



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

TRUST HOTEL REIT

**10th Fiscal Period    Operating Results & Presentation**  
**( September 1, 2020– February 28, 2021 )**

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

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# **Summary of Operating Results for 10th FP Ended February 2021**

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## Distribution per unit

Results for the 10th FP  
ended February 2021

**651 yen**  
(+10 yen from forecast)

|                           |   |
|---------------------------|---|
| Operating revenues        | 1,214 mn yen<br>(No change from forecast) |
| Real estate rental income | 558 mn yen<br>(+2 mn yen from forecast)   |
| NOI                       | 922 mn yen<br>(+2 mn yen from forecast)   |
| Net income                | 325 mn yen<br>(+4 mn yen from forecast)   |

## Assets

|                                  |              |
|----------------------------------|--------------|
| No. of properties                | 5 properties |
| Asset size (Note1)               | 108.5 bn yen |
| Appraisal value                  | 124.9 bn yen |
| Unrealized gain (Note2)          | 18.7 bn yen  |
| NOI yield (Note3)                | 1.7 %        |
| Yield after depreciation (Note4) | 1.0 %        |
| No. of guestrooms                | 1,469 rooms  |

## Debt

|                                    |             |
|------------------------------------|-------------|
| Interest-bearing debt              | 53.9 bn yen |
| LTV (Note5)                        | 49.4 %      |
| Fixed-rate debt ratio              | 88.9 %      |
| Average interest rate              | 0.40 %      |
| Average remaining maturity of debt | 2.0 years   |

## Equity

|  |               |
|--|---------------|
| NAV (Note6)                              | 68.7 bn yen   |
| NAV per unit (Note7)                     | 137,404 yen   |
| Market capitalization (Note8)            | 67.3 bn yen   |
| Investment units outstanding             | 500,000 units |
| Mori Trust Group's holding ratio (Note9) | 36.8 %        |

(Note1) Total acquisition price

(Note2) Unrealized gain = Appraisal value at end of period - Book value at end of period

(Note3) NOI yield = NOI for the 10th FP (annualized) / Total acquisition price

(Note4) Yield after depreciation = Real estate rental income after depreciation for the 10th FP (annualized) / Total acquisition price

(Note5) LTV = Interest-bearing debt at end of period / Total assets at end of period

(Note6) NAV = Net assets at end of period - Total distributions + Unrealized gain

(Note7) NAV per unit = NAV / Investment units issued and outstanding

(Note8) Market capitalization = Investment unit price (closing price on February 26, 2021) × Investment units issued and outstanding

(Note9) Represents the ratio based on the number of investment units held by Mori Trust Group as of the end of the 10th FP

# Summary of the 10th FP Results

Distribution per unit (actual) : 651 yen (+10 yen from forecast)

(million yen)

| Item                                    | 10th FP ended<br>Feb. 2021<br>(actual) | 10th FP ended<br>Feb. 2021<br>(forecast) | Difference | 8th FP ended<br>Feb. 2020<br>(actual) | Difference |
|---|--|--|------------|---------------------------------------|------------|
| Operating revenues                      | 1,214                                  | 1,214                                    | -          | 2,630                                 | - 1,416    |
| Real estate rental revenues (i)         | 1,214                                  | 1,214                                    | -          | 2,630                                 | - 1,416    |
| Shangri-La                              | 353                                    | 353                                      | -          | 954                                   | - 600      |
| Hilton Odawara                          | 160                                    | 160                                      | -          | 203                                   | - 43       |
| CY Tokyo                                | 16                                     | 16                                       | -          | 433                                   | - 416      |
| CY Shin-Osaka                           | 31                                     | 31                                       | -          | 386                                   | - 355      |
| Sunroute                                | 652                                    | 652                                      | -          | 652                                   | -          |
| Operating expenses                      | 781                                    | 785                                      | - 4        | 737                                   | 44         |
| Real estate rental expenses (ii)        | 655                                    | 658                                      | - 2        | 606                                   | 49         |
| (Depreciation) (iii)                    | 363                                    | 364                                      | - 0        | 361                                   | 2          |
| Other operating expenses                | 125                                    | 126                                      | - 1        | 131                                   | - 5        |
| Real estate rental income (iv)=(i)-(ii) | 558                                    | 555                                      | 2          | 2,024                                 | - 1,465    |
| NOI (iv)+(ii)                           | 922                                    | 919                                      | 2          | 2,385                                 | - 1,463    |
| Operating income                        | 432                                    | 428                                      | 4          | 1,892                                 | - 1,460    |
| Ordinary income                         | 326                                    | 321                                      | 4          | 1,781                                 | - 1,455    |
| Net income                              | 325                                    | 320                                      | 4          | 1,781                                 | - 1,455    |
| Total cash distributions                | 325                                    | 320                                      | 5          | 1,781                                 | - 1,456    |
| Investment units outstanding (units)    | 500,000                                | 500,000                                  | -          | 500,000                               | -          |
| Distribution per unit (yen)             | 651                                    | 641                                      | 10         | 3,563                                 | - 2,912    |

## Major factors of change

(from 10<sup>th</sup> FP forecast)

|  |                              |
|--|------------------------------|
| ■ Operating revenues                         |                              |
| Real estate rental revenues                  | No change                    |
| Shangri-La                                   | No change                    |
| Hilton Odawara                               | No change                    |
| CY Tokyo                                     | No change                    |
| CY Shin-Osaka                                | No change                    |
| Sunroute                                     | No change as rents are fixed |
| ■ Operating expenses                         |                              |
| Real estate rental expenses                  | - 2 mn yen                   |
| Decrease in repairs and maintenance expenses | - 2 mn yen                   |

(from 8<sup>th</sup> FP actual : YoY comparison)

|  |                              |
|--|------------------------------|
| ■ Operating revenues                         |                              |
| Real estate rental revenues                  | - 1,416 mn yen               |
| Shangri-La                                   | - 600 mn yen                 |
| Hilton Odawara                               | - 43 mn yen                  |
| CY Tokyo                                     | - 416 mn yen                 |
| CY Shin-Osaka                                | - 355 mn yen                 |
| Sunroute                                     | No change as rents are fixed |
| ■ Operating expenses                         |                              |
| Real estate rental expenses                  | +49 mn yen                   |
| Increase in taxes and public dues            | +45 mn yen                   |
| Increase in depreciation                     | +2 mn yen                    |
| Increase in repairs and maintenance expenses | +1 mn yen                    |
| ■ Non-operating expenses                     |                              |
| Decrease in interest expenses                | - 3 mn yen                   |



# 10th FP Operating Results by Property (Year-on-Year Comparison)

## ■ Shangri-La Hotel, Tokyo (SL)

8th FP (Operating period: Sep. 1, 2019 to Feb. 29, 2020)

| Base month for rent                                       | 2019 |      |      |      |      |      | 8th FP total |
|---|------|------|------|------|------|------|--------------|
|   | May  | Jun. | Jul. | Aug. | Sep. | Oct. |              |
|   | 2019 |      |      | 2020 |      |      |              |
| Rent recording month                                      | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. |              |
| Rent (million yen)  | 147  | 145  | 160  | 122  | 139  | 238  | 954          |
| Difference from the minimum guaranteed rent (million yen) | -    |      |      |      |      |      | -            |

## ■ Hilton Odawara Resort & Spa (HO)

8th FP (Operating period: Sep. 1, 2019 to Feb. 29, 2020)

| Base period for calculation of rent | Jul., 2018 to Jun, 2019 |      |      |      |      |      | 8th FP total |
|-------------------------------------|-------------------------|------|------|------|------|------|--------------|
|                                     | 2019                    |      |      | 2020 |      |      |              |
|                                     | Sep.                    | Oct. | Nov. | Dec. | Jan. | Feb. |              |
| Rent recording month                |                         |      |      |      |      |      |              |
| Rent (million yen)                  | 32                      | 33   | 33   | 33   | 33   | 33   | 203          |

## ■ Courtyard by Marriott Tokyo Station (CYT)

\*Total includes rent revenues and other revenues.

8th FP (Operating period: Sep. 1, 2019 to Feb. 29, 2020)

| Base month for rent            | 2019               |        |        |        |        |        | 8th FP avg.  |
|--------------------------------|--------------------|--------|--------|--------|--------|--------|--------------|
|                                | Jun.               | Jul.   | Aug.   | Sep.   | Oct.   | Nov.   |              |
|                                | Occupancy rate (%) | 93.0%  | 93.4%  | 88.8%  | 89.5%  | 92.2%  |              |
| Average daily rate (ADR) (yen) | 26,850             | 26,438 | 25,320 | 28,150 | 32,097 | 28,130 | 27,832       |
| RevPAR (円)                     | 24,977             | 24,704 | 22,483 | 25,204 | 29,605 | 26,830 | 25,633       |
| Rent recording month           | 2020               |        |        |        |        |        | 8th FP total |
| Rent (million yen)             | Sep.               | Oct.   | Nov.   | Dec.   | Jan.   | Feb.   |              |
|                                | 63                 | 67     | 66     | 66     | 90     | 78     | 433          |

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

8th FP (Operating period: Sep. 1, 2019 to Feb. 29, 2020)

| Base month for rent                                       | 2019               |        |        |        |        |        | 8th FP avg.  |
|---|--------------------|--------|--------|--------|--------|--------|--------------|
|   | Jun.               | Jul.   | Aug.   | Sep.   | Oct.   | Nov.   |              |
|   | Occupancy rate (%) | 96.3%  | 97.0%  | 94.0%  | 84.7%  | 92.4%  |              |
| Average daily rate (ADR) (yen)                            | 18,297             | 18,044 | 18,602 | 17,870 | 19,615 | 19,402 | 18,640       |
| RevPAR (yen)  | 17,619             | 17,501 | 17,482 | 15,136 | 18,126 | 18,329 | 17,371       |
| Rent recording month                                      | 2020               |        |        |        |        |        | 8th FP total |
| Rent (million yen)  | Sep.               | Oct.   | Nov.   | Dec.   | Jan.   | Feb.   |              |
| Difference from the minimum guaranteed rent (million yen) | 65                 | 64     | 65     | 48     | 73     | 69     | 386          |
|   | -                  |        |        |        |        |        | -            |

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

| 2020  | 2020 |      |      |      |      |      | 10th FP total |
|---|------|------|------|------|------|------|---------------|
|   | May  | Jun. | Jul. | Aug. | Sep. | Oct. |               |
|   | 2020 |      |      | 2021 |      |      |               |
| Rent recording month                                      | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. |               |
| Rent (million yen)  | 19   | 24   | 30   | 40   | 44   | 71   | 229           |
| Difference from the minimum guaranteed rent (million yen) | 124  |      |      |      |      |      | 124           |

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

| 2020                 | Jul., 2019 to Jun, 2020 |      |      |      |      |      | 10th FP total |
|----------------------|-------------------------|------|------|------|------|------|---------------|
|                      | 2020                    |      |      | 2021 |      |      |               |
|                      | Sep.                    | Oct. | Nov. | Dec. | Jan. | Feb. |               |
| Rent recording month |                         |      |      |      |      |      |               |
| Rent (million yen)   | 26                      | 26   | 26   | 26   | 26   | 26   | 160           |

\*Total includes rent revenues and other revenues.

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

| 2020                           | 2020               |        |        |        |        |        | 10th FP avg.  |
|--------------------------------|--------------------|--------|--------|--------|--------|--------|---------------|
|                                | Jun.               | Jul.   | Aug.   | Sep.   | Oct.   | Nov.   |               |
|                                | Occupancy rate (%) | 23.9%  | 20.9%  | 20.6%  | 22.6%  | 40.5%  |               |
| Average daily rate (ADR) (yen) | 15,077             | 15,916 | 14,247 | 15,461 | 15,907 | 15,913 | 15,419        |
| RevPAR (円)                     | 3,605              | 3,334  | 2,929  | 3,487  | 6,438  | 7,341  | 4,517         |
| Rent recording month           | 2021               |        |        |        |        |        | 10th FP total |
| Rent (million yen)             | Sep.               | Oct.   | Nov.   | Dec.   | Jan.   | Feb.   |               |
|                                | 6                  | 0      | 0      | 0      | 4      | 5      | 16            |

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

| 2020  | 2020               |        |        |        |        |        | 10th FP avg.  |
|---|--------------------|--------|--------|--------|--------|--------|---------------|
|   | Jun.               | Jul.   | Aug.   | Sep.   | Oct.   | Nov.   |               |
|   | Occupancy rate (%) | 22.5%  | 21.4%  | 19.2%  | 24.5%  | 34.7%  |               |
| Average daily rate (ADR) (yen)                            | 13,974             | 16,094 | 16,170 | 17,590 | 18,710 | 19,535 | 17,011        |
| RevPAR (yen)  | 3,140              | 3,441  | 3,104  | 4,312  | 6,495  | 8,232  | 4,780         |
| Rent recording month                                      | 2021               |        |        |        |        |        | 10th FP total |
| Rent (million yen)  | Sep.               | Oct.   | Nov.   | Dec.   | Jan.   | Feb.   |               |
|   | 2                  | 0      | 0      | 0      | 10     | 16     | 29            |
| Difference from the minimum guaranteed rent (million yen) | 1                  |        |        |        |        |        | 1             |

- (Note1) 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 are not disclosed, however, as no consent to disclosure has been obtained from the end tenant. The base month is the month four months prior to the rent recording month for 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, is used.
- (Note2) Rent recording month represents the month for which MORI TRUST Hotel REIT records rent revenues. Rent indicates the rent for each rent recording month. Rent shows the actual value for each property, rounded down to the nearest million yen.
- (Note3) 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.
- (Note4) At SL, because of a difference (shortfall) of 135 million yen between the total amount of rent for the period from April 2020 to March 2021 and the guaranteed minimum annual rent, 124 million yen was added to rent for the 10th FP and 11 million yen will be added to rent for the 11th FP.
- (Note5) Rent for September 2019 of Hilton Odawara Resort & Spa is calculated on a pro-rata basis based on the number of days from September 2, 2019 (the acquisition date) to the last day of September.
- (Note6) At CYO, because of a difference (shortfall) of 21 million yen between the total amount of rent for the period from October 2019 to September 2020 and the guaranteed minimum annual rent, 20 million yen was added to rent for the 9th FP and 1 million yen will be added to rent for the 10th FP.

# 10th FP Operating Results by Property (Period-on-Period Comparison)



## ■ Shangri-La Hotel, Tokyo (SL)

9th FP (Operating period: Mar. 1, 2020 to Aug. 31, 2020)

|   | 2019 |      | 2020 |      |      |      | 9th FP total |
|---|------|------|------|------|------|------|--------------|
|   | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |              |
| Base month for rent                                       |      |      |      |      |      |      |              |
| Rent recording month                                      | 2020 |      |      |      |      |      |              |
|   | Mar. | Apr. | May  | Jun. | Jul. | Aug. |              |
| Rent (million yen)  | 176  | 178  | 134  | 90   | 46   | 19   | 646          |
| Difference from the minimum guaranteed rent (million yen) | -    |      |      |      |      |      | -            |

## ■ Hilton Odawara Resort & Spa (HO)

9th FP (Operating period: Mar. 1, 2020 to Aug. 31, 2020)

|                                     | Jan., 2019 to Dec., 2019 |      |     |      |      |      | 9th FP total |
|-------------------------------------|--------------------------|------|-----|------|------|------|--------------|
|                                     | 2020                     |      |     |      |      |      |              |
| Base period for calculation of rent |                          |      |     |      |      |      |              |
| Rent recording month                | 2020                     |      |     |      |      |      |              |
|                                     | Mar.                     | Apr. | May | Jun. | Jul. | Aug. |              |
| Rent (million yen)                  | 33                       | 33   | 33  | 33   | 33   | 33   | 204          |

## ■ Courtyard by Marriott Tokyo Station (CYT)

9th FP (Operating period: Mar. 1, 2020 to Aug. 31, 2020)

|                                | 2019   | 2020   |        |        |        |        | 9th FP avg. |
|--------------------------------|--------|--------|--------|--------|--------|--------|-------------|
|                                | Dec.   | Jan.   | Feb.   | Mar.   | Apr.   | May    |             |
| Base month for rent            |        |        |        |        |        |        |             |
| Occupancy rate (%)             | 90.6%  | 83.4%  | 58.0%  | 19.0%  | 25.3%  | 29.0%  | 51.1%       |
| Average daily rate (ADR) (yen) | 25,369 | 25,638 | 26,885 | 17,871 | 14,486 | 13,887 | 20,692      |
| RevPAR (¥)                     | 22,974 | 21,371 | 15,593 | 3,390  | 3,667  | 4,034  | 11,884      |
| Rent recording month           | 2020   |        |        |        |        |        |             |
|                                | Mar.   | Apr.   | May    | Jun.   | Jul.   | Aug.   |             |
| Rent (million yen)             | 57     | 50     | 24     | 0      | 0      | 0      | 132         |

\*Total includes rent revenues and other revenues.

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

9th FP (Operating period: Mar. 1, 2020 to Aug. 31, 2020)

|   | 2019   | 2020   |        |        |        |        | 9th FP avg. |
|---|--------|--------|--------|--------|--------|--------|-------------|
|   | Dec.   | Jan.   | Feb.   | Mar.   | Apr.   | May    |             |
| Base month for rent                                       |        |        |        |        |        |        |             |
| Occupancy rate (%)  | 95.9%  | 78.5%  | 58.6%  | 26.8%  | 9.6%   | 11.3%  | 46.7%       |
| Average daily rate (ADR) (yen)                            | 18,447 | 17,301 | 15,862 | 15,330 | 14,133 | 13,647 | 15,786      |
| RevPAR (yen)  | 17,683 | 13,575 | 9,289  | 4,102  | 1,352  | 1,539  | 7,913       |
| Rent recording month                                      | 2020   |        |        |        |        |        |             |
|   | Mar.   | Apr.   | May    | Jun.   | Jul.   | Aug.   |             |
| Rent (million yen)  | 65     | 35     | 13     | 0      | 0      | 0      | 114         |
| Difference from the minimum guaranteed rent (million yen) | 20     |        |        |        |        |        | 20          |

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

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

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           |

\*Total includes rent revenues and other revenues.

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        |
| 2020   |        |        |        |        |        |              |
| 2021   |        |        |        |        |        |              |
| Sep.   | Oct.   | Nov.   | Dec.   | Jan.   | Feb.   |              |
| 6      | 0      | 0      | 0      | 4      | 5      | 16           |

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        |
| 2020   |        |        |        |        |        |              |
| 2021   |        |        |        |        |        |              |
| Sep.   | Oct.   | Nov.   | Dec.   | Jan.   | Feb.   |              |
| 2      | 0      | 0      | 0      | 10     | 16     | 29           |
| 1      |        |        |        |        |        | 1            |

(Note1) 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 are not disclosed, however, as no consent to disclosure has been obtained from the end tenant. The base month is the month four months prior to the rent recording month for 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, is used.

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

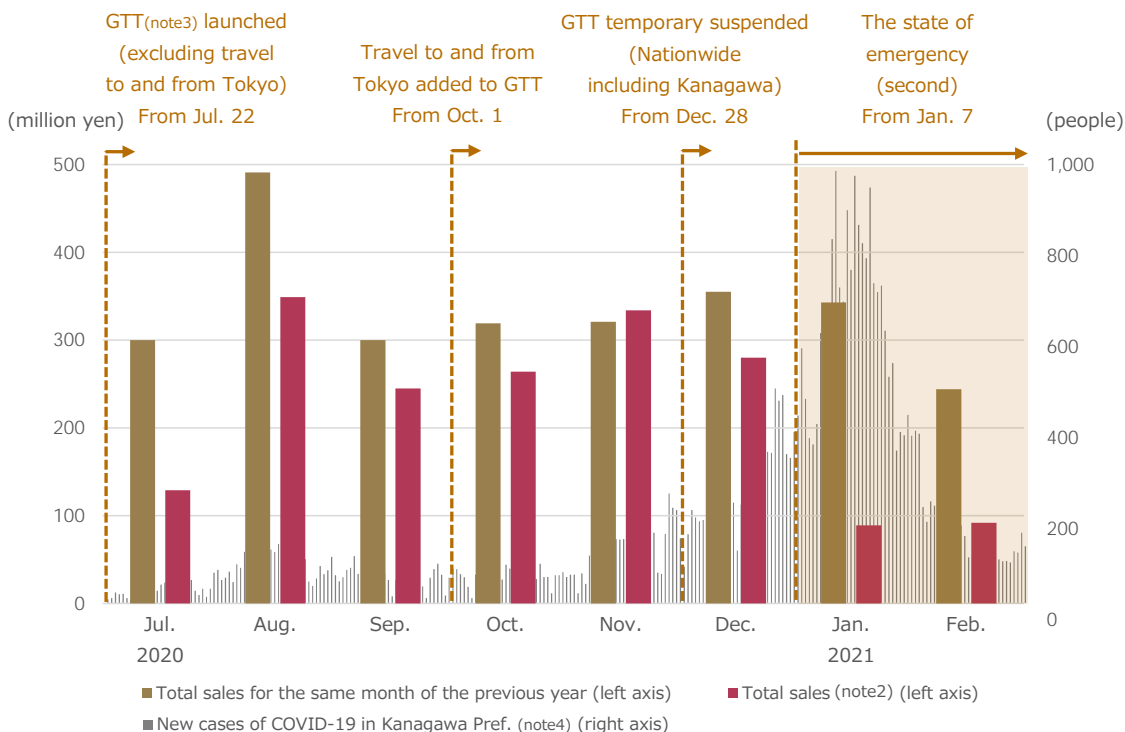
(Note3) Average daily rate (ADR) represents the average unit price of guestrooms, including service charges. RevPAR (revenue per available room) represents the accommodation revenue per room for the total number of guestrooms available for sale, including service charges.

(Note4) At SL, because of a difference (shortfall) of 135 million yen between the total amount of rent for the period from April 2020 to March 2021 and the guaranteed minimum annual rent, 124 million yen was added to rent for the 10th FP and 11 million yen will be added to rent for the 11th FP.

(Note5) At CYO, because of a difference (shortfall) of 21 million yen between the total amount of rent for the period from October 2019 to September 2020 and the guaranteed minimum annual rent, 20 million yen was added to rent for the 9th FP and 1 million yen will be added to rent for the 10th FP.

- ▶ Tourists from Tokyo becoming eligible for the Go To Travel campaign in Oct. contributed to significant recovery in total revenue for Nov. through which the figure surpassed that for the same month in the previous year, and the property's distinct advantage of being an extended-stay resort with an abundance of amenities and in close proximity to central Tokyo was demonstrated.
- ▶ Implement and communicate "Hilton CleanStay" developed uniformly by the Hilton Group and provide safe and secure stays to build trust among guests and contribute to attracting more guests.
- ▶ Intensively capture day-tripper demand with various facilities such as indoor natural hot-spring baths, pools, and fitness clubs and outdoor tennis courts as well as popular dessert buffets.

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



## Rent for 10th FP <sup>(note1)</sup>

|                                     |                          |      |      |      |      |      |
|-------------------------------------|--------------------------|------|------|------|------|------|
| Base period for calculation of rent | Jul., 2019 to Jun., 2020 |      |      |      |      |      |
| Rent recording month                | 2020                     |      |      |      | 2021 |      |
|                                     | Sep.                     | Oct. | Nov. | Dec. | Jan. | Feb. |
| Rent (million yen)                  | 26                       | 26   | 26   | 26   | 26   | 26   |

## Rent for 11th FP

|                                     |                          |      |     |      |      |      |
|-------------------------------------|--------------------------|------|-----|------|------|------|
| Base period for calculation of rent | Jan., 2020 to Dec., 2020 |      |     |      |      |      |
| Rent recording month                | 2021                     |      |     |      |      |      |
|                                     | Mar.                     | Apr. | May | Jun. | Jul. | Aug. |
| Rent (million yen)                  | 26                       | 26   | 26  | 26   | 26   | 26   |

### [reference1] 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                                | 2019                               |   |        |    | 2020   |    |         |   | 2021                               |   |   |   |   |   |
|-------------------------------------|------------------------------------|---|--------|----|--------|----|---------|---|------------------------------------|---|---|---|---|---|
| Month                               | 7                                  | 8 | 9      | 10 | 11     | 12 | 1       | 2 | 3                                  | 4 | 5 | 6 | 7 | 8 |
| Fiscal Period                       | 7th FP                             |   | 8th FP |    | 9th FP |    | 10th FP |   | 11th FP                            |   |   |   |   |   |
| Base period for calculation of rent | 10th FP profits (12-month average) |   |        |    |        |    |         |   | 11th FP profits (12-month average) |   |   |   |   |   |
| Rent                                | Rent for 10th FP                   |   |        |    |        |    |         |   | Rent for 11th FP                   |   |   |   |   |   |

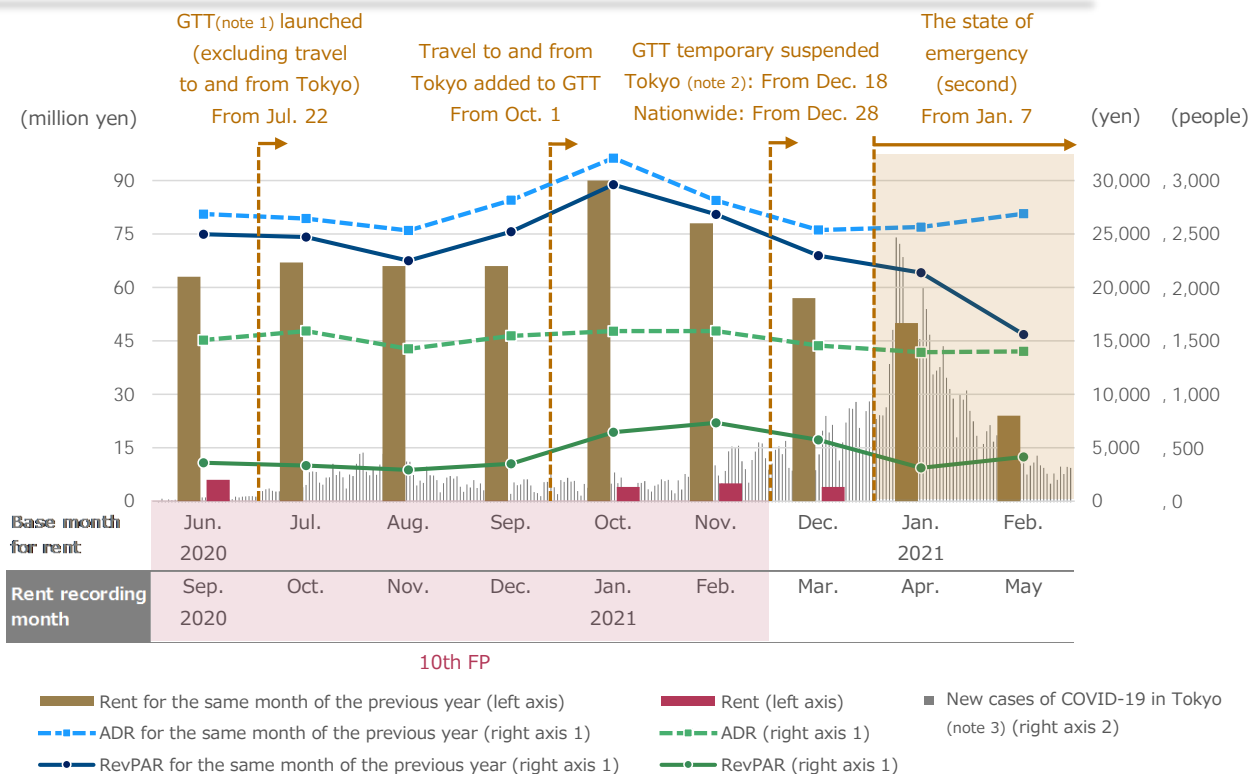
(Note1) "Rent" shows the value calculated based on the rent calculation method in the lease contract, rounded down to the nearest million yen.  
 (Note2) "Total sales" is the total amount of sales for the entire hotel (including the interest of the quasi-co-owner Mori Trust), rounded down to the nearest million yen.  
 (Note3) "GTT" means Go To Travel campaign. The same applies hereinafter. (Note4) Prepared by the Asset Management Company based on information provided by NHK.



# Performance of Courtyard by Marriott Tokyo Station

- After the launch of the Go To Travel campaign in Oct., focused on guest needs, and an improvement trend was seen upon selling mainly high-priced accommodation packages that included breakfast and dinner. However, sales became sluggish again due to the temporary suspension of the Go To Travel campaign in mid-December, etc.
- Through various promotions such as a bargain “Staycation Plan” provided by Marriott.com for neighborhood hotels and effective use of restaurants’ terrace seating, the property’s ability to attract guests amid the COVID-19 pandemic was demonstrated.
- In response to social needs under the COVID-19 pandemic, implemented a hygiene management program developed by Marriott in addition to introducing a “Pure Wellness Room” which provides a high-quality and clean-air environment and has been adopted by numerous hotels across the world.

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



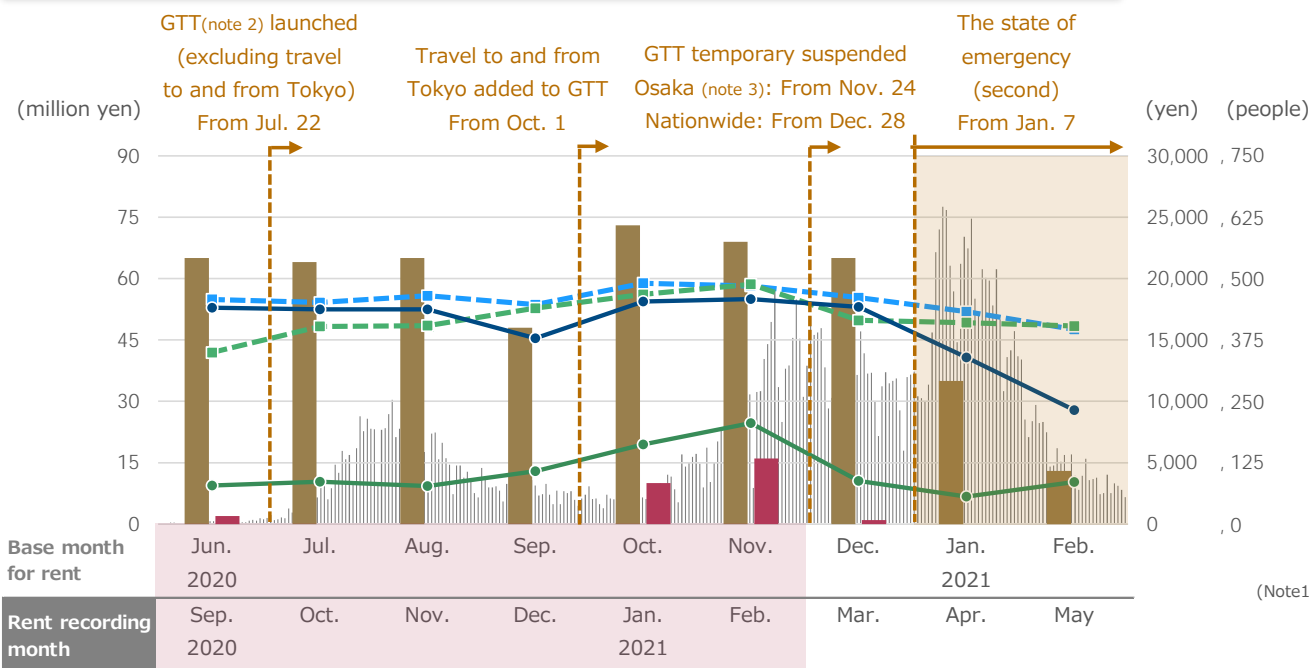
|                           |            |
|---------------------------|------------|
| <b>10th FP avg.</b>       |            |
| Occupancy rate            | 29.1 %     |
| Average daily rate (ADR)  | 15,419 yen |
| RevPAR                    | 4,517 yen  |
| <b>Rent 10th FP total</b> |            |
| 10th FP (actual)          | 16 mn yen  |
| 10th FP (forecast)        | 16 mn yen  |
| Change                    | - mn yen   |

- (note1) "GTT" means Go To Travel campaign. The same applies hereinafter.
- (note2) The date when booking new travel to Tokyo using GTT was temporarily suspended.
- (note3) Prepared by the Asset Management Company based on information provided by NHK.
- (note4) In "Rent," difference from the minimum guaranteed rent is not included.

# Performance of Courtyard by Marriott Shin-Osaka Station

- After Tokyo residents became eligible for the Go To Travel campaign in Oct., sales recovered and remained solid, and ADR in Nov. saw a year-on-year increase. However, sales returned to a downward trend as a result of the temporary suspension of the Go To Travel campaign and the declaration of a state of emergency due to the increase in COVID-19 cases.
- Cultivate new demand from guests by proactively promoting a clean hygienic environment, including the installation of a "Pure Wellness Room" similar to CY Tokyo, and by offering a "Staycation Plan."
- Converted several accommodation rooms to working spaces to meet guests' needs.
  - Launched "WORK STATION PLAN" available from 1 hour.

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



10th FP avg.

|                          |            |
|--------------------------|------------|
| Occupancy rate           | 27.4 %     |
| Average daily rate (ADR) | 17,011 yen |
| RevPAR                   | 4,780 yen  |

| Rent                                      | 10th FP total |
|---|---------------|
| 10th FP (actual) (note1)                  | 31 mn yen     |
| (Rent)                                    | 29 mn yen     |
| (Difference from minimum guaranteed rent) | 1 mn yen      |
| 10th FP (forecast)                        | 31 mn yen     |
| Change                                    | - mn yen      |

(Note1) Because of a difference (shortfall) of 21 million yen between the total amount of rent for the period from October 2019 to September 2020 and the guaranteed minimum annual rent, 1 million yen was added to rent for the 10th FP. In addition, 20 million yen will be added to rent for the 9th FP.

(Note2) "GTT" means Go To Travel campaign. The same applies hereinafter.

(Note3) The date when booking new travel to Osaka City using GTT was temporarily suspended.

(Note4) Prepared by the Asset Management Company based on information provided by NHK.

(Note5) In "Rent," difference from the minimum guaranteed rent is not included.

# Appraisal Value of Properties (End of 10th FP)

| Property name                            | Appraisal agency            | Appraisal value at end of 10th FP (million yen) | Period-on-period change (million yen) | Appraisal value by capitalization method |                         |                                   |                                  | Book value at end of 10th 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 9th FP (million yen) |
|  |                             |   |                                       | Capitalization rate (%)                  | Period-on-period change | Discount rate (%)                 | Terminal capitalization rate (%) |  |                                       |                                 |  |
| Shangri-La Hotel, Tokyo                  | Japan Real Estate Institute | 49,500  | -                                     | 3.2%                                     | -                       | 2.9%                              | 3.4%                             | 41,279                                     | 8,220                                 | 42,000                          | 49,500   |
| Hilton Odawara Resort & Spa              | Rich Appraisal Institute    | 6,900   | +50                                   | 4.7%                                     | -                       | 4.5%                              | 4.8%                             | 6,476                                      | 423                                   | 6,500                           | 6,850  |
| Courtyard by Marriott Tokyo Station      | Japan Real Estate Institute | 18,200  | -                                     | 3.7%                                     | -                       | 3.4%                              | 3.9%                             | 13,469                                     | 4,730                                 | 13,800                          | 18,200   |
| Courtyard by Marriott Shin-Osaka Station | Japan Real Estate Institute | 17,800  | -                                     | 4.2%                                     | -                       | 3.9%                              | 4.4%                             | 17,255                                     | 544                                   | 17,600                          | 17,800   |
| Hotel Sunroute Plaza Shinjuku            | Japan Real Estate Institute | 32,500  | +100                                  | 3.5%                                     | -                       | 3.3%                              | 3.7%                             | 27,716                                     | 4,783                                 | 28,600                          | 32,400   |
| Total                                    | -                           | 124,900   | +150                                  | -  | -                       | -                                 | -                                | 106,197                                    | 18,702                                | 108,500                         | 124,750  |

# 11th FP Results Forecast (1-Mar-2021 to 31-Aug-2021)

- Management Status Forecast for Fiscal Period Ending August 31, 2021 (from March 1, 2021 to August 31, 2021) have yet to be determined at this point, because of the effect of the worldwide spread of the novel coronavirus.
- The forecast is scheduled to be announced in May 2021 or later.

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

|  | 2019 |   |   | 2020                         |    |    |   |   |   |   |   |   |  |   |   | 2021 |    |    |   |   |   |   |   |   | 2022   |   |   |    |    |    |   |   |   |   |   |   |  |   |   |  |  |  |   |  |  |  |  |  |
|--|------|---|---|------------------------------|----|----|---|---|---|---|---|---|--|---|---|------|----|----|---|---|---|---|---|---|--|---|---|----|----|----|---|---|---|---|---|---|--|---|---|--|--|--|---|--|--|--|--|--|
|  | 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 | 10 | 11 | 12 | 1   | 2 | 3 | 4 | 5 | 6 | 7  | 8 | 9 |  |  |  |   |  |  |  |  |  |
| <b>Fiscal period</b>   |      |   |   | 8th FP                       |    |    | 9th FP  |   |   |   |   |   | 10th FP  |   |   |      |    |    | 11th FP   |   |   |   |   |   | 12th FP  |   |   |    |    |    | 13th FP   |   |   |   |   |   |  |   |   |  |  |  |   |  |  |  |  |  |
| <b>Shangri-La</b>  |      |   |   | (i) (ii) (iii) (iv) (v) (vi) |    |    | (i) (ii) (iii) (iv) (v) (vi) (i) (ii) (iii) (iv) (v) (vi) |   |   |   |   |   | (i) (ii) (iii) (iv) (v) (vi) (i) (ii) (iii) (iv) (v) (vi)              |   |   |      |    |    | (i) (ii) (iii) (iv) (v) (vi) (i) (ii) (iii) (iv) (v) (vi) |   |   |   |   |   | (i) (ii) (iii) (iv) (v) (vi) (i) (ii) (iii) (iv) (v) (vi)              |   |   |    |    |    |   |   |   |   |   |   |  |   |   |  |  |  |   |  |  |  |  |  |
| Base month for rent<br>(Linked to hotel total revenue)                                   |      |   |   |                              |    |    |   |   |   |   |   |   | Recorded difference in guaranteed minimum rent (1/12-month equivalent) |   |   |      |    |    | Recorded difference (1/12-month equivalent)               |   |   |   |   |   | Recorded difference in guaranteed minimum rent (1/12-month equivalent) |   |   |    |    |    | Recorded difference (1/12-month equivalent)               |   |   |   |   |   |  |   |   |  |  |  |   |  |  |  |  |  |
| Rent   |      |   |   |                              |    |    | (i) (ii) (iii) (iv) (v) (vi)                              |   |   |   |   |   | (i) (ii) (iii) (iv) (v) (vi)   |   |   |      |    |    | (i) (ii) (iii) (iv) (v) (vi)                              |   |   |   |   |   | (i) (ii) (iii) (iv) (v) (vi)   |   |   |    |    |    | (i) (ii) (iii) (iv) (v) (vi)                              |   |   |   |   |   |  |   |   |  |  |  |   |  |  |  |  |  |
| *variable (monthly)  |      |   |   |                              |    |    |   |   |   |   |   |   |  |   |   |      |    |    |   |   |   |   |   |   |  |   |   |    |    |    |   |   |   |   |   |   |  |   |   |  |  |  |   |  |  |  |  |  |
| Criteria for applying minimum guaranteed rent  |      |   |   |                              |    |    | ← Total rent for 12 months: 882,700,000 yen →             |   |   |   |   |   | Timing of receiving difference in guaranteed minimum rent              |   |   |      |    |    | Timing of receiving difference in guaranteed minimum rent |   |   |   |   |   | Timing of receiving difference in guaranteed minimum rent              |   |   |    |    |    | Timing of receiving difference in guaranteed minimum rent |   |   |   |   |   |  |   |   |  |  |  |   |  |  |  |  |  |
| <b>CY Tokyo</b>  |      |   |   | (i) (ii) (iii) (iv) (v) (vi) |    |    | (i) (ii) (iii) (iv) (v) (vi) (i) (ii) (iii) (iv) (v) (vi) |   |   |   |   |   | (i) (ii) (iii) (iv) (v) (vi) (i) (ii) (iii) (iv) (v) (vi)              |   |   |      |    |    | (i) (ii) (iii) (iv) (v) (vi) (i) (ii) (iii) (iv) (v) (vi) |   |   |   |   |   | (i) (ii) (iii) (iv) (v) (vi) (i) (ii) (iii) (iv) (v) (vi)              |   |   |    |    |    |   |   |   |   |   |   |  |   |   |  |  |  |   |  |  |  |  |  |
| Base month for rent<br>(Linked to hotel profit)  |      |   |   |                              |    |    |   |   |   |   |   |   | Recorded difference in guaranteed minimum rent (1/12-month equivalent) |   |   |      |    |    | Recorded difference (1/12-month equivalent)               |   |   |   |   |   | Recorded difference in guaranteed minimum rent (1/12-month equivalent) |   |   |    |    |    | Recorded difference (1/12-month equivalent)               |   |   |   |   |   | Recorded difference in guaranteed minimum rent (1/12-month equivalent) |   |   |  |  |  | Recorded difference (1/12-month equivalent) |  |  |  |  |  |
| Rent   |      |   |   |                              |    |    | (i) (ii) (iii) (iv) (v) (vi)                              |   |   |   |   |   | (i) (ii) (iii) (iv) (v) (vi)   |   |   |      |    |    | (i) (ii) (iii) (iv) (v) (vi)                              |   |   |   |   |   | (i) (ii) (iii) (iv) (v) (vi)   |   |   |    |    |    | (i) (ii) (iii) (iv) (v) (vi)                              |   |   |   |   |   | (i) (ii) (iii) (iv) (v) (vi)   |   |   |  |  |  |   |  |  |  |  |  |
| *variable (monthly)  |      |   |   |                              |    |    |   |   |   |   |   |   |  |   |   |      |    |    |   |   |   |   |   |   |  |   |   |    |    |    |   |   |   |   |   |   |  |   |   |  |  |  |   |  |  |  |  |  |
| Criteria for applying minimum guaranteed rent  |      |   |   |                              |    |    | ← Total rent for 12 months: 310,000,000 yen →             |   |   |   |   |   | Timing of receiving difference in guaranteed minimum rent              |   |   |      |    |    | Timing of receiving difference in guaranteed minimum rent |   |   |   |   |   | Timing of receiving difference in guaranteed minimum rent              |   |   |    |    |    | Timing of receiving difference in guaranteed minimum rent |   |   |   |   |   |  |   |   |  |  |  |   |  |  |  |  |  |
| <b>CY Shin-Osaka</b>   |      |   |   | (i) (ii) (iii) (iv) (v) (vi) |    |    | (i) (ii) (iii) (iv) (v) (vi) (i) (ii) (iii) (iv) (v) (vi) |   |   |   |   |   | (i) (ii) (iii) (iv) (v) (vi) (i) (ii) (iii) (iv) (v) (vi)              |   |   |      |    |    | (i) (ii) (iii) (iv) (v) (vi) (i) (ii) (iii) (iv) (v) (vi) |   |   |   |   |   | (i) (ii) (iii) (iv) (v) (vi) (i) (ii) (iii) (iv) (v) (vi)              |   |   |    |    |    |   |   |   |   |   |   |  |   |   |  |  |  |   |  |  |  |  |  |
| Base month for rent<br>(Linked to hotel profit)  |      |   |   |                              |    |    |   |   |   |   |   |   | Recorded difference in guaranteed minimum rent (1/12-month equivalent) |   |   |      |    |    | Recorded difference (1/12-month equivalent)               |   |   |   |   |   | Recorded difference in guaranteed minimum rent (1/12-month equivalent) |   |   |    |    |    | Recorded difference (1/12-month equivalent)               |   |   |   |   |   | Recorded difference in guaranteed minimum rent (1/12-month equivalent) |   |   |  |  |  | Recorded difference (1/12-month equivalent) |  |  |  |  |  |
| Rent   |      |   |   |                              |    |    | (i) (ii) (iii) (iv) (v) (vi)                              |   |   |   |   |   | (i) (ii) (iii) (iv) (v) (vi)   |   |   |      |    |    | (i) (ii) (iii) (iv) (v) (vi)                              |   |   |   |   |   | (i) (ii) (iii) (iv) (v) (vi)   |   |   |    |    |    | (i) (ii) (iii) (iv) (v) (vi)                              |   |   |   |   |   | (i) (ii) (iii) (iv) (v) (vi)   |   |   |  |  |  |   |  |  |  |  |  |
| *variable (monthly)  |      |   |   |                              |    |    |   |   |   |   |   |   |  |   |   |      |    |    |   |   |   |   |   |   |  |   |   |    |    |    |   |   |   |   |   |   |  |   |   |  |  |  |   |  |  |  |  |  |
| Criteria for applying minimum guaranteed rent  |      |   |   |                              |    |    | ← Total rent for 12 months: 460,000,000 yen →             |   |   |   |   |   | Timing of receiving difference in guaranteed minimum rent              |   |   |      |    |    | Timing of receiving difference in guaranteed minimum rent |   |   |   |   |   | Timing of receiving difference in guaranteed minimum rent              |   |   |    |    |    | Timing of receiving difference in guaranteed minimum rent |   |   |   |   |   |  |   |   |  |  |  |   |  |  |  |  |  |
| <b>Hilton Odawara</b>  |      |   |   | (i)                          |    |    | (ii)  |   |   |   |   |   | (iii)  |   |   |      |    |    | (iv)  |   |   |   |   |   |  |   |   |    |    |    |   |   |   |   |   |   |  |   |   |  |  |  |   |  |  |  |  |  |
| Base period for calculation of rent<br>(Linked to hotel profit)                          |      |   |   |                              |    |    |   |   |   |   |   |   |  |   |   |      |    |    |   |   |   |   |   |   |  |   |   |    |    |    |   |   |   |   |   |   |  |   |   |  |  |  |   |  |  |  |  |  |
| Rent   |      |   |   |                              |    |    |   |   |   |   |   |   |  |   |   |      |    |    |   |   |   |   |   |   |  |   |   |    |    |    |   |   |   |   |   |   |  |   |   |  |  |  |   |  |  |  |  |  |
| *Rent varies each fiscal period<br>(The monthly amount is fixed during a fiscal period.) |      |   |   |                              |    |    |   |   |   |   |   |   |  |   |   |      |    |    |   |   |   |   |   |   |  |   |   |    |    |    |   |   |   |   |   |   |  |   |   |  |  |  |   |  |  |  |  |  |
| <b>Sunroute</b>  |      |   |   | Fixed                        |    |    | Fixed   |   |   |   |   |   | Fixed  |   |   |      |    |    | Fixed   |   |   |   |   |   | Fixed  |   |   |    |    |    | Fixed   |   |   |   |   |   |  |   |   |  |  |  |   |  |  |  |  |  |

## 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

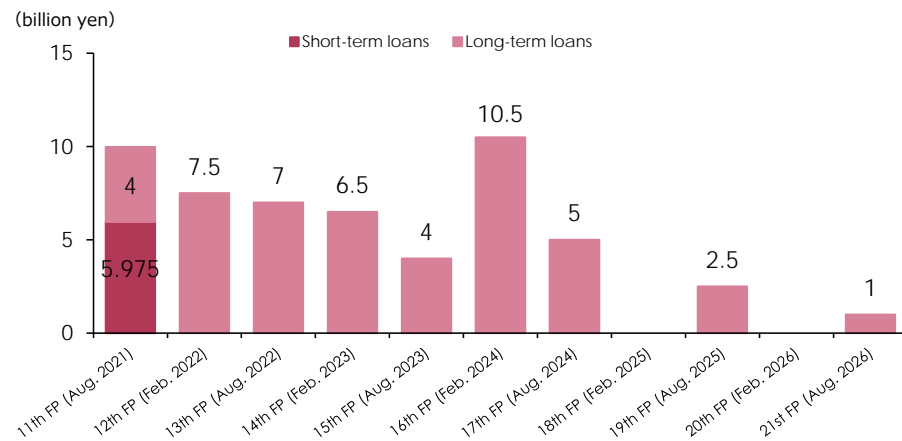
**LTV** Set 60% as upper limit, while targeting 50% as upper limit in normal operations.

## Financial highlights for 9th FP

Refinanced 3 billion yen at the end of November 2020

- Refinanced 3 billion yen of long-term loans payable at maturity with long-term borrowings of 3 billion yen

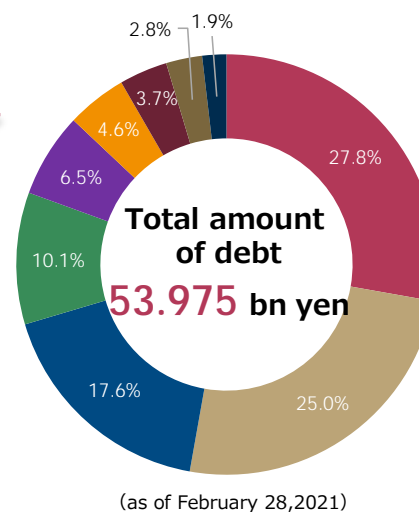
## Diversification of Repayment Dates (as of February 28, 2021)



## Interest-Bearing Debt Status

| Item   | End of 9th FP (Aug. 31, 2020) | End of 10th FP (Feb. 28, 2021) | 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)       | 49.1 %                        | 49.4 %                         | +0.3 pt                 |
| Fixed-rate debt ratio                                      | 88.9 %                        | 88.9 %                         | -                       |
| Average interest rate                                      | 0.40 %                        | 0.40 %                         | ▲0.0 pt                 |
| Average remaining maturity of debt                         | 2.3 年                         | 2.0 年                          | ▲0.3 年                  |

## Diversification of Lenders



## 9 financial institutions as lenders

- Mizuho Bank, Ltd.
- Sumitomo Mitsui Banking Corporation
- Sumitomo Mitsui Trust Bank, Limited
- MUFG Bank, Ltd.
- Development Bank of Japan Inc.
- Mizuho Trust & Banking Co., Limited
- Shinkin Central Bank
- Resona Bank, Limited
- Nippon Life Insurance Company



# Market Conditions

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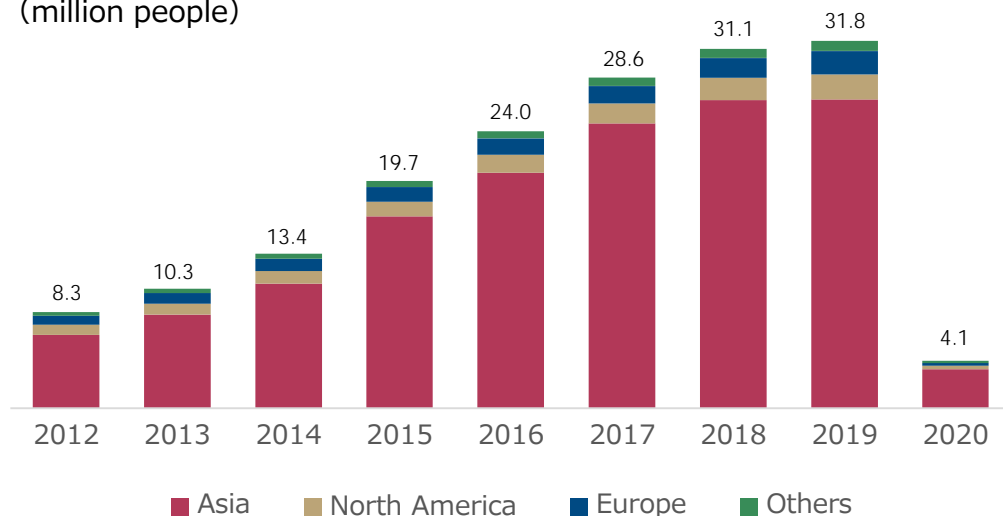
# Number of Foreign Visitors to Japan

- The number of foreigners visiting Japan was dropped significantly in 2020 due to the impact of immigration restrictions resulting from the spread of COVID-19.
- The number of foreigners visiting Japan in 2019 totaled 31.88 mn (year-on-year increase of 2.2%); and that in January to December 2020 stood at 4.11 mn (decrease of 87.1%).

(Source) Materials publicized by Japan National Tourism Organization

## Number of Foreign Visitors to Japan

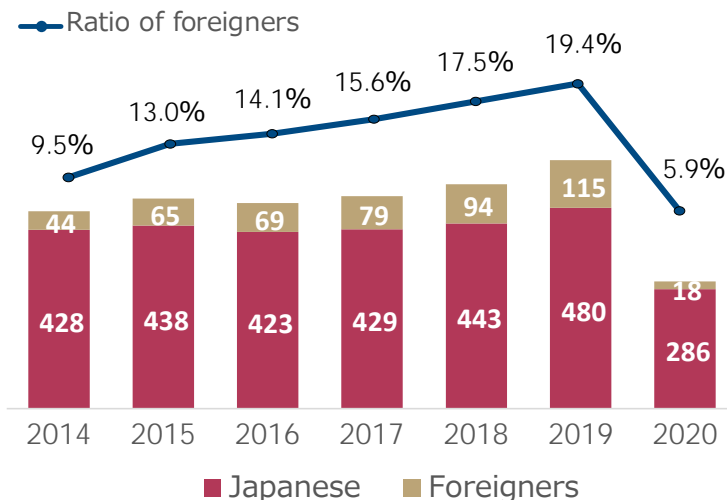
(million people)



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

## Number of Users Lodging in Domestic Accommodation Facilities

(million people staying overnight)



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

## Average Overnight Stays of Foreigners Visiting Japan (for Sightseeing and Leisure) in 2019 by Country

| All countries | China | South Korea | Taiwan | Hong Kong |
|---------------|-------|-------------|--------|-----------|
| 6.2           | 5.8   | 3.3         | 5.2    | 5.6       |
| U.S.          | U.K.  | Germany     | Russia | Australia |
| 9.4           | 11.5  | 14.0        | 10.0   | 12.9      |

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

## Upcoming international events

|       |  |
|-------|--|
| 2021年 | ◆ Tokyo Olympic and Paralympic Games         |
| 2022年 | ◆ World Masters Games 2021 Kansai            |
|       | ◆ 19th FINA World Championships 2022 Fukuoka |
| 2025年 | ◆ Osaka Expo 2025                            |

(Note) These events are scheduled as of April 1, 2021, and are subject to change.

# **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

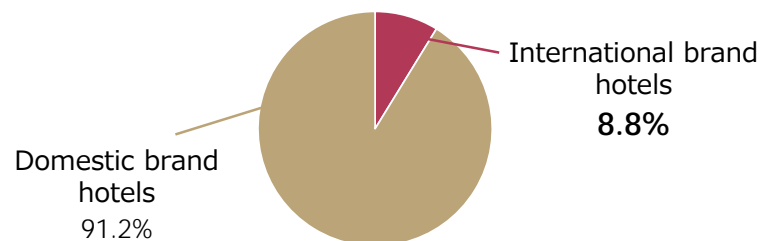
#### Advantages of member organization and use of reservation system

- 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 2021" by Weekly Hotels and Restaurants. The compilation covers the hotels indicated in the source, not the entire hotels in Japan.

Implementing the hotel business by the sponsors



**MORI TRUST**



**MORI TRUST HOTELS & RESORTS**

Expertise of Mori Trust Group

Development capabilities

×

Hotel operation and Management capabilities

Cooperation

Stimulating the market by providing opportunities for investment



**MORI TRUST HOTEL REIT**

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

A new "REIT specialized in hotels"

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



## Capabilities to develop hotels with potential high asset quality

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

## Trust Quality

Expertise of Mori Trust Group

Development Capabilities  
×  
Operation and Management Capabilities



## Excellent hotel operation and management capabilities

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

Trust Value

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



Asset quality

Stability

Growth potential

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

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



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

## Area

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

### Major cities around Japan

23 wards of Tokyo and government ordinance-designated cities

### Famous tourist destinations

Areas expected to attract many tourists

## Focus on “locations and areas”

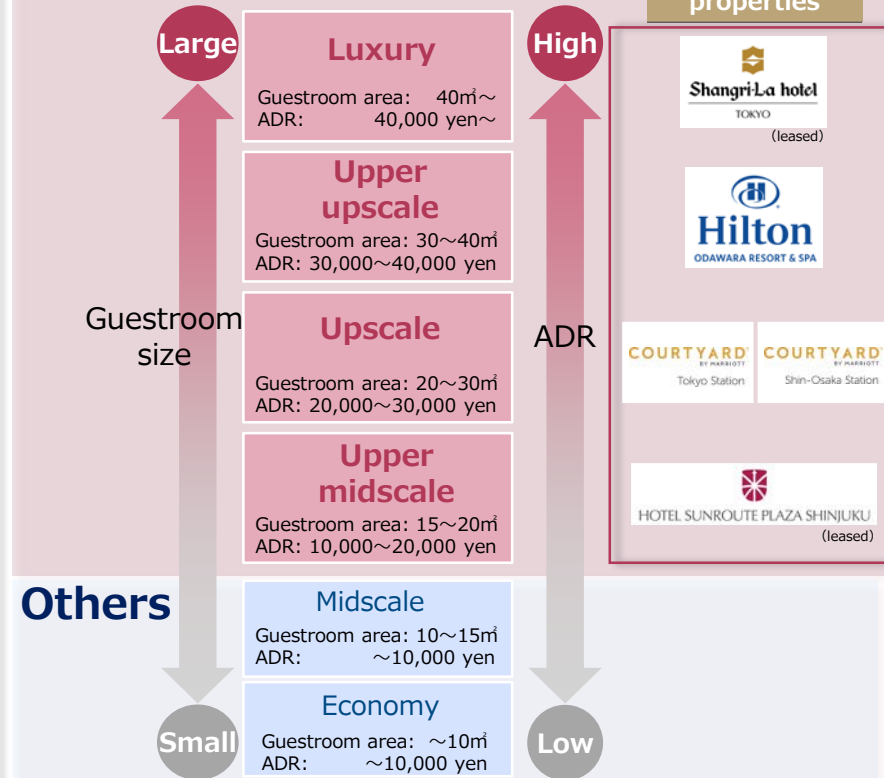
**Assets located in areas capable of attracting guests, regardless of being in city centers or regional areas**

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

## Grade

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

### Focused investment targets




# List of Portfolio Properties

## Portfolio Highlights (as of February 28, 2021)

No. of properties :  
5 properties

Total acquisition price :  
¥108.5 billion

Total No. of guestrooms :  
1,469 rooms

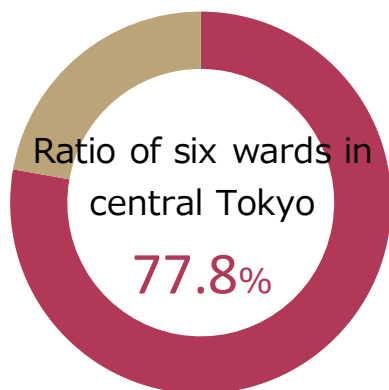
| Property name                   | Shangri-La Hotel Tokyo  | Hilton Odawara Resort & Spa   | Courtyard by Marriott Tokyo Station  | Courtyard by Marriott Shin-Osaka Station  | Hotel Sunroute Plaza Shinjuku   |
|---------------------------------|---|---|--|---|---|
| Property photo                  |  |          |  |  |  |
| Location                        | Chiyoda Ward, Tokyo<br>1-minute walk from Tokyo Sta.                              | Odawara-shi, Kanagawa<br>About 60 minutes from Tokyo Sta.<br>(bullet train & shuttle bus) | Chuo Ward, Tokyo<br>4-minute walk from Tokyo Sta.                                  | Yodogawa Ward, Osaka<br>1-minute walk from Shin-Osaka Sta.                          | Shibuya Ward, Tokyo<br>3-minute walk from Shinjuku Sta.                             |
| Complete                        | November, 2008  | October, 1997<br>(rebranded in February, 2004)  | February, 2014   | March, 1997<br>(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   | 13,800   | 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               | 200   | 163 (Note1)   | 150  | 332 (Note2)   | 624   |
| Hotel operation format          | Leased  | MC (Note3)  | FC (Note4)   | FC (Note4)  | Leased  |
| Hotel operator                  | Shangri-La Hotels Japan   | Hilton Worldwide Manage   | Mori Trust Hotels & Resorts  | Mori Trust Hotels & Resorts   | Sotetsu Hotel Management  |

(Note1) The figure indicates the total number of guest rooms of the entire building, including the rooms under co-ownership by other owners. The equity held by MORI TRUST Hotel REIT in the trust beneficiary interest is 50/100.

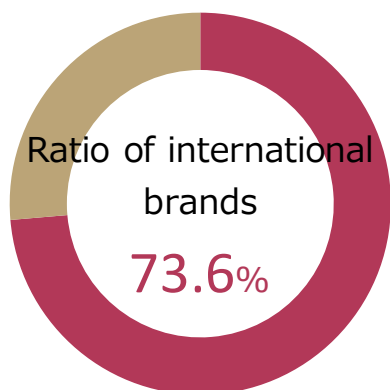
(Note2) The figure indicates the total number of guest rooms of the entire building, including the rooms under co-ownership by other owners. The equity held by MORI TRUST Hotel REIT in the trust beneficiary interest is 74/100.

(Note3) MC means "under management contract," which indicates that hotel operations are outsourced by Mori Trust Group to a brand operator.

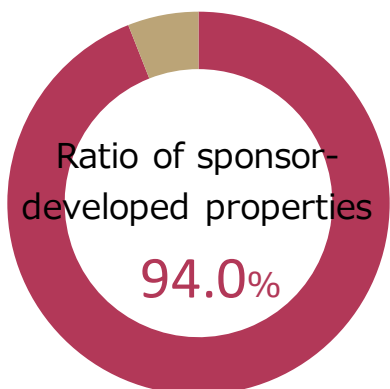
(Note4) FC means franchised and indicates the format in which Mori Trust Group operates the hotels by itself, with brand use rights granted by respective brands.



- 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

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

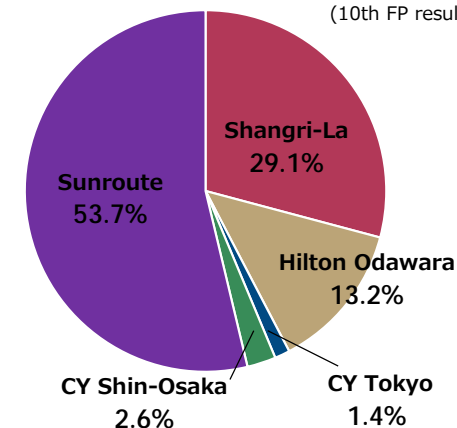
**Minimum-guaranteed rent / Fixed rent** (Note2) : Secures stability  
(Note3)



**Pursue an Optimal Mix of Stability and Growth Potential**

## Rent Ratio of the Portfolio

(10th FP results)



| Property name                            | Rent type                                       | Calculation base for variable rent | Fixed rent (minimum-guaranteed rent)                      |
|--|---|------------------------------------|---|
| Shangri-La Hotel Tokyo                   | Variable<br>With minimum annual guaranteed rent | Sales                              | Minimum annual guaranteed rent (Note4)<br>882,700,000 yen |
| Hilton Odawara Resort & Spa              | Variable  | Profit                             | -   |
| Courtyard by Marriott Tokyo Station      | Variable<br>With minimum annual guaranteed rent | Profit                             | Minimum annual guaranteed rent (Note5)<br>310,000,000 yen |
| Courtyard by Marriott Shin-Osaka Station | Variable<br>With minimum annual guaranteed rent | Profit                             | Minimum annual guaranteed rent (Note5)<br>460,000,000 yen |
| Hotel Sunroute Plaza Shinjuku            | Fixed   | -                                  | Fixed annual rent<br>1,304,673,360 yen                    |

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

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

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

(Note4) 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.

(Note5) 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.

# List of Rent Types of Portfolio Properties

|                                    | Shangri-La Hotel Tokyo  | Hilton Odawara Resort & Spa   | Courtyard by Marriott Tokyo Station   |
|------------------------------------|---|---|---|
| Rent type                          | Variable (monthly)<br>With minimum annual guaranteed rent   | Rent varies each fiscal period<br>(The monthly amount is fixed during a fiscal period.) | Variable (monthly)<br>With minimum annual guaranteed rent   |
| Calculation base for variable rent | Sales   | Profit  | Profit  |
| Tenant                             | Mori Trust  | MT & Hilton Hotel   | Mori Trust  |
| Rent scheme                        | <p>Minimum annual guaranteed rent 882,700,000 yen (Note)</p> <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>variable rent</p>  | <p>Minimum annual guaranteed rent 310,000,000 yen (Note)</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> |
|                                    | Courtyard by Marriott Shin-Osaka Station  | Hotel Sunroute Plaza Shinjuku   |   |
| Rent type                          | Variable (monthly)<br>With minimum annual guaranteed rent   | Fixed   |   |
| Calculation base for variable rent | Profit  | -   |   |
| Tenant                             | Mori Trust  | Sotetsu Hotel Management  |   |
| Rent scheme                        | <p>Minimum annual guaranteed rent 460,000,000 yen (Note)</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> | <p>Fixed annual rent 1,304,673,360 yen</p> <p>fixed rent</p>                            |   |



# 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 | M C |
| 10 | Suiran, a Luxury Collection Hotel, Kyoto             | 39 rooms  | F C |
| 11 | IRAPH SUI, a Luxury Collection Hotel, Miyako Okinawa | 58 rooms  | F C |
| 12 | Sheraton Okinawa Sunmarina Resort                    | 246 rooms | F C |
| 13 | Hilton Okinawa Sesoko Resort                         | 298 rooms | M C |
| 14 | Hilton Odawara Resort & Spa                          | 163 rooms | M C |

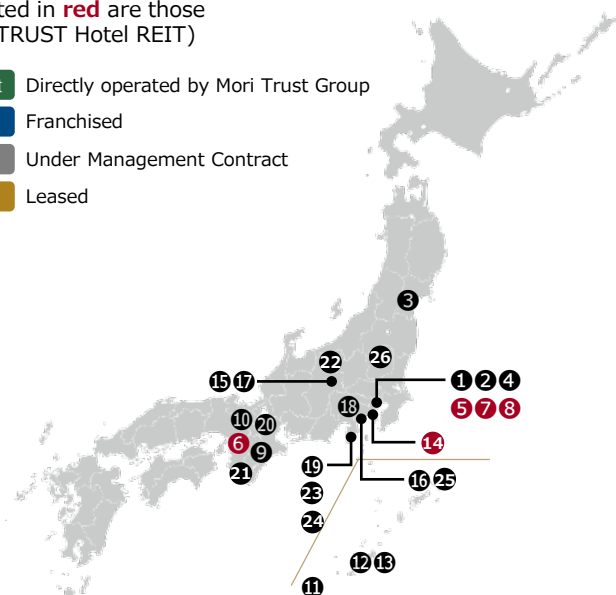
|    |                                     |           |        |
|----|-------------------------------------|-----------|--------|
| 15 | MAMPEI HOTEL                        | 109 rooms | Direct |
| 16 | Gora-Kansuiro                       | 14 rooms  | Direct |
| 17 | Karuizawa Marriott Hotel            | 142 rooms | F C    |
| 18 | Fuji Marriott Hotel Lake Yamanaka   | 105 rooms | F C    |
| 19 | Izu Marriott Hotel Shuzenji         | 128 rooms | F C    |
| 20 | Lake Biwa Marriott Hotel            | 274 rooms | F C    |
| 21 | Nanki-Shirahama Marriott Hotel      | 182 rooms | F C    |
| 22 | Courtyard by Marriott Hakuba        | 72 rooms  | F C    |
| 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 | M C |
| 2 | CONRAD TOKYO                             | 291 rooms | M C |
| 3 | The Westin Sendai                        | 292 rooms | F C |
| 4 | Tokyo Marriott Hotel                     | 249 rooms | F C |
| 5 | Courtyard by Marriott Tokyo Station      | 150 rooms | F C |
| 6 | Courtyard by Marriott Shin-Osaka Station | 332 rooms | F C |
| 7 | Shangri-La Hotel, Tokyo                  | 200 rooms | L E |
| 8 | Hotel Sunroute Plaza Shinjuku            | 624 rooms | L E |

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



(Source) Prepared by the Asset Management Company based on the information of Mori Trust Group available as of February 28, 2021

(Note) Except for the assets owned as of February 28, 2021, 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

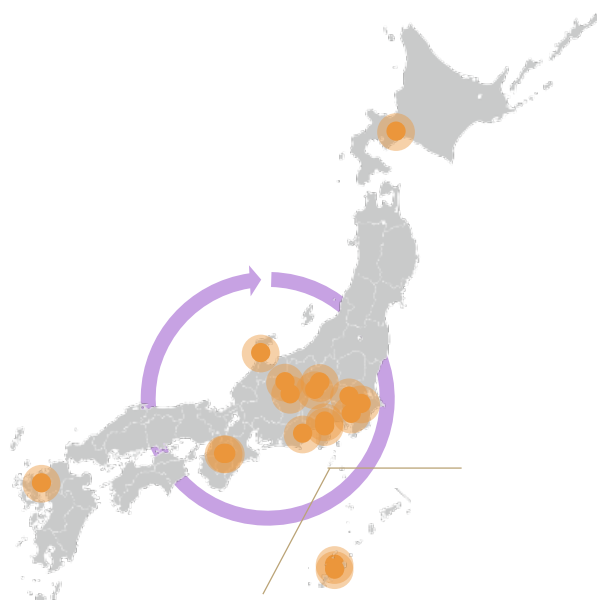
Atami Kinomiya

Nara Yoshikien

Nagasaki Minamiyamate

The Beach Resort Sesoko by Hilton Club

Okinawa Fuchaku



Luxury Destination Network

### Major Metropolitan Areas



The Tokyo EDITION, Ginza

THE TOKYO GINZA  
EDITION

Hotel development plan in AKASAKA 2 PROJECT (Tentative)

Scheduled to complete in fiscal 2024



### Resort Areas in Okinawa



The Beach Resort Sesoko by Hilton Club

Scheduled to open in 2022

THE BEACH RESORT  
SESOKO  
HILTON CLUB

(Source) Prepared by the Asset Management Company based on the information of Mori Trust Group available as of February 28, 2021

(Note) Except for the assets owned as of February 28, 2021, 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.

## System for Promotion of Sustainability

### ■ Sustainability Policy

The Asset Management Company of Mori Trust Hotel REIT has established a Sustainability Policy as outlined below, and is engaged in initiatives to improve sustainability.

1. Promoting energy savings and GHG emissions reduction  
Promotion of efficient use of energy in assets under management, introduction of facilities conducive to energy saving and low carbonization
  2. Contributing to recycling-oriented society  
Promotion of initiatives for effective use of limited resources, including 3R for water saving and waste reduction
  3. Streamlining the internal management system and strengthening compliance  
Establishment of the internal system for the effective promotion of initiatives under this policy, compliance with laws and regulations, educational and awareness-rising activities concerning ESG directed at employees
  4. Promoting health and comfort  
Asset management that seeks improvement in health, safety, and comfort of tenants and facility users, as well as creation of effective working environments for employees
  5. Responding to climate change and improving resilience  
We identify and evaluate risks and opportunities that arise from climate change and reflect them in our asset management operations, and by doing so, promote initiatives to respond to risks and opportunities.
  6. Collaborating with external stakeholders  
Construction of good relationships with tenants, customers, local communities and other external stakeholders
  7. Disclosing ESG information  
Broad disclosure of this policy and information regarding the situations of initiatives for sustainability, among others
- **Meeting for promotion of sustainability**  
To systematically promote initiatives for ESG, the "meeting for promotion of sustainability" is held periodically. Specific future goals are set, progress is checked, and environmental monitoring evaluations of properties held are conducted continuously, among other activities.

## Initiatives for 10th FP

### <External evaluation>

- MORI TRUST Hotel Reit participated in the GRESB Real Estate Assessment for the first time in 2020.
  - GRESB Rating : "3 Stars"
  - GRESB Real Estate Assessment : "Green Star"



### <Environment>

- Measures to improve environmental performance by upgrading equipment  
Upgrading to highly energy-efficient air-conditioning systems.

### <Social>

- Contribution for local communities  
Charity events were held by hotel operators.

### <Governance>

- Conducted compliance training  
The Asset Management Company conducted training for all employees to raise awareness of compliance

## Environmental Initiatives

- Investment in properties with higher environmental performance

The Asset Management Company conducts risk evaluation and obtains engineering reports, etc. when acquiring properties.

Tokyo Metropolitan Government's Energy Performance Certificate Program  
**Acquired the highest rating of AAA**

Acquired the highest rating of AAA in Tokyo Metropolitan Government's Energy Performance Certificate Program with achievement of "ERR(Energy Reduction Ratio) 35.24%" and "PAL (Perimeter Annual Load) reduction rate 27.98%" in the hotel area.



- Environmental Performance Targets

In term of energy consumption and greenhouse gas emissions, MORI TRUST Asset Management has set as a target reducing the output level for the portfolio as a whole by 5% over five years (average of 1% per year), starting in 2019.

- Environmental Performance Data

|        |                      | 2018    | 2019    |
|--------|----------------------|---------|---------|
| Energy | Consumption (MWh)    | 31,023  | 29,188  |
| GHG    | Emissions (t-CO2)    | 11,444  | 10,285  |
| Water  | Consumption (m)      | 306,996 | 280,465 |
| Waste  | Waste generation (t) | 1,169   | 1,119   |

※Aggregation period is one year from April 1 each year to March 31 of the following year.  
 ※For each year, the actual values for the five properties owned as of the end of February 2021 are aggregated.

## Social Initiatives

- Contribution to local society

As a contribution to local society, participate in and support local events and conduct regional clean-up activities, etc.



Participated in local event "EDO ART EXPO" (Courtyard by Marriott Tokyo Station)

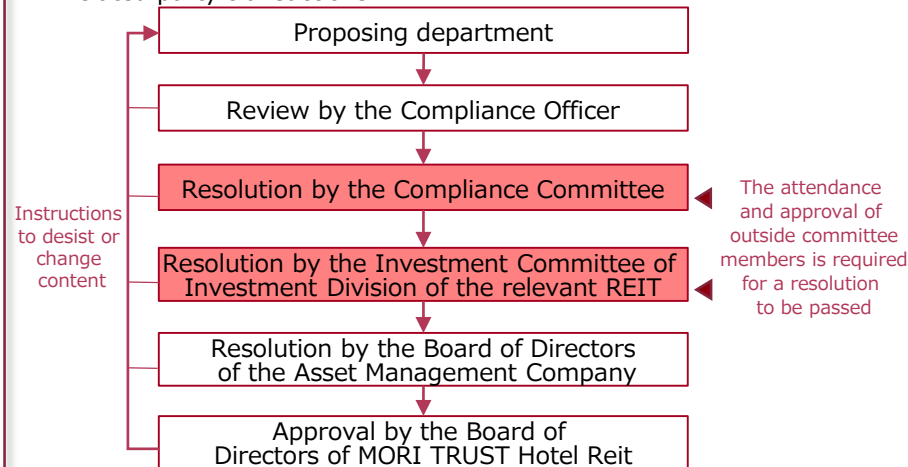


Hold a charity event "Christmas Train" (Hilton Odawara Resort & Spa)

## Governance Initiatives

- Countermeasures against conflicts of interest and the adoption of an operation system to secure impartiality

- Decision-making flow of the Asset Management Company in related party transactions



- Integrating the interests of investors and sponsors (Same-boat investment by Mori Trust Group)

Unitholding ratio of Mori Trust Group **36.8%** (as of February 28, 2021)

## (reference) Employee Initiatives (MORI TRUST) (Note)

- Promoting the empowerment of women and work-life balance  
 From the perspective of diversity, at Mori Trust Co., Ltd. initiatives to promote the empowerment of women and work-life balance are conducted.

|       |                                  |       |
|-------|----------------------------------|-------|
| (i)   | Female employment ratio          | 36.0% |
| (ii)  | Female employee ratio            | 27.0% |
| (iii) | Female management position ratio | 5.6%  |
| (iv)  | Rate of paid leave taken         | 63.2% |

\*Items①④ : FY2020, items②③ : as of March 31, 2021



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)

# APPENDIX

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## NO.1

### SHANGRI-LA HOTEL, TOKYO



## Shangri-La Hotel, Tokyo



Shangri-La hotel

TOKYO

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

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

Developed by Mori Trust

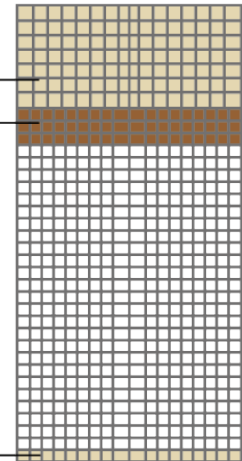
Leased



**[31-37F]**  
Guestrooms

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

**[1F]**  
Entrance



### Property Characteristics

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

(Note1) The figure indicates the number of floors for the Tower MAIN and Tower NORTH of Marunouchi Trust Tower.  
 (Note2) The figure indicates the number of guest rooms available for sale.



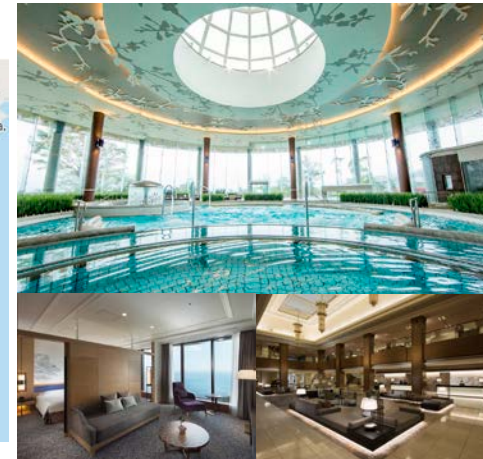
**NO.2**  
**HILTON**  
**ODAWARA**  
**RESORT & SPA**

## Hilton Odawara Resort & Spa



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

Location : Odawara-shi, Kanagawa  
 Floors : 12 with 1 basement floors (Note1)  
 Guestrooms : 163 (Note2)



### 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 and amusement facilities.

(Note1) The floors of the main facility is stated.

(Note2) The total number of guestrooms at the Hilton Odawara Resort & Spa in the entire building is stated and the quasi-co-ownership interests of other parties are included. The quasi-co-ownership interest in the Hilton Odawara Resort & Spa owned by MORI TRUST Hotel Reit is 50%.



## NO.3 COURTYARD BY MARRIOTT TOKYO STATION



## Courtyard by Marriott Tokyo Station

COURTYARD  
BY MARRIOTT

Tokyo Station

Luxury

Upper upscale

Upscale

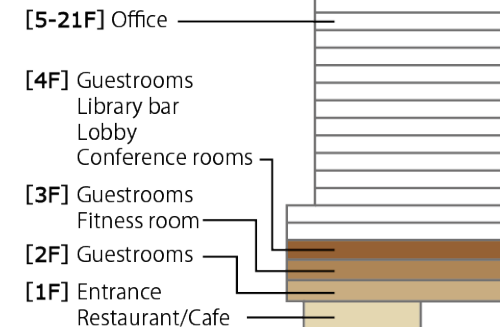
Upper  
midscale

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

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 7,600 hotels globally. Membership program of the Marriott Group applicable for over 140 million members. (Note2)

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

(Note2) Based on the website of Marriott International (as of April 1, 2021).



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

## Courtyard by Marriott Shin-Osaka Station

COURTYARD<sup>®</sup>  
BY MARRIOTT

Shin-Osaka Station

Luxury

Upper upscale

Upscale

Upper  
midscale

Location : Yodogawa Ward, Osaka

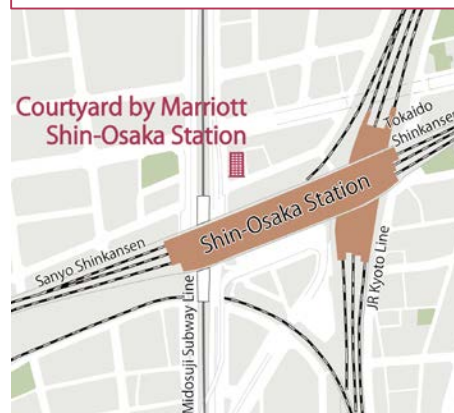
Floors : 18 floors (Note1)

Guestrooms : 332 (Note2)

Developed by  
Mori Trust

Operated by  
Mori Trust Group

1-minute walk from Shin-Osaka Sta.



### Property Characteristics

- A 1-minute walk from Shin-Osaka Station, which is the base for sightseeing and business purposes.
- Rebranded from Hotel Laforet Shin-Osaka to Courtyard by Marriott and opened in November 2015.
- The guest rooms, which count to 332 rooms in total (Note2), have an area of 30 m<sup>2</sup> to 90 m<sup>2</sup>, securing comfortably wide spaces.

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

(Note2) The figure indicates the total number of guest rooms of the entire building, including the rooms under co-ownership by other owners. The equity held by MORI TRUST Hotel REIT in the trust beneficiary interest is 74/100.



## NO.5 HOTEL SUNROUTE PLAZA SHINJUKU

## Hotel Sunroute Plaza Shinjuku



HOTEL SUNROUTE PLAZA SHINJUKU

Luxury

Upper upscale

Upscale

Upper  
midscale

Location : Shibuya Ward, Tokyo

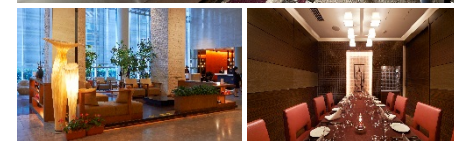
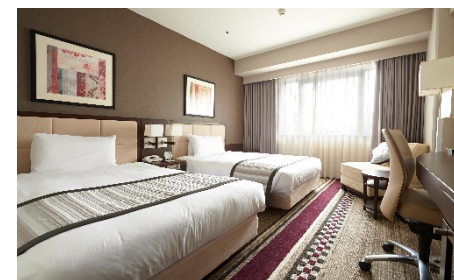
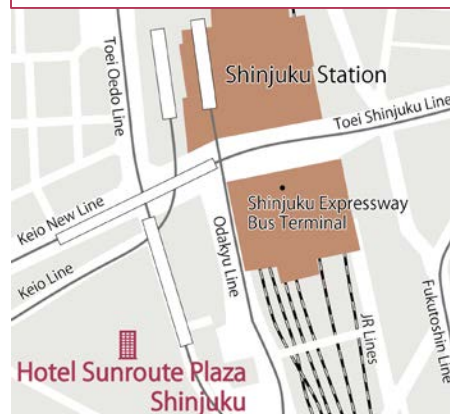
Floors : 14 with 1 basement floor

Guestrooms : 624

Developed by  
Mori Trust

Leased

3-minute walk from Shinjuku Sta.



### Property Characteristics

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

# (Reference) Operating Status of Portfolio Properties

|                |                          | 2020   |                      |  |                                    |  |                   |      |                          |                                     | 2021                       |                                     |                          |                          |  |
|----------------|--------------------------|--|----------------------|--|------------------------------------|--|-------------------|------|--------------------------|-------------------------------------|----------------------------|-------------------------------------|--------------------------|--------------------------|--|
|                |                          | Apr.   | May                  | Jun.   | Jul.                               | Aug.   | Sep.              | Oct. | Nov.                     | Dec.                                | Jan.                       | Feb.                                | Mar.                     | Apr.                     |  |
| Shangri-La     | Accommodation            | Operated as usual                                      |                      |  |                                    |  |                   |      |                          |                                     |                            |                                     |                          |                          |  |
|                | Lobby Lounge             | Open only for overnight guests                         |                      | Operated as usual (suspended breakfast service)        |                                    |  |                   |      | Operated as usual        |                                     |                            | Partially shortened operating hours |                          |                          |  |
|                | Restaurant               | Closed   |                      | Took some days off                                     |                                    |  |                   |      |                          |                                     |                            |                                     |                          |                          |  |
| Hilton Odawara | Accommodation            | Operated as usual                                      |                      |  |                                    |  |                   |      |                          |                                     |                            |                                     |                          |                          |  |
|                | Restaurant               | Partially shortened operating hours (suspended buffet) |                      |  | (Resumed buffet)                   |  | Operated as usual |      |                          |                                     |                            | (Suspended buffet)                  |                          | (Resumed buffet)         |  |
|                | Swimming pool, gym, etc. | Closed   |                      |  | Open only for overnight guests     |  | Operated as usual |      |                          |                                     |                            | Partially shortened operating hours |                          | Operated as usual        |  |
| CY Tokyo       | Accommodation            | Operated as usual                                      |                      |  |                                    |  |                   |      |                          |                                     |                            |                                     |                          |                          |  |
|                | Restaurant               | Closed   | Take-out             | Take-out + open for lunch hours                        |                                    | Take-out + partially shortened operating hours |                   |      |                          |                                     | (Suspended dinner service) |                                     |                          | (Resumed dinner service) |  |
| CY Shin-Osaka  | Accommodation            | Operated as usual                                      |                      |  |                                    |  |                   |      |                          |                                     |                            |                                     |                          |                          |  |
|                | Restaurant               | Breakfast only   | Breakfast + take-out | Take-out + operated as usual (partial changes to menu) |                                    |  |                   |      |                          | Partially shortened operating hours |                            | (Suspended dinner service)          |                          | (Resumed dinner service) |  |
| Sunroute       | Accommodation            | Operated as usual                                      | Closed               |  | Operated as usual                  |  |                   |      |                          |                                     |                            |                                     |                          |                          |  |
|                | Restaurant               | Suspended dinner service                               | Closed               |  | Partially hortened operating hours | (Suspended dinner service)                     |                   |      | (Resumed dinner service) |                                     | (Suspended dinner service) |                                     | (Resumed dinner service) |                          |  |

: Operated as usual \*with measures against COVID-19
  : Some limits imposed
  : Closed

# Balance Sheets and Statements of Income (10th FP)

(Thousands of yen)

## Balance Sheets (as of February 28, 2021)

|  |             |  |             |
|--|-------------|--|-------------|
| <b>Current assets</b>                  | 3,089,617   | <b>Current liabilities</b>                 | 17,923,387  |
| Cash and deposits                      | 2,147,750   | Operating accounts payable                 | 18,782      |
| Cash and deposits in trust             | 921,761     | Short-term loans payable                   | 5,975,000   |
| Operating accounts receivable          | 3,825       | Current portion of long-term loans payable | 11,500,000  |
| Prepaid expenses                       | 16,279      | Accounts payable                           | 105,574     |
| <b>Non-current assets</b>              | 106,213,856 | Accrued expenses                           | 47,007      |
| Property and equipment                 | 106,197,587 | Distribution payable                       | 3,197       |
| Machinery and equipment                | 8,803       | Income taxes payable                       | 824         |
| Accumulated depreciation               | -943        | Accrued consumption taxes                  | 7,071       |
| Tools, furniture and fixtures          | 40,322      | Advances received                          | 265,525     |
| Accumulated depreciation               | -7,408      | Deposits received                          | 404         |
| Buildings in trust                     | 20,598,556  | <b>Non-current liabilities</b>             | 41,054,474  |
| Accumulated depreciation               | -2,975,800  | Long-term loans payable                    | 36,500,000  |
| Structures in trust                    | 8,590       | Tenant leasehold and security deposits     | 4,554,473   |
| Accumulated depreciation               | -4,959      | Other non-current liabilities              | 1           |
| Machinery and equipment in trust       | 5,034       | <b>Total liabilities</b>                   | 58,977,862  |
| Accumulated depreciation               | -744        | <b>Unitholders' equity</b>                 | 50,325,611  |
| Tools, furniture and fixtures in trust | 17,801      | Unitholders' capital                       | 50,000,000  |
| Accumulated depreciation               | -4,391      | Surplus                                    | 325,611     |
| Land in trust                          | 88,512,726  | Unappropriated retained earnings           | 325,611     |
| Intangible assets                      | 874         | <b>Total net assets</b>                    | 50,325,611  |
| Software                               | 874         | <b>Total liabilities and net assets</b>    | 109,303,473 |
| Investments and other assets           | 15,394      |  |             |
| Guarantee deposits                     | 10,000      |  |             |
| Long-term prepaid expenses             | 5,383       |  |             |
| Deferred tax assets                    | 10          |  |             |
| <b>Total assets</b>                    | 109,303,473 |  |             |

## Statements of income (September 1, 2020 – February 28, 2021)

|   |           |
|---|-----------|
| <b>Operating revenues</b>                     | 1,214,065 |
| Rental revenues                               | 1,211,834 |
| Other rental revenues                         | 2,231     |
| <b>Operating expenses</b>                     | 781,331   |
| Rental expenses                               | 655,828   |
| Asset management fee                          | 86,429    |
| Asset custody and administrative service fees | 12,617    |
| Directors' compensations                      | 3,600     |
| Other operating expenses                      | 22,856    |
| <b>Operating income</b>                       | 432,733   |
| <b>Non-operating income</b>                   | 498       |
| Interest income                               | 16        |
| Reversal of distributions payable             | 482       |
| <b>Non-operating expenses</b>                 | 107,002   |
| Interest expenses                             | 106,981   |
| Other   | 20        |
| <b>Ordinary income</b>                        | 326,229   |
| <b>Income before income taxes</b>             | 326,229   |
| Income taxes – current                        | 826       |
| Income taxes – deferred                       | 7         |
| <b>Net income</b>                             | 325,395   |
| Retained earnings brought forward             | 215       |
| <b>Unappropriated retained earnings</b>       | 325,611   |



# Revenues and Expenses by Property (10th FP)

| Item  | Shangri-La Hotel Tokyo        | Hilton Odawara Resort & Spa   | Courtyard by Marriott Tokyo Station | Courtyard by Marriott Shin-Osaka Station | Hotel Sunroute Plaza Shinjuku | Entire portfolio              |
|---|-------------------------------|-------------------------------|-------------------------------------|--|-------------------------------|-------------------------------|
|   | 10th FP                       | 10th FP                       | 10th FP                             | 10th FP                                  | 10th FP                       | 10th FP                       |
| Operating period (from) (to)                            | Sep. 1, 2020<br>Feb. 28, 2021 | Sep. 1, 2020<br>Feb. 28, 2021 | Sep. 1, 2020<br>Feb. 28, 2021       | Sep. 1, 2020<br>Feb. 28, 2021            | Sep. 1, 2020<br>Feb. 28, 2021 | Sep. 1, 2020<br>Feb. 28, 2021 |
| Operating days (days)                                   | 181                           | 181                           | 181                                 | 181                                      | 181                           | 181                           |
| Real estate rental revenues and expenses (thousand yen) |                               |                               |                                     |  |                               |                               |
| Real estate rental revenues (i)                         | 353,853                       | 160,199                       | 16,442                              | 31,233                                   | 652,336                       | 1,214,065                     |
| Rent revenues   | 353,853                       | 157,967                       | 16,442                              | 31,233                                   | 652,336                       | 1,211,834                     |
| Other revenues  | -                             | 2,231                         | -                                   | -  | -                             | 2,231                         |
| Real estate rental expenses (ii)                        | 240,827                       | 95,473                        | 72,478                              | 70,596                                   | 176,453                       | 655,828                       |
| Taxes and public dues                                   | 129,765                       | 45,163                        | 23,895                              | 14,745                                   | 66,788                        | 280,357                       |
| Insurance expenses                                      | 1,507                         | 1,758                         | 394                                 | 709                                      | 1,024                         | 5,394                         |
| Repairs and maintenance expenses                        | -                             | 363                           | 3,098                               | 1,859                                    | -                             | 5,321                         |
| Depreciation (iii)                                      | 109,355                       | 48,038                        | 44,888                              | 53,082                                   | 108,440                       | 363,805                       |
| Other   | 200                           | 150                           | 200                                 | 200                                      | 200                           | 950                           |
| Real estate rental income (iv)=(i)-(ii)                 | 113,026                       | 64,726                        | -56,035                             | -39,362                                  | 475,882                       | 558,237                       |
| NOI (v)=(i)-(ii)  | 222,381                       | 112,764                       | -11,147                             | 13,719                                   | 584,323                       | 922,042                       |
| NOI yield (annualized) (Note)                           | 1.1%                          | 3.5%                          | -                                   | 0.2%                                     | 4.1%                          | 1.7%                          |
| Acquisition price (million yen)                         | 42,000                        | 6,500                         | 13,800                              | 17,600                                   | 28,600                        | 108,500                       |

(Note) Annualized NOI for the 10th FP / Acquisition price

# List of Interest-Bearing Debt

(as of February 28, 2021)

| Category          | Lender                              | Loan amount<br>(mn yen) | Interest rate            | Drawdown date | Repayment date | Remarks   |
|-------------------|-------------------------------------|-------------------------|--------------------------|---------------|----------------|---|
| Short-term loans  | MUFG Bank, Ltd.                     | 975                     | Base rate (Note) + 0.20% | Aug. 31, 2020 | Aug. 31, 2021  | Lump-sum repayment upon maturity<br>Unsecured<br>Unguaranteed<br>Floating interest rate |
|                   | Mizuho Bank, Ltd.                   | 500                     | Base rate (Note) + 0.20% | Aug. 31, 2020 | Aug. 31, 2021  |   |
|                   | Sumitomo Mitsui Banking Corporation | 500                     | Base rate (Note) + 0.20% | Aug. 31, 2020 | Aug. 31, 2021  |   |
|                   | Sumitomo Mitsui Trust Bank, Limited | 500                     | Base rate (Note) + 0.20% | Aug. 31, 2020 | Aug. 31, 2021  |   |
|                   | Sumitomo Mitsui Banking Corporation | 1,500                   | Base rate (Note) + 0.19% | Aug. 31, 2020 | Aug. 31, 2021  |   |
|                   | Sumitomo Mitsui Trust Bank, Limited | 1,500                   | Base rate (Note) + 0.19% | Aug. 31, 2020 | Aug. 31, 2021  |   |
|                   | Mizuho Bank, Ltd.                   | 500                     | Base rate (Note) + 0.19% | Aug. 31, 2020 | Aug. 31, 2021  |   |
|                   | <b>Subtotal</b>                     | <b>5,975</b>            |                          |               |                |   |
| Long-term loans   | Sumitomo Mitsui Trust Bank, Limited | 2,000                   | 0.35158%                 | Nov. 30, 2018 | Aug. 31, 2021  | Lump-sum repayment upon maturity<br>Unsecured<br>Unguaranteed<br>Fixed interest rate    |
|                   | Mizuho Bank, Ltd.                   | 1,000                   | 0.35158%                 | Nov. 30, 2018 | Aug. 31, 2021  |   |
|                   | Sumitomo Mitsui Banking Corporation | 1,000                   | 0.35158%                 | Nov. 30, 2018 | Aug. 31, 2021  |   |
|                   | Sumitomo Mitsui Trust Bank, Limited | 3,000                   | 0.49630%                 | Nov. 30, 2016 | Nov. 30, 2021  |   |
|                   | MUFG Bank, Ltd.                     | 3,000                   | 0.49630%                 | Nov. 30, 2016 | Nov. 30, 2021  |   |
|                   | Development Bank of Japan Inc.      | 1,500                   | 0.49630%                 | Nov. 30, 2016 | Nov. 30, 2021  |   |
|                   | Sumitomo Mitsui Banking Corporation | 2,000                   | 0.42661%                 | Nov. 30, 2018 | Aug. 31, 2022  |   |
|                   | 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  |   |
|                   | 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>   | <b>48,000</b>                       |                         |                          |               |                |   |
| <b>Total</b>      | <b>53,975</b>                       |                         |                          |               |                |   |

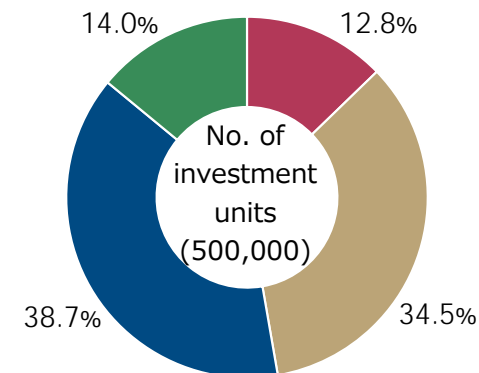
(Note) The base rate is the JBA (Japanese Bankers Association) 1-month Japanese Yen TIBOR.

Debt financing conducted in the 10th FP ended February 2021

## Breakdown of Unitholders

(as of February 28, 2021)

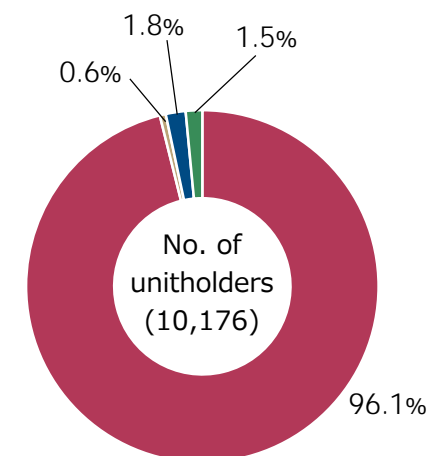
|                                 | Individuals | Financial institutions<br>(including securities firms) | Other domestic<br>corporations | Overseas corporations<br>and individuals | Total   |
|---------------------------------|-------------|--|--------------------------------|--|---------|
| No. of investment units (units) | 63,775      | 172,578  | 193,541                        | 70,106                                   | 500,000 |
|                                 | 12.8%       | 34.5%  | 38.7%                          | 14.0%                                    | 100%    |
| No. of unitholders (persons)    | 9,781       | 56   | 185                            | 154                                      | 10,176  |
|                                 | 96.1%       | 0.6%   | 1.8%                           | 1.5%                                     | 100%    |



## Major Unitholders (Top 10 Firms)

(as of February 28, 2021)

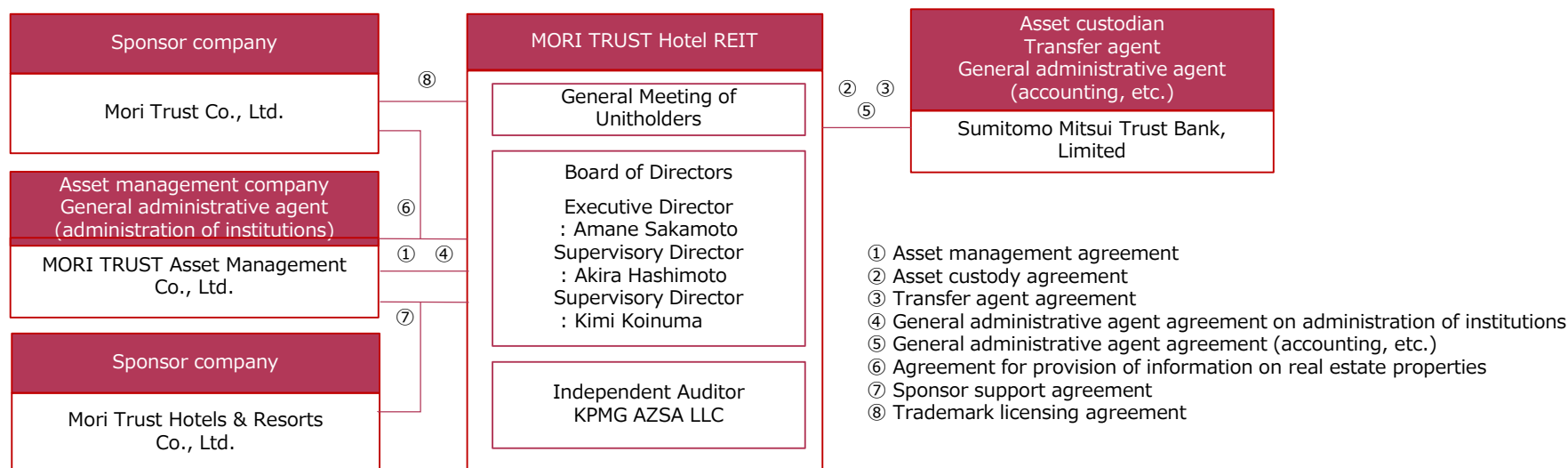
| Name  | No. of owned units (units) | Unitholding ratio (%) |
|---|----------------------------|-----------------------|
| Mori Trust Holdings Inc.  | 184,000                    | 36.8%                 |
| Custody Bank of Japan, Ltd. (Trust Account)                       | 75,054                     | 15.0%                 |
| The Master Trust Bank of Japan, Ltd. (Trust Account)              | 48,357                     | 9.7%                  |
| The Nomura Trust and Banking Co., Ltd. (Investment Trust Account) | 12,281                     | 2.5%                  |
| SSBTC CLIENT OMNIBUS ACCOUNT                                      | 8,746                      | 1.7%                  |
| Custody Bank of Japan, Ltd. (Securities Investment Trust Account) | 7,819                      | 1.6%                  |
| THE BANK OF NEW YORK MELLON 140044                                | 4,738                      | 0.9%                  |
| The Chugoku Bank, Ltd.  | 4,061                      | 0.8%                  |
| DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO                | 3,724                      | 0.7%                  |
| Custody Bank of Japan, Ltd. (Cash in Trust Taxable account)       | 3,482                      | 0.7%                  |
| <b>Total (top 10 firms)</b>                                       | <b>352,262</b>             | <b>70.5%</b>          |



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

## Structure of MORI TRUST Hotel REIT

(as of February 28, 2021)



## Structure of MORI TRUST Asset Management

(as of February 28, 2021)

|                                |   |     |
|--------------------------------|---|-----|
| <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 / license</b>  | Financial instruments business, Registration No.: Kanto Local Finance Bureau Director-General (Financial instruments business) No.407<br>Comprehensive real estate investment advisory business, Registration No.: Minister of Land, Infrastructure and Transportation No.000001<br>Building lot and building transaction business, License No.: Minister of Land, Infrastructure and Transportation(5) No.6009<br>Discretionary trading agent, etc. for building lot and building transaction business, Permission No.: Minister of Land, Infrastructure and Transportation No.4<br>Member of The Investment Trusts Association, Japan |     |

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