment unit is not presented, as there is no potential investment unit.		Diluted net income per investment unit is not presented, as there is no potential investment unit.	

(Note) The basis for calculating net income per unit is as follows:

	Previous fiscal period (September 1, 2021 – February 28, 2022)	Current fiscal period (March 1, 2022 – August 31, 2022)
Net income (Thousands of yen)	530,400	1,144,681
Amount not attributable to common unitholders (Thousands of yen)	—	—
Net income attributable to common investment units (Thousands of yen)	530,400	1,144,681
Average number of investment units for the period (Units)	500,000	500,000

[Notes on Significant Subsequent Events]

Not applicable.

[Omission of Disclosure]

Notes on securities, derivative transactions, retirement benefits, gain and loss on equity method, etc., asset retirement obligations and segment information, etc. are omitted as their disclosure in this report is not of material importance.

(10) Change in Total Number of Investment Units Issued and Outstanding

The change in the total number of investment units issued and outstanding and the total investment amount since the establishment of MORI TRUST Hotel Reit is as follows.

Date	Outline	Total number of investment units issued and outstanding (Units)		Total investment amount (Thousands of yen)		Remarks
		Change	Balance	Change	Balance	
January 15, 2016	Establishment of private REIT	1,000	1,000	100,000	100,000	(Note 1)
June 1, 2016	Capital increase through private placement	499,000	500,000	49,900,000	50,000,000	(Note 2)

(Note 1) MORI TRUST Hotel Reit was established at an issue price of 100,000 yen per unit.

(Note 2) MORI TRUST Hotel Reit issued investment units for the purpose of procuring funds for future property acquisitions at an issue price of 100,000 yen per unit.

### 3. Reference Information

#### (1) Status of Investment

The status of investment by MORI TRUST Hotel Reit as of the end of the fiscal period under review is as follows.

Asset type	Use	Area	Property name	Total amount held (Millions of yen) (Note 1)	Ratio to total assets (%) (Note 2)
Real estate trust beneficiary interest	Hotel	Major cities in Japan (23 wards of Tokyo and government-ordinance-designated cities)	Shangri-La, Tokyo	40,970	37.1
		Famous tourist areas	Hilton Odawara Resort & Spa	6,339	5.7
		Major cities in Japan (23 wards of Tokyo and government-ordinance-designated cities)	Courtyard by Marriott Tokyo Station	12,487	11.3
		Major cities in Japan (23 wards of Tokyo and government-ordinance-designated cities)	Courtyard by Marriott Shin-Osaka Station	17,128	15.5
		Major cities in Japan (23 wards of Tokyo and government-ordinance-designated cities)	Hotel Sunroute Plaza Shinjuku	27,390	24.8
Deposits and other assets (Note 3)				6,041	5.5
Total assets (Note 4)				110,357	100.0

	Amount (Millions of yen)	Ratio to total assets (%)
Total liabilities (Note 4)	59,212	53.7
Total net assets (Note 4)	51,144	46.3

(Note 1) “Total amount held” is the amount recorded on the balance sheet as of the end of the fiscal period under review (book value after depreciation for trust beneficiary interests with real estate and real estate, etc. as main trust assets), rounded down to the nearest million yen in accordance with the asset valuation method stipulated in the Articles of Incorporation.

(Note 2) “Ratio to total assets” is the ratio of the total amount held of each asset to total assets, rounded to the nearest decimal place.

(Note 3) “Deposits and other assets” include machinery and equipment, vehicles, tools, furniture and fixtures, and software.

(Note 4) “Total assets,” “Total liabilities” and “Total net assets” are the amounts recorded on the balance sheet as of the end of the fiscal period under review, rounded down to the nearest million yen.

## (2) Investment Assets

### (i) Major Investment Securities

Not applicable.

### (ii) Investment Real Estate Properties

Not applicable. Moreover, the information on real estate which are trust assets under trust beneficiary interests owned by MORI TRUST Hotel Reit as of the end of the fiscal period under review is described in “(iii) Major Assets Among Other Investment Assets” below.

### (iii) Major Assets Among Other Investment Assets

The overview of real estate which are trust assets under trust beneficiary interests owned by MORI TRUST Hotel Reit as of the end of the fiscal period under review is as follows.

#### (a) Overview of Owned Assets

The property name, acquisition price, carrying amount, real estate appraisal value and investment ratio of the owned assets are as follows.

Category	Property No. (Note 1)	Property name	Acquisition price (Millions of yen) (Note 2)	Carrying amount (Millions of yen) (Note 3)	Real estate appraisal value (Millions of yen) (Note 4)	Investment ratio (%) (Note 5)
Luxury	A-1	Shangri-La, Tokyo	42,000	40,970	49,600	39.0
	Subtotal		42,000	40,970	49,600	39.0
Upper upscale	B-1	Hilton Odawara Resort & Spa (Note 6)	6,500	6,394	7,050	6.0
	Subtotal		6,500	6,394	7,050	6.0
Upscale	C-1	Courtyard by Marriott Tokyo Station (Note 7)	12,903	12,487	16,923	12.0
	C-2	Courtyard by Marriott Shin-Osaka Station	17,600	17,128	17,400	16.4
	Subtotal		30,503	29,615	34,323	28.3
Upper midscale	D-1	Hotel Sunroute Plaza Shinjuku	28,600	27,390	32,500	26.6
	Subtotal		28,600	27,390	32,500	26.6
Total			107,603	104,371	123,473	100.0

(Note 1) “Property number” is categorized into “luxury,” “upper upscale,” “upscale” or “upper midscale” depending on the grade of asset in which MORI TRUST Hotel Reit invests, and each is assigned an alphabetical letter of “A,” “B,” “C” or “D” as well as a number. The same applies hereinafter.

(Note 2) “Acquisition price” is the purchase price of each property shown in the sale and purchase agreement. The purchase price does not include consumption tax and local consumption tax as well as the expenses required for the acquisition.

(Note 3) “Carrying amount” includes real estate in trust as well as the amount of machinery and equipment, vehicles, tools, furniture and fixtures, and software, and is rounded down to the nearest million yen.

(Note 4) “Real estate appraisal value” is the appraisal value shown in the real estate appraisal report with the end of the fiscal period under review as the valuation date.

(Note 5) “Investment ratio” is the ratio of the acquisition price of each property to the total acquisition price, rounded to the nearest one decimal place.

(Note 6) The acquisition price and real estate appraisal value 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 7) The acquisition price and real estate appraisal value for Courtyard by Marriott Tokyo Station are the amount equivalent to 93.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit.

## (b) Overview of Buildings, Etc. of Owned Assets

Category	Property No.	Property name	Location	Land area (m <sup>2</sup> ) (Note 1)	Floor area (m <sup>2</sup> ) (Note 2)	Completion of construction	Annual fixed rent (Millions of yen) (Note 3)	Leasable area (m <sup>2</sup> )	Leased area (m <sup>2</sup> )	Number of tenants (sublease) (Note 4)	Number of guestrooms (Rooms) (Note 5)
Luxury	A-1	Shangri-La, Tokyo	Chiyoda-ku, Tokyo	12,026.77	180,335.11	November 2008	882	22,755.55	22,755.55	1 (1)	200
	Subtotal			12,026.77	180,335.11	—	882	22,755.55	22,755.55	1 (1)	200
Upper upscale	B-1	Hilton Odawara Resort & Spa	Odawara-shi, Kanagawa	174,566.00	50,605.67	October 1997 (Note 6)	—	25,302.84 (Note 7)	25,302.84 (Note 7)	1 (0)	163
	Subtotal			174,566.00	50,605.67	—	—	25,302.84	25,302.84	1 (0)	163
Upscale	C-1	Courtyard by Marriott Tokyo Station	Chuo-ku, Tokyo	4,399.47	51,242.93	February 2014	289	5,255.06 (Note 8)	5,255.06 (Note 8)	1 (1)	150
	C-2	Courtyard by Marriott Shin-Osaka Station	Yodogawa-ku, Osaka	2,199.34	17,002.28	March 1997	460	13,881.48 (Note 9)	13,881.48 (Note 9)	1 (1)	332
	Subtotal			6,598.81	68,245.21	—	749	19,136.54	19,136.54	2 (2)	482
Upper midscale	D-1	Hotel Sunroute Plaza Shinjuku	Shibuya-ku, Tokyo	3,136.57	20,451.25	August 2007	1,304	21,248.23	21,248.23	1 (0)	624
	Subtotal			3,136.57	20,451.25	—	1,304	21,248.23	21,248.23	1 (0)	624
Total				196,328.15	319,637.24	—	2,937	88,443.16	88,443.16	5 (3)	1,469

(Note 1) The land area of Shangri-La, Tokyo is the total of five parcels of land comprising the site of the building and thus includes area owned by other unit owners. The portion of the right of site owned by MORI TRUST Hotel Reit in the trust beneficiary interest is 10,464/100,000.

For the land area of the Hilton Odawara Resort & Spa, the area of the entire site of the building is stated. The quasi-co-ownership interest in the Hilton Odawara Resort & Spa owned by MORI TRUST Hotel Reit is 50%.

The land area of the Courtyard by Marriott Tokyo Station is the area of the site of the building and the co-ownership interests of other parties are included. The percentage of the right of site of the subject to the trust beneficiary interest owned by MORI TRUST Hotel Reit is 5,205/100,000, and MORI TRUST Hotel Reit holds 935/1,000 of quasi-co-ownership interest in the said trust beneficiary interest.

The land area of the Courtyard by Marriott Shin-Osaka Station is the area of the site of the building and the co-ownership interests of other parties are included. The interest in the Courtyard by Marriott Shin-Osaka Station owned by MORI TRUST Hotel Reit is 74%.

The land areas of each property are the areas written in the registration book.

(Note 2) The building of Shangri-La, Tokyo is a unit ownership building, but the total floor area of the entire building of MARUNOUCHI TRUST TOWER MAIN and MARUNOUCHI TRUST TOWER NORTH is stated. The floor area of the exclusive element owned by the trustee with MORI TRUST Hotel Reit as the sole beneficiary is 22,300.31 m<sup>2</sup> (area written in the registration book).

For the building area of the Hilton Odawara Resort & Spa, the grand total of total floor area for the entire buildings of the Hilton Odawara Resort & Spa is stated. The quasi-co-ownership interest in the Hilton Odawara Resort & Spa owned by MORI TRUST Hotel Reit is 50%.

The building of Courtyard by Marriott Tokyo Station is a unit ownership building, but the total floor area of the entire building of KYOBASHI TRUST TOWER is stated. The floor area of the exclusive element of the subject to the trust beneficiary interest owned by MORI TRUST Hotel Reit is 5,502.63 m<sup>2</sup> (area written in the registration book), and MORI TRUST Hotel Reit holds 935/1,000 of quasi-co-ownership interest in the said trust beneficiary interest.

For the building area of the Courtyard by Marriott Shin-Osaka Station, the total floor area of the entire building is stated. The trust beneficiary interest in the Courtyard by Marriott Shin-Osaka Station owned by MORI TRUST Hotel Reit is 74%.

(Note 3) In the lease agreements concluded for the above properties, the entire rent of Hotel Sunroute Plaza Shinjuku is fixed rent, the entire rent of Hilton Odawara Resort & Spa is variable rent, and the rents of Shangri-La, Tokyo, Courtyard by Marriott Tokyo Station and Courtyard by Marriott Shin-Osaka Station consist of variable rent and minimum guaranteed rent. "Annual fixed rent" shows the fixed rent and minimum guaranteed rent (annual

amount), rounded down to the nearest million yen. “Annual fixed rent” for the Courtyard by Marriott Tokyo Station shows the figures equivalent to 93.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit.

- (Note 4) The subtotal and total of the number of tenants (sublease) indicate the total number of tenants, and the figures in parenthesis indicate the number of people subleasing properties from those leasing the said properties from MORI TRUST Hotel Reit based on lease agreements effective as of the end of the fiscal period under review.
- (Note 5) 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 each of the entire hotels (which may include the interests of other co-owners or quasi-co-owners).
- (Note 6) The completion of construction for each building of the Hilton Odawara Resort & Spa, the main buildings for business use (the main facility, bade facility and sports facility) is stated. The completion of construction for the chapel, the other main building for business use, is October 2004.
- (Note 7) For the leasable area and leased area of the Hilton Odawara Resort & Spa, the area obtained by multiplying the leasable area and leased area of the subject to the trust beneficiary interest, 50,605.67 m<sup>2</sup>, by 50%, the quasi-co-ownership interest in the said trust beneficiary interest owned by MORI TRUST Hotel Reit, is stated. The value is rounded to the nearest second decimal place.
- (Note 8) For the leasable area and leased area of Courtyard by Marriott Tokyo Station, the area obtained by multiplying the leasable area and leased area of the subject to the trust beneficiary interest, 5,620.38 m<sup>2</sup>, by 93.5%, the quasi-co-ownership interest in the said trust beneficiary interest owned by MORI TRUST Hotel Reit, is stated. The value is rounded to the nearest second decimal place.
- (Note 9) For the leasable area and leased area of Courtyard by Marriott Shin-Osaka Station, the area obtained by multiplying the leased area of the entire building, 18,758.75 m<sup>2</sup>, by 74%, the trust beneficiary interest of MORI TRUST Hotel Reit, is stated according to “74% of 18,758.75 m<sup>2</sup>,” the leased area specified in the lease agreement. The value is rounded to the nearest second decimal place.

### (c) Overview of Real Estate Appraisal Report

The real estate appraisal report is a judgment and opinion of the appraisal agency which is the appraiser at a certain point in time, and does not guarantee the validity and accuracy of the content as well as the possibility of transactions at said appraisal value. Moreover, there is no special interest between the appraisal agency and MORI TRUST Hotel Reit or the Asset Management Company.

Category	Property No.	Property name	Appraisal agency (Note 1)	Appraisal value (Millions of yen) (Note 2)	Appraisal value by capitalization method				
					Indicated value by the direct capitalization method (Millions of yen)	Capitalization Rate (%)	Indicated value by the discounted cash flow (DCF) method (Millions of yen)	Discount rate (%)	Terminal Capitalization rate (%)
Luxury	A-1	Shangri-La, Tokyo	J	49,600	51,200	3.2	47,900	2.9	3.4
	Subtotal			49,600	51,200	—	47,900	—	—
Upper upscale	B-1	Hilton Odawara Resort & Spa (Note 3)	R	7,050	7,250	4.7	6,950	4.5	4.8
	Subtotal			7,050	7,250	—	6,950	—	—
Upscale	C-1	Courtyard by Marriott Tokyo Station (Note 4)	J	16,923	17,391	3.7	16,362	3.4	3.9
	C-2	Courtyard by Marriott Shin-Osaka Station	J	17,400	17,900	4.2	16,900	3.9	4.4
	Subtotal			34,323	35,291	—	33,262	—	—
Upper midscale	D-1	Hotel Sunroute Plaza Shinjuku	J	32,500	33,100	3.5	31,800	3.3	3.7
	Subtotal			32,500	33,100	—	31,800	—	—
Total				123,473	126,841	—	119,912	—	—

(Note 1) “Appraisal agency” is abbreviated in the above chart. The abbreviation of the appraisal agency is as follows.

J: Japan Real Estate Institute

R: Richi Appraisal Institute

(Note 2) “Appraisal value” is the appraisal value shown in the real estate appraisal report with the end of the fiscal period under review as the valuation date.

(Note 3) The appraisal value and indicated value by the direct capitalization method and by the discounted cash flow (DCF) method for Hilton Odawara Resort

& Spa indicate the figures equivalent to 50% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit.  
 (Note 4) The appraisal value and indicated value by the direct capitalization method and by the discounted cash flow (DCF) method for Courtyard by Marriott Tokyo Station indicate the figures equivalent to 93.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit.

(d) Information on Major Real Estate

The real estate whose total annual rent accounts for 10% or more of the total amount of the entire annual rent are as follows.

Property name	Number of tenants	Annual fixed rent (Millions of yen) (Note 1)	Leasable area (m <sup>2</sup> )	Leased area (m <sup>2</sup> )	Change in occupancy rate over the past 5 years (%) (Note 2)
Shangri-La, Tokyo	1	882	22,755.55	22,755.55	100.0
Courtyard by Marriott Tokyo Station	1	289	5,255.06 (Note 3)	5,255.06 (Note 3)	100.0
Courtyard by Marriott Shin-Osaka Station	1	460	13,881.48 (Note 4)	13,881.48 (Note 4)	100.0
Hotel Sunroute Plaza Shinjuku	1	1,304	21,248.23	21,248.23	100.0

(Note 1) In the lease agreements concluded for the above properties, the entire rent of Hotel Sunroute Plaza Shinjuku is fixed rent, and the rents of Shangri-La, Tokyo, Courtyard by Marriott Tokyo Station and Courtyard by Marriott Shin-Osaka Station consist of variable rent and minimum guaranteed rent. “Annual fixed rent” shows the fixed rent and minimum guaranteed rent (annual amount), rounded down to the nearest million yen. “Annual fixed rent” for the Courtyard by Marriott Tokyo Station shows the figures equivalent to 93.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit.

(Note 2) The occupancy rate is 100% as there is only one tenant (single tenant) at all the properties during the target period (since opening when opened during the target period).

(Note 3) For the leasable area and leased area of Courtyard by Marriott Tokyo Station, the area obtained by multiplying the leasable area and leased area of the subject to the trust beneficiary interest, 5,620.38 m<sup>2</sup>, by 93.5%, the quasi-co-ownership interest in the said trust beneficiary interest owned by MORI TRUST Hotel Reit, is stated. The value is rounded to the nearest second decimal place.

(Note 4) For the leasable area and leased area of Courtyard by Marriott Shin-Osaka Station, the area obtained by multiplying the leased area of the entire building, 18,758.75 m<sup>2</sup>, by 74%, the trust beneficiary interest of MORI TRUST Hotel Reit, is stated according to “74% of 18,758.75 m<sup>2</sup>,” the leased area specified in the lease agreement. The value is rounded to the nearest second decimal place.

(e) Information on Major Tenants

The overview of tenants whose leased area accounts for 10% or more of the total leased area is as follows.

Tenant name	Type of industry	Property name	Type of contract	Expiration date	Annual fixed rent (Millions of yen) (Note 1)	Ratio of rent (%) (Note 2)	Leased area (m <sup>2</sup> )	Area ratio (%)
Mori Trust Co., Ltd.	Real estate	Shangri-La, Tokyo	Fixed-term lease agreement	November 30, 2033	882	30.1	22,755.55	25.7
		Courtyard by Marriott Tokyo Station	Fixed-term lease agreement	April 1, 2039	289	9.9	5,255.06 (Note 3)	5.9
		Courtyard by Marriott Shin-Osaka Station	Fixed-term lease agreement	November 1, 2040	460	15.7	13,881.48 (Note 4)	15.7
MT & Hilton Hotel Co., Ltd.	Hotel	Hilton Odawara Resort & Spa	Fixed-term lease agreement	December 31, 2049	—	—	25,302.84 (Note 5)	28.6
Sotetsu Hotel Management Co., Ltd.	Hotel	Hotel Sunroute Plaza Shinjuku	Fixed-term lease agreement	August 31, 2027	1,304	44.4	21,248.23	24.0
Total			—	—	2,937	100.0	88,443.16	100.0

(Note 1) In the lease agreements concluded for the above properties, the entire rent of Hotel Sunroute Plaza Shinjuku is fixed rent, the entire rent of Hilton Odawara Resort & Spa is variable rent, and the rents of Shangri-La, Tokyo, Courtyard by Marriott Tokyo Station and Courtyard by Marriott Shin-Osaka Station consist of variable rent and minimum guaranteed rent. “Annual fixed rent” shows the fixed rent and

minimum guaranteed rent (annual amount), rounded down to the nearest million yen. “Annual fixed rent” for the Courtyard by Marriott Tokyo Station shows the figures equivalent to 93.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit.

(Note 2) The figures indicate the ratio of annual fixed rents of each property to the total amount of annual fixed rent of the entire property.

(Note 3) For the leased area of Courtyard by Marriott Tokyo Station, the area obtained by multiplying the leased area of the subject to the trust beneficiary interest, 5,620.38 m<sup>2</sup>, by 93.5%, the quasi-co-ownership interest in the said trust beneficiary interest owned by MORI TRUST Hotel Reit, is stated. The value is rounded to the nearest second decimal place.

(Note 4) For the leased area of Courtyard by Marriott Shin-Osaka Station, the area obtained by multiplying the leased area of the entire building, 18,758.75 m<sup>2</sup>, by 74%, the trust beneficiary interest of MORI TRUST Hotel Reit, is stated according to “74% of 18,758.75 m<sup>2</sup>,” the leased area specified in the lease agreement. The value is rounded to the nearest second decimal places.

(Note 5) For the leased area of the Hilton Odawara Resort & Spa, the area obtained by multiplying the leased area of the subject to the trust beneficiary interest, 50,605.67 m<sup>2</sup>, by 50%, the quasi-co-ownership interest in the said trust beneficiary interest owned by MORI TRUST Hotel Reit, is stated. The value is rounded to the nearest second decimal place.

(f) Status of Collateral

There is currently no collateral which the lender has agreed to set for the owned assets.

(g) Overview of Portfolio

The overview of the diversification of the portfolio of MORI TRUST Hotel Reit is as follows.

a. By Category

Category	Number of properties	Acquisition price (Millions of yen)	Ratio (%)
Luxury	1	42,000	39.0
Upper upscale	1	6,500	6.0
Upscale	2	30,503	28.3
Upper midscale	1	28,600	26.6
Total	5	107,603	100.0

b. By Prefecture of Location

Area	Prefectures	Number of properties	Acquisition price (Millions of yen)	Ratio (%)
Major cities in Japan	Tokyo	3	83,503	77.6
	Osaka	1	17,600	16.4
Famous tourist areas	Kanagawa	1	6,500	6.0
Total		5	107,603	100.0

c. By Remaining Years of Lease Period

Remaining years of lease period	Annual fixed rent (Millions of yen) (Note)	Ratio (%)
Over 10 years	1,632	55.6
Within 10 years	1,304	44.4
Total	2,937	100.0

(Note) “Annual fixed rent” shows the sum of fixed rent and minimum guaranteed rent (annual amount) rounded down to the nearest million yen.

(h) Status of Revenues and Expenses of Owned Assets

The status of revenues and expenses of each owned asset in the fiscal period under review is as follows.

(Thousands of yen)

Property No.	Entire portfolio	A-1	B-1	C-1	C-2	D-1
Property name		Shangri-La, Tokyo	Hilton Odawara Resort & Spa	Courtyard by Marriott Tokyo Station	Courtyard by Marriott Shin-Osaka Station	Hotel Sunroute Plaza Shinjuku
Operating days	—	184	184	184	184	184
(i) Total real estate rental revenues	2,006,624	530,983	161,136	252,990	408,097	653,416
Rent	2,003,270	530,983	158,870	252,982	408,097	652,336
Others	3,353	—	2,265	7	—	1,080
(ii) Total real estate rental expenses	665,259	246,069	95,525	74,556	70,707	178,399
Property and other taxes	281,767	134,012	41,950	22,969	14,115	68,721
Insurance expenses	5,446	1,525	1,787	377	718	1,037
Depreciation	367,459	110,331	50,740	43,720	54,226	108,440
Other rental expenses	10,584	200	1,047	7,489	1,647	200
(iii) Real estate rental income ((i) – (ii))	1,341,365	284,913	65,610	178,434	337,390	475,016
NOI ((iii) + Depreciation)	1,708,825	395,245	116,350	222,154	391,616	583,457

(Note) The value is rounded down to the nearest thousand yen.

(i) Operating Results of Owned Assets

A-1 Shangri-La, Tokyo

Base month for rent (Note 1)	November 2021	December 2021	January 2022	February 2022	March 2022	April 2022
Rent recording month (Note 1)	March 2022	April 2022	May 2022	June 2022	July 2022	August 2022
Rent (Millions of yen) (Note 2)	147	109	66	50	70	86

(Note 1) “Base month for rent” represents the month used as the base for calculating rent. The base month for rent of the Property is 4 months before the month when rent is recorded. Moreover, each indicator including occupancy rate, average daily rate (ADR) and RevPAR (revenue per available room) are not disclosed as consent for disclosure has not been obtained from the end tenant.

(Note 2) “Rent” is rounded down to the nearest million yen.

B-1 Hilton Odawara Resort & Spa

Base period for calculation of rent (Note 1)	January 2021 to December 2021					
Rent recording month	March 2022	April 2022	May 2022	June 2022	July 2022	August 2022
Rent (Millions of yen) (Note 2)	26	26	26	26	26	26

(Note 1) “Base period for rent” represents the period used as the base for calculating rent. Moreover, each indicator including occupancy rate, average daily rate (ADR) and RevPAR (revenue per available room) are not disclosed as consent for disclosure has not been obtained from the end tenant.

(Note 2) “Rent” is the amount equivalent to 50% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit., rounded down to the nearest million yen.

C-1 Courtyard by Marriott Tokyo Station

Base month for rent (Note 1)	December 2021	January 2022	February 2022	March 2022	April 2022	May 2022
Occupancy rate (%) (Note 2)	49.0	38.7	41.4	49.3	54.0	57.6
Average daily rate (ADR) (Yen) (Note 3)	13,869	12,477	13,409	14,254	16,421	16,254
RevPAR (Yen) (Note 4)	6,794	4,827	5,552	7,023	8,860	9,359
Rent recording month (Note 1)	March 2022	April 2022	May 2022	June 2022	July 2022	August 2022
Rent (Millions of yen) (Note 5) (Note 6)	1	—	—	3	1	9
Difference from the minimum guaranteed rent (Millions of yen) (Note 7)	237					

C-2 Courtyard by Marriott Shin-Osaka Station

Base month for rent (Note 1)	December 2021	January 2022	February 2022	March 2022	April 2022	May 2022
Occupancy rate (%) (Note 2) (Note 8)	46.4	29.5	33.1	38.0	40.2	42.8
Average daily rate (ADR) (Yen) (Note 3) (Note 9)	15,510	14,420	14,473	14,904	15,320	15,434
RevPAR (yen) (Note 4)	7,192	4,252	4,797	5,666	6,160	6,603
Rent recording month (Note 1)	March 2022	April 2022	May 2022	June 2022	July 2022	August 2022
Rent (Millions of yen) (Note 5)	11	—	—	5	4	8
Difference from the minimum guaranteed rent (Millions of yen) (Note 10)	378					

(Note 1) “Base month for rent” represents the month used as the base for calculating rent. The base month for rent of Courtyard by Marriott Tokyo Station and Courtyard by Marriott Shin-Osaka Station is 3 months before the month when rent is recorded.

(Note 2) “Occupancy rate” is the figure calculated with the following formula, rounded to the nearest one decimal place.

$$\text{Occupancy rate} = \text{Number of guestrooms sold} / \text{number of guestrooms available for sale}$$

(Note 3) Average daily rate (ADR) represents the average unit price of guestrooms calculated by dividing the total accommodation revenue during a certain period (including service charges and excluding food and beverage sales and other sales) by the total number of guestrooms sold (total number of guestrooms operated) during the period, rounded to the nearest whole number.

(Note 4) RevPAR (revenue per available room) represents the accommodation revenue per room for the total number of guestrooms available for sale calculated by dividing the total accommodation revenue during a certain period (including service charges and excluding food and beverage sales and other sales) by the total number of guestrooms available for sale during the period, rounded to the nearest whole number. Moreover, RevPAR is the same as the value calculated by multiplying ADR by occupancy rate.

(Note 5) “Rent” is rounded down to the nearest million yen.

(Note 6) “Rent” of the 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.

(Note 7) Since there is the difference (shortfall) of 274 million yen between the total amount of rent for the period from October 2021 to September 2022 and the minimum annual guaranteed rent, 251 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 237 million yen.) is added to the rent for the 13th fiscal period and also 22 million yen (out of this amount, the amount equivalent to 93.5% quasi-co-ownership interest in the trust beneficiary interest owned by MORI TRUST Hotel Reit is 21 million yen.) is added to the rent for the 14th fiscal period separately.

(Note 8) MORI TRUST Hotel Reit holds trust beneficiary interests for 74% co-ownership interest in the land and building of Courtyard by Marriott Shin-Osaka Station, and occupancy rate indicates the occupancy rate for the portion subject to rent calculation.

(Note 9) MORI TRUST Hotel Reit holds trust beneficiary interests for 74% co-ownership interest in the land and building of Courtyard by Marriott Shin-Osaka Station, and ADR indicates the ADR for the portion subject to rent calculation.

(Note 10) Since there is the difference (shortfall) of 412 million yen between the total amount of rent for the period from October 2021 to September 2022 and the minimum annual guaranteed rent, 378 million yen is added to the rent for the 13th fiscal period and also 34 million yen is added to the rent for the 14th fiscal period separately.

#### D-1 Hotel Sunroute Plaza Shinjuku

Annual fixed rent: 1,304,673,360 yen

Each indicator including occupancy rate, average daily rate (ADR) and RevPAR (revenue per available room) are not disclosed as consent for disclosure has not been obtained from the end tenant.

#### (j) Capital Expenditure of Owned Real Estate

##### a. Scheduled Capital Expenditure

Major capital expenditure associated with the renovation work planned in the 14th Fiscal Period for the assets owned by MORI TRUST Hotel Reit as of the end of the fiscal period under review is as follows.

Property name	Location	Purpose	Scheduled period	Estimated construction costs (Thousands of yen)		
				Total amount	Payment amount for this FP	Total amount paid
Hilton Odawara Resort & Spa	Odawara-shi, Kanagawa	Central monitoring system replacement (2nd period)	From December 2022 To December 2022	32,150	—	—
Hilton Odawara Resort & Spa	Odawara-shi, Kanagawa	Entrance rotary and roadway pavement repair	From December 2022 To December 2022	24,750	—	—
Hilton Odawara Resort & Spa	Odawara-shi, Kanagawa	Filter and pump system for pools replacement	From February 2023 To February 2023	23,350	—	—
Hilton Odawara Resort & Spa	Odawara-shi, Kanagawa	Water cycle replant upgrade	From November 2022 To November 2022	11,275	—	—

##### b. Capital Expenditure During the Period

Major capital expenditure during the period for the assets owned by MORI TRUST Hotel Reit as of the end of the fiscal period under review is as follows.

Property name	Location	Purpose	Period	Construction cost (Thousands of yen) (Note)
Hilton Odawara Resort & Spa	Odawara-shi, Kanagawa	Garden Terrace Barbecue Area establishment	From July 2022 To July 2022	7,461
Hilton Odawara Resort & Spa	Odawara-shi, Kanagawa	Carbon dioxide fire extinguishing equipment container replacement	From August 2022 To August 2022	5,300
Other capital expenditure				37,033
Total				49,795

(Note) "Construction cost" is rounded down to the nearest thousand yen.