

REIT Securities Issuer	MORI TRUST REIT, Inc.	Stock Exchange Listing:	Tokyo Stock Exchange
Securities Code:	8961	URL:	https://www.mt-reit.jp/en/
Representative:	Masayuki Yagi, Executive Director		
Asset Management Company:	MORI TRUST Asset Management Co., Ltd.		
Representative:	Hiroshi Naito, President and Representative Director		
Contact:	Nobuyuki Aizawa, General Manager, Strategic Management Department Tel: 03-6435-7011		
Scheduled date of submission of securities report:	May 29, 2023		
Scheduled date of commencement of cash distribution payment:	May 15, 2023		
Preparation of supplementary financial results briefing materials:	Yes		
Holding of financial results briefing session:	Yes		

1. Operational/Asset Conditions for the fiscal period ended February 28, 2023 (from October 1, 2022 to February 28, 2023)

(Amounts are rounded down to the nearest million yen)

(1) Operating results

(% shows change vs. previous period)

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal period ended February 28, 2023	7,258	5.2	4,057	18.4	3,731	22.6	3,614	8.5
Fiscal period ended September 30, 2022	6,902	(19.1)	3,428	(32.0)	3,043	(35.0)	3,331	(26.6)

	Net income per unit	Rate of return on equity	Ordinary income to total assets ratio	Ordinary income to operating revenues ratio
	Yen	%	%	%
Fiscal period ended February 28, 2023	1,368	2.3	1.2	51.4
Fiscal period ended September 30, 2022	1,261	2.1	0.9	44.1

(Note1) MTR changed its fiscal period end from the last day of March and the last day of September each year to the last day of February and the last day of August each year by resolution of the General Meeting of Unitholders held on February 1, 2023. Accordingly, the 42nd fiscal period is a five-month period from October 1, 2022 to February 28, 2023.

(Note2) As a 2-for-1 unit split was conducted with March 1, 2023 as the effective date, profit per unit is calculated based on the assumption that the unit split was conducted at the beginning of the fiscal period ended September 30, 2022.

(2) Distributions

	Distributions per unit (excluding distributions in excess of profit)	Total distributions (excluding total distributions in excess of profit)	Distributions in excess of profit per unit	Total distributions in excess of profit	Payout ratio	Ratio of distributions to net assets
	Yen	Millions of yen	Yen	Millions of yen	%	%
Fiscal period ended February 28, 2023	2,545	3,359	—	—	92.9	2.1
Fiscal period ended September 30, 2022	3,000	3,960	—	—	118.8	2.5

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

(Note1) The difference between the distributions per unit and the basic earnings per unit for the fiscal period ended September 30, 2022, is a result of the reversal of the reserve for reduction entry (628 million yen). The difference between the distributions per unit and the basic earnings per unit for the fiscal period ended February 28, 2023, is a result of the reserve of the reserve for reduction entry (254 million yen).

(Note2) The payout ratio is rounded down to one decimal place. The payout ratio is calculated using the following formula, because MTR conducted an investment unit split at the rate of two units for one unit with March 1, 2023 as the effective date. Payout ratio = total distributions / net income x 100

(3) Financial positions

	Total assets	Net assets	Capital adequacy ratio	Net assets per unit
	Millions of yen	Millions of yen	%	Yen
Fiscal period ended February 28, 2023	322,398	158,725	49.2	60,123
Fiscal period ended September 30, 2022	325,909	159,071	48.8	60,254

(Note) As a 2-for-1 unit split was conducted with March 1, 2023 as the effective date, the net assets per unit is calculated based on the assumption that the unit split was conducted at the beginning of the fiscal period ended September 30, 2022.

(4) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal period ended February 28, 2023	10,325	(5,331)	(7,475)	17,143
Fiscal period ended September 30, 2022	4,071	(96)	(2,228)	19,624

2. Forecast for the August 2023 period (March 1, 2023 to August 31, 2023) and the February 2024 period (September 1, 2023 to February 29, 2024)

(% shows change vs. previous period)

	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (excluding distributions in excess of profit)	Distributions in excess of profit per unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal period ending August 31, 2023	11,609	59.9	6,311	55.5	5,647	51.3	5,637	56.0	1,584	0
Fiscal period ending February 29, 2024	11,652	0.4	6,913	9.5	6,197	9.7	6,032	7.0	1,600	0

(Reference) The profit per unit forecast is 1,583 yen for the fiscal period ending August 31, 2023 and 1,727 yen for the fiscal period ending February 29, 2024.

(Note1) The distributions per unit for the fiscal period ending August 31, 2023, is calculated based on the assumption that the sum of the net income for the said period and the reversal of the reserve for reduction entry (1 million yen) will be distributed.

(Note2) The distributions per unit for the fiscal period ending February 29, 2024 is calculated based on the assumption that the remainder from the subtraction of the provision for reserve for reduction entry (338 million yen) for a gain on the sale of real estate, etc. expected in the said fiscal period from the sum of the net income for the said period and the reversal of reserve for reduction entry (1 million yen) will be distributed.

3. Status of Asset Management

(A) Status of Asset Management

(a) Summary of results for the current fiscal period

(i) Transition of the Investment Corporation

MORI TRUST REIT, Inc. (former MORI TRUST Sogo Reit, Inc. ("MTR")) conducted an absorption-type merger, in which MTR is the surviving company and MORI TRUST Hotel Reit, Inc. ("MTH") is the dissolving company on March 1, 2023. The trade name was changed from MORI TRUST Sogo Reit, Inc. to MORI TRUST REIT, Inc. For details, please refer to (b) Outlook for the next fiscal period, (v) Significant events after balance sheet date, 1. The Merger between MTR and MTH.

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

The Investment Corporation was established on October 2, 2001, with Mori Trust Asset Management Co., Ltd. (changed trade name from Nihon Sogo Fund Co., Ltd., on November 1, 2003) ("MTAM") as the organizer, pursuant to the Act on Investment Trusts and Investment Corporations.

On March 28, 2002, the Investment Corporation began asset management, starting with the acquisition of the trust beneficiary right in Fresno Inage, land related to leased land agreement for business use.

Since then the Investment Corporation has steadily expanded the size of its assets, and was listed on the Real Estate Investment Trust Securities Market of the Tokyo Stock Exchange (Stock Code: 8961).

As a result, the real estate held by the Investment Corporation as of February 28, 2023, numbered 17 properties, with a total assets price of 322,398 million yen.

(ii) Investment environment and performance

During the fiscal period under review, movement restrictions due to COVID-19 were eased, although there were downside factors such as soaring prices of resources and energy and rising prices of daily necessities. Consumer spending picked up, particularly in relation to eating out and staying at accommodations, and the economy recovered.

In the real estate investment market, despite some changes in monetary policy by the Bank of Japan, domestic and foreign investors remained highly motivated to acquire properties. Given these conditions, information on the sale of high-quality properties available for investment was limited and the situation in which it was difficult to acquire properties persisted.

In the real estate leasing market, contracted rents for office buildings continued to decline, but the vacancy rate for office buildings rose at a slower pace, reflecting relocations for upgrading and location improvements, as well as expansion and relocations.

As for retail facilities, despite the impact of rising prices, department store, supermarket, and convenience store sales exceeded the previous year's levels, and overall sales remained strong.

In the market for luxury rental housing in Tokyo, both the occupancy rate and the rent level held firm, reflecting sustained demand versus limited supply.

As for hotels, demand for travel to Japan is beginning to recover following the Japanese government's acceptance of individual travel and the resumption of visa waiver measures for foreign visitors to Japan from October 2022. Domestic lodging demand also increased with the effects of policies supporting nationwide travel, and hotel performance showed signs of recovering.

Under these investment conditions, MTR carried out investment management to ensure more stable profit by maintaining and improving the occupancy rate of portfolio properties, promoting rent increases, purchasing part of Sendai MT Building and selling part of Shinbashi Ekimae MTR Building as of February 28, 2023.

As a result, as of February 28, 2023, the Investment Corporation owned 17 properties with a total book value of 304,897 million yen. The occupancy rate for the properties owned by the Investment Corporation was 97.6% (93.1% (Note 1)) as of February 28, 2023.

MTR and MTAM are making progress in their efforts, which consider the environment and society based on the recognition that activities to raise sustainability, such as environmental considerations, social contribution, and organizational governance in asset management operations, are essential for achieving a medium- to long-term increase in the investor value of investment corporations.

With respect to "E: environment," during the fiscal period under review, Osaki MT Building and Tenjin Prime promoted energy conservation at their facilities, for instance with the use of LED lighting fixtures. In addition, MTR has introduced an initiative in which MTR will carry out energy-saving installation work in the units of some tenants at Kioicho Building at MTR's own expense and a portion of the installation costs will be returned as green lease payments from the tenants. In addition, MTR has been working to obtain environmental certifications and assessments, and in the fiscal period under review, Ito-Yokado Shonandai obtained CASBEE real estate assessment certification (Note 2) for the first time. In addition, Hiroo MTR Building and Tenjin Prime newly acquired DBJ Green Building Certification (Note 3). For "S: society," MTR continued its efforts to ensure tenants' safety and security, such as placing disinfectants at common areas of its properties as measures against COVID-19 and providing documents on preventive measures against infection. For "G: governance," MTR implemented training and awareness-raising activities such as providing compliance training to all executives and employees of MTAM on a regular basis, and sought to improve compliance awareness among employees.

(Note1) The figure in parentheses is the occupancy rate calculated based on sublease agreements for properties using a master lease agreement under which rent income is linked to rents under sublease agreements or a pass-through master lease agreement.

(Note2) CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a comprehensive assessment system of not only environment-friendly performance in the form of energy conservation and the use of materials and equipment with low environmental load but also the quality of the building, including how comfortable the rooms are and the scenery. CASBEE for Real Estate was developed for the purpose of utilizing the results of environmental assessment of buildings in CASBEE for real estate evaluation. Under the CASBEE for Real Estate certification system, a third party examines and certifies building assessments prepared in accordance with CASBEE for Real Estate.

(Note3) DBJ Green Building Certification is a certification program established by Development Bank of Japan, Inc.

Based on a comprehensive evaluation of target real estate properties, including an evaluation of consideration given to disaster prevention measures and various stakeholders' social requirements, including local communities as well as environmental features, this program evaluates and certifies real estate properties required by society and economy and supports initiatives for them.

(iii) Financing

MTR borrowed a total of 9,000 million yen for the repayment of existing borrowings of 11,500 million yen that have matured. MTR issued the Nineteenth series unsecured investment corporation bonds as outlined below to secure funds needed for the redemption of the Twelfth series unsecured investment corporation bonds (4,000 million yen) due in February 2023.

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

Name: MORI TRUST Sogo Reit, Inc. Nineteenth Series Unsecured Investment Corporation Bonds
(Ranking Pari Passu among the specified Investment Corporation Bonds)

Issue amount: 3,000 million yen

Interest rate: 0.790% per annum

Date of issue: February 17, 2023

Redemption date: February 28, 2029

Collateral: Unsecured and unguaranteed

As a result, interest-bearing debt as of February 28, 2023 amounted to 152,500 million yen, of which long-term loans payable amounted to 132,500 million yen (including long-term loans payable of 15,000 million yen due for repayment within 1 year) and investment corporation bonds amounted to 14,000 million yen (including investment corporation bonds of 3,000 million yen due for redemption within 1 year). The ratio of interest-bearing debt to total assets as of February 28, 2023 was 47.3% (compared with 47.9% as of September 30, 2022).

As of February 28, 2023, the Investment Corporation has obtained a long-term issuer rating of AA (rating outlook: stable) from Japan Credit Rating Agency, Ltd. (JCR)

(iv) Overview of financial results and distributions

As a result of the abovementioned operations, operating revenue came to 7,258 million yen, operating income came to 4,057 million yen, ordinary income after the deduction of loan-related interest expenses from operating income came to 3,731 million yen, and net income came to 3,614 million yen.

With the intention that the maximum amount of profit distributions would be included in tax-deductible expenses under the application of special provisions for taxation (Article 67-15 of the Act on Special Measures Concerning Taxation), MTR decided to distribute all undistributed profit at the end of the fiscal period under review after the deduction of the reserve for reduction entry of 254 million yen accumulated using the Special Provisions for Taxation in Cases of Repurchase of Specified Assets in Article 65-7 of the Act on Special Measures Concerning Taxation. Consequently, the distributions per investment unit amounted to 2,545 yen.

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

(b) Outlook for the next fiscal period

(i) Outlook for overall performance

Turning to the outlook for the Japanese economy, the global monetary tightening and the continuing impact of the situation in Ukraine pose a risk of downward pressure in the form of downturns in overseas economies and high prices of resources and commodities. Nonetheless, the Japanese economy should pick up, partly due to the effects of policies aimed at realizing a "new normal" that combines prevention of new coronavirus infections and continuation of economic and social activities. However, the situation in Japan and abroad continues to require attention, including the effects of COVID-19, developments in the war in Ukraine, and trends in the financial and exchange markets.

In the real estate investment market, although concerns about inflation, high interest rates, and geopolitical risks are growing worldwide, investor confidence in Japan and abroad will remain high and information on the sale of high-quality properties available for investment will be limited. As a result, transaction prices are expected to hover at a high level for the time being and expected cap rates will likely remain low.

In the real estate leasing market, a recovery in demand for office buildings is anticipated, driven by continued moves to relocate to a larger space or expand office space in the same building, and the upward trend in vacancy rates and downward trend in rents are expected to slow. However, the impact of large supply in 2023 needs to be monitored.

As for hotels, although a recovery of inbound demand from China has yet to occur, both inbound travel demand and domestic lodging demand are expected to continue to recover. However, attention should be paid to the impact of rising utility costs, food costs, etc. and labor shortages.

With regard to retail facilities, we expect a rise in consumer spending and a recovery in labor as the voluntary restraint on consumption activities due to warnings of infectious diseases diminishes.

In the market for luxury rental housing in Tokyo, based on the assumption that new supply will be limited and demand will remain strong, both the occupancy rate and rent levels are likely to remain steady.

(ii) Future investment policy

Regarding the form of lease agreements of the real estate owned by the Investment Corporation, the Investment Corporation will maintain the weight of fixed-term building lease agreements with fixed rent over the medium and long term at a certain percentage, to ensure that a drop in the level of market rents does not immediately have a major impact on the revenue of the real estate owned by the Investment Corporation.

However, when entering into a new lease agreement, the Investment Corporation will examine the agreement term and the fixing of rents in the medium or long term based on an assessment of the location and features of the real estate and will aim to maximize revenue.

In addition, the following policy will be applied to the operation and management of real estate owned by the Investment Corporation to maintain and improve market competitiveness and to enable management that combines asset quality, stability, and growth potential.

1. The Investment Corporation will work to improve the satisfaction of tenants and consider measures such as thoroughgoing implementation of preventive maintenance and safety management and enhancement of customer relations with tenants and users based on an assessment of the features of each portfolio real estate, and endeavor to maintain high occupancy rates of the real estate it owns. When real estate becomes vacant or is due to become vacant, the Investment Corporation will conduct well-aimed market research and then focus on leasing in cooperation with the Mori Trust Group, real estate agents and property management companies.
2. When entering into a new lease agreement, the Investment Corporation will endeavor to conclude a medium- or long-term fixed-term building lease agreement or an agreement that otherwise considers fixing the rent or lengthening the agreement term to ensure future rental revenue. For accommodations, in addition to fixed rents, MTR will also incorporate contracts that provide for variable rents linked to actual sales and other factors, in order for MTR to enjoy the benefits of improved revenue from accommodations. In addition to leasing investment properties directly to tenants, there is also a master lease agreement in which a lessee (master lessee) acts as an intermediary for a tenant and the property is leased to the master lessee. MTR will positively consider a master lease agreement if certain effects are recognized after examining the characteristics of the subject property, such as its size, use, and tenants.
3. Based on consideration of the aging and age of portfolio real estate, the Investment Corporation will endeavor to maintain stable occupancy rates by renovating aged facilities, etc. and actively making investments to increase market competitiveness so that portfolio real estate compares favorably with competing properties.

(iii) Investment strategy for new investment real estate

The Investment Corporation's basic policy is to make investments based on the following investment strategies, with a focus on seeking to further develop and cultivate property information routes and endeavoring to gather high quality property information, to expand the size of its assets under management (AUM) and acquire new real estate.

1. The investment properties will be classified into three categories from the viewpoint of use: Office Buildings, Hotels, and Other (for the time being, retail facilities and residential properties). With Office Buildings and Accommodations as the core assets, the Investment Corporation will make diversified investments in Other category. The investment ratio for each use shall be 40-80% for Office Buildings, 20-55% for Accommodations, and 0-30% for Other.
2. Investment regions of investment assets will be diversified to reduce the risk of fluctuations in portfolio cash flows. Of the

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

investment assets, the investment area for office buildings will primarily be central Tokyo, which has a high concentration of commerce, industry and population. However, the Investment Corporation will also make diversified investments in assets located in the area surrounding central Tokyo as well as government-designated cities, etc. The investment ratio will be 60% or more in central Tokyo and 40% or less in the area surrounding central Tokyo and government-designated cities, etc. In making investment decisions, the Investment Corporation will examine transportation convenience, suitability of the use of the investment property in the relevant area, competitiveness, etc. Of the investment assets, the investment areas for accommodations will mainly be major cities nationwide and famous tourist destinations.

(iv) Financial strategy, etc.

The Investment Corporation will examine points such as the amounts of loans, borrowing periods, bearing in mind the need to curb the negative effects of changes in financing conditions and reduce financing costs. The Investment Corporation will also consider issuing investment corporation bonds.

In addition, MTR will consider diversifying lenders and issuing investment corporation bonds while focusing on its conventional, long-term relationships with financial institutions.

(v) Significant events after balance sheet date

1. The Merger between MTR and MTH

MTR and MTH completed an absorption-type merger (the “Merger”), with March 1, 2023 as the effective date, whereby MTR is the surviving corporation and MTH is the dissolving corporation in the Merger, and MTR changed its trade name from MORI TRUST Sogo Reit, Inc. to MORI TRUST REIT, Inc. on the same day.

(1) Purpose of the Merger

MTR and MTH have judged that building a portfolio equipped with stability of office assets and growth potential of hotel assets through the Merger and returning to a growth path by leveraging the sponsor support will lead to further improvement of the unitholder value; therefore, MTR and MTH executed the Merger.

(Note) MTR resolved to amend its Certificate of Incorporation at the General Meeting of Unitholders held on February 1, 2023 to change its investment policy in accordance with the establishment of a new investment policy and investment targets, etc. MTR also passed a resolution at a meeting of the board of directors held on February 24, 2023 to amend the investment guideline for the same purpose as above.

MTR aims to improve unitholder value based on the medium- to long-term stable management primarily using offices that generate stable cash flow and hotels with growth potential, through following four points of significance of the Merger.

- i) Pursue asset potential, stability and growth potential with offices and hotels as core assets
- ii) Maximize the use of sponsor support and return to growth path
- iii) Strong governance by sharing profit with investors
- iv) Increase in market presence

(2) Form of the Merger

MTR is the surviving corporation under an absorption-type merger and MTH was dissolved in the Merger.

(3) Merger ratio

For the purpose of issuing one or more units of MTR to all unitholders of MTH, prior to the allotment to unitholders of MTH, a two-for-one unit split of units of MTR (the "Unit Split") was implemented with a record date of February 28, 2023 and an effective date of March 1, 2023 (please refer to "2. The Investment Unit Split" below for further details of the Unit Split), and for every one MTH investment unit, 1.84 MTR investment units were allocated and delivered.

(4) The money delivered due to the Merger

MTR intends to pay MTH unitholders (the unitholders stated or recorded in the final unitholders' register on the day before the effective date of the Merger (excluding MTR, MTH and those MTH unitholders who have demanded the purchase of their investment units pursuant to Article 149-3 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; the “Investment Trusts Act”) (excluding those who have withdrawn such demand for purchase) (hereinafter referred to as the “Unitholders Subject to Allocation”), in lieu of cash distributions for the last business period of MTH which ends the day before the effective date of the Merger, the money delivered due to the Merger in the form of cash distribution based on MTH’s distributable income for that same period of an amount (disregarding fractions of a yen) which is the quotient resulting from a division of the amount of MTH’s distributable income on the date before the effective date of the Merger by the number of issued MTH investment units on that date as reduced by the number of investment units held by unitholders other than the Unitholders Subject to Allocation. The money delivered due to the Merger will be paid in May 2023.

(5) Unitholders' capital

The amount of MTR’s unitholders’ capital and unitholders’ surplus increased as a result of the Merger are as follows.

Unitholders’ capital :0 yen

Unitholders’ surplus: The amount obtained by subtracting the above unitholders’ capital from the amount of change in unitholders’ capital, etc. as provided in Article 22, Paragraph 1 of the Regulation on Accountings of Investment Corporations (Cabinet Office Order No.47 of 2006 including subsequent revisions)

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

2. The Investment Unit Split

MTR split one investment unit into two investment units with February 28, 2023 as the record date for splitting the investment units and March 1, 2023 as the effective date of the split.

(1) Purpose of the Investment Unit Split

If 0.92 MTR investment units had been allocated and delivered against one MTH investment unit on the basis of the merger ratio before the Investment Unit Split, there would have been many MTH unitholders being allocated fractions of less than one MTR investment unit. To make it possible for MTH unitholders to continue holding MTR investment units after the Merger, a split of MTR investment units was carried out, in the ratio of two MTR investment units to one MTR investment unit for the purpose of delivering to all MTH unitholders at least one MTR investment unit, and for every one MTH investment unit.

(2) Method of the Investment Unit Split

The record date was February 28, 2023, the day before the effective date of the Merger, and the units were split at a ratio of two units for each unit held by MTR unitholders stated or recorded in the final unitholder register as of the record date.

(3) Increase in the number of investment units as a result of the split, etc

(i) Total number of investment units issued and outstanding before the Unit Split	: 1,320,000 units
(ii) Increase in the number of investment units as a result of the Unit Split	: 1,320,000 units
(iii) Total number of investment units issued by MTR after the Unit Split	: 2,640,000 units
(iv) Number of units to be allocated to MTH units as a result of the Merger	: 920,000 units (Note 1)
(v) Total number of investment units issued by MTR after the Merger	: 3,560,000 units
(vi) Total number of investment units authorized after the Unit Split and the Merger	: 20,000,000 units (Note 2)

(Note 1) As a result of the Merger, 1.84 units of MTR after the Unit Split were allocated for each unit of MTH for all of MTH's outstanding units (500,000 units) as of February 28, 2023.

(Note 2) In conjunction with the Unit Split, MTR's board of directors resolved to partially amend MTR's Certificate of Incorporation and change the total number of investment units authorized to be issued as of the effective date of the Merger.

(Reference Information)

1. Acquisition of a property

MTR acquired the property below on March 1, 2023.

Kamiyacho Trust Tower

(i) Outline of the acquisition

Property to be acquired:	Real estate trust's beneficiary interest Land Ownership and land lease rights (site ownership ratio: 5.004429250%) Building Sectionally owned (i) house number : 701 (ii) house number : 1401 (co-owned interest: Five Tenths)
Acquisition price:	23,700 million yen (Excluding acquisition cost, property taxes, city planning taxes and consumption taxes)
Date of acquisition:	March 1, 2023
Seller:	MORI TRUST CO., LTD.

(ii) Outline of property to be acquired

Location:	1-1 Toranomom 4-chome, Minato Ward, Tokyo (displayed address)
Usage:	Office building (Type of registry entry: office) (Note 1)
Acreage:	Site of one building: 16,131.84 m ²
Total floor space:	One building: 196,037.12 m ² Exclusive portion owned by MTR: 7,595.44 m ² (Note 2)
Structure:	Steel-framed reinforced concrete, flat roofed/37 stories with 4 basement levels
Construction completion:	March 2020

(Note 1) The property to be acquired is a mixed-use building including office space, stores, medical facilities, a hotel and residences, however, the real estate usage is the usage of the section to be acquired (office).

(Note 2) Area is the total area of the exclusively owned space on the 7th and 14th floors of the office section (No. 701 (3,797.72 m²) and No. 1401 (3,797.72 m²)). The area of the exclusively owned space on the 14th floor multiplied by the co-owned interest (five-tenths) is 1,898.86 m².

2. Borrowing of Funds

MTR borrowed 19,500 million of long-term loans to meet funding requirements for the acquisition of a property (Kamiyacho Trust Tower) and to increase cash on hand on March 1, 2023.

Outline of loans

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

Classification	Lender	Amount (Millions of yen)	Repayment date	Loan type and repayment method
Long-term	Sumitomo Mitsui Banking Corporation	1,500	February 27, 2026	Unsecured/ non-guaranteed Bullet payment
	SBI Shinsei Bank, Limited	1,000	February 27, 2026	
	The Chiba Bank, Ltd.	500	February 27, 2026	
	The Yamanashi Chuo Bank, Ltd.	500	February 27, 2026	
	MUFG Bank, Ltd.	3,000	August 31, 2026	
	MUFG Bank, Ltd.	3,000	August 31, 2027	
	Resona Bank, Limited.	1,000	February 29, 2028	
	The Ashikaga Bank, Ltd.	1,000	February 29, 2028	
	Development Bank of Japan Inc.	1,500	March 1, 2028	
	MUFG Bank, Ltd.	1,000	August 31, 2028	
	Mizuho Bank, Ltd.	1,000	February 28, 2029	
	Aozora Bank, Ltd.	1,000	February 28, 2029	
	Mizuho Trust & Banking co., Ltd.	1,000	February 28, 2029	
	Mizuho Bank, Ltd.	1,500	February 28, 2030	
	Sumitomo Mitsui Banking Corporation	1,000	February 28, 2030	
	Total	19,500	—	—

(vi) Forecasts of performance

MTR forecasts that performance in the fiscal period ending August 31, 2023 (from March 1, 2023 to August 31, 2023) and the fiscal period ending February 29, 2024 (from September 1, 2023 to February 29, 2024) will be as follows.

Please refer to “Assumptions for Forecasts of Performance for the fiscal period ending August 31, 2023 (from March 1, 2023 to August 31, 2023) and the fiscal period ending February 29, 2024 (from September 1, 2023 to February 29, 2024)” below for further details of the assumptions of forecasts of performance.

	Fiscal period ending August 31, 2023	Fiscal period ending February 29, 2024
Operating revenues	11,609 million yen	11,652 million yen
Operating income	6,311 million yen	6,913 million yen
Ordinary income	5,647 million yen	6,197 million yen
Net income	5,637 million yen	6,032 million yen
Distributions per unit	1,584 yen	1,600 yen

(Note 1) The above forecasts are based on certain assumptions and information currently available and are not a guarantee of actual operating revenues, operating income, ordinary income, profitnet income and distributions per unit, and such may differ according to circumstances occurring in the future.

(Note 2) The distributions for the fiscal period ending August 31, 2023 are based on the assumption of internal reserves reduction.

(Note 3) The distributions for the fiscal period ending February 29, 2024 are based on the assumption of internal reserves reduction and internal reserves accumulation.

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

Assumptions for Forecasts of Performance for the Fiscal Period ending August 31, 2023 (from March 1, 2023 to August 31, 2023) and the Fiscal Period ending February 29, 2024 (from September 1, 2023 to February 29, 2024)

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> Fiscal period ending August 31, 2023 (March 1 through August 31, 2023, totaling 184 days) Fiscal period ending February 28, 2024 (September 1, 2023 through February 29, 2024, totaling 182 days)
Portfolio properties	<ul style="list-style-type: none"> MTR assumes that the partial transfer of Shinbashi Ekimae MTR Building as well as the acquisition of Sendai MT Building planned for August 31, 2023 and February 29, 2024 are reflected in the 22 properties held as of April 20, 2023. The actual portfolio may change due to the acquisition or disposal/transfer of other properties.
Number of investment units issued and outstanding	<ul style="list-style-type: none"> We assume 3,560,000 investment units issued and outstanding as of April 20, 2023. The number of investment issued and outstanding may change, however, for reasons such as the issuance of investment units during the fiscal period.
Interest-bearing debt and refinancing	<ul style="list-style-type: none"> The total amount is assumed to be 225,975 million yen, consisting of 152,500 million yen of interest-bearing debt as of February 28, 2023, 53,975 million yen assumed in connection with the Merger on March 1, 2023 and 19,500 million yen in borrowings made on March 1, 2023. MTR assumes that it will appropriate funds raised through refinancing to repay loans of 21,475 million yen that will fall due during the fiscal period ending August 31, 2023. MTR assumes that it will appropriate funds raised through refinancing and the issuance of investment corporation bonds to repay loans of 19,500 million yen that will fall due during the fiscal period ending February 29, 2024, and redeem investment corporation bonds of 3,000 million yen.
Operating revenue	<ul style="list-style-type: none"> Concerning leasing business revenues, we take factors such as tenant movements into consideration. Shinbashi Ekimae MTR Building is assumed to be vacant during the fiscal period ending August 31, 2023, and the fiscal period ending February 29, 2024. Rents of four hotel properties with rents consisting mainly of variable rents (Shangri-La Tokyo, Hilton Odawara Resort & Spa, Courtyard by Marriott Tokyo Station and Courtyard by Marriott Shin-Osaka Station) included in rental revenues are calculated based on the following assumptions. Variable rent is calculated mainly on the basis of management results in the previous year and in 2019, which was not affected by COVID-19 infection, by the method set out in the lease agreement of each property, taking into consideration factors for fluctuation such as recent hotel market conditions. <p>[Shangri-La Tokyo]</p> <p>Variable rent in the fiscal period ending August 31, 2023: 808 million yen Variable rent in the fiscal period ending February 29, 2024: 746 million yen The variable rent for each month is amount calculated by multiplying the rent received from subtenant by tenant (hereinafter referred to as “subletting tenant rent” (Note)) for a month three months before the month in question by 97%. (Note) “Subletting tenant rent” is calculated by multiplying total revenue from the subtenant’s hotel operations by a certain percentage. The percentage is not disclosed as the consent of the subtenant has not been obtained. (Reference) Minimum annual guaranteed rent (from April each year to March the following year (Note)): 882,700,000 yen (Note) If the total amount of subletting tenant rent for the period from January to December each year is less than 910,000,000 yen (including if subletting tenant rent is not paid due to vacation by the subletting tenant, etc.), rent is calculated on the basis that the subletting tenant rent for the period is 910,000,000 yen (910,000,000 yen × 97% = 882,700,000 yen), and the difference (shortfall) between this amount and the total amount of rent from April to March the following year is paid, together with the rent for March the following year, no later than the last day of February the following year.</p> <p>[Hilton Odawara Resort & Spa]</p> <p>Variable rent in the fiscal period ending August 31, 2023: 192 million yen Variable rent in the fiscal period ending February 29, 2024: 200 million yen (Includes additional revenues of 2 million yen other than rent revenue which MTR receives from the lessee of Hilton Odawara Resort & Spa.) The monthly rent for March to August each year is the amount (not less than 0 yen) equivalent to one-twelfth of the amount obtained when the sum total of the hotel’s base profit for the 12 months from January to December in the previous year is multiplied by 95%. The monthly rent for September each year to February in the following year is the amount (not less than 0 yen) equivalent to one-twelfth of the amount obtained when the sum total of the hotel’s base profit for July in the previous year to June in the year in question is multiplied by 95%. (Note) “Base profit” refers to the amount obtained by the following formula. Base profit = The profit that the lessee earns from operating the hotel – The expenses that the</p>

Disclaimer:
This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

	<p style="text-align: center;">lessee incurs from operating the hotel (the lessee's insurance expenses, etc.)</p> <p>[Courtyard by Marriott Tokyo Station] Variable rent in the fiscal period ending August 31, 2023: 240 million yen Variable rent in the fiscal period ending February 29, 2024: 258 million yen The variable rent for each month is amount (not less than 0 yen) calculated by multiplying adjusted operating income by facility (Note) of the hotel for a month three months before the month in question by 90%. (Note) "Adjusted operating income by facility" refers to sales from hotel operations less hotel operating expenses by department, unallocated operating expenses, fixed operating costs, and operating expenses of hotel operator allocated to head office (only expenses related to the hotel).</p> <p>(Reference) Minimum annual guaranteed rent (from October each year to September the following year (Note): 310,000,000 yen (Note) If the total amount of rent (which is the rent for the entire property including the portion attributable to the quasi-co-owner MORI TRUST CO., LTD. The same applies hereinafter to the property.) for the period from October each year to September the following year is less than 310,000,000 yen, rent for the period in question is taken as 310,000,000 yen, and the difference (shortfall) between this amount and the total amount of rent from October to September the following year is paid, together with the rent for September the following year, no later than the last day of August the following year. The difference from the minimum guaranteed rent includes the portion attributable to the quasi-co-owner MORI TRUST CO., LTD. Only 93.5%, which is the quasi-co-ownership interest in the property, of the entire difference from the minimum guaranteed rent is recorded as operating income of MTR .</p> <p>[Courtyard by Marriott Shin-Osaka Station] Variable rent in the fiscal period ending August 31, 2023: 298 million yen Variable rent in the fiscal period ending February 29, 2024: 266 million yen (Includes 53 million yen in the fiscal period ending August 31, 2023 and 4 million yen in the fiscal period ending February 29, 2024, the difference from the minimum annual guaranteed rent.) The variable rent for each month is amount (not less than 0 yen) calculated by multiplying adjusted operating income by facility (Note) of the hotel for a month three months before the month in question by 90%. (Note) "Adjusted operating income by facility" refers to sales from hotel operations less hotel operating expenses by department, unallocated operating expenses, fixed operating costs, and operating expenses of hotel operator allocated to head office (only expenses related to the hotel). Only sales and expenses relating to the accommodation of general users of the hotel are included in the calculation of adjusted operating income by facility, in principle. Sales and expenses relating to the accommodation of guests who are members of Laforet Club of the tenant, MORI TRUST CO., LTD. food and beverages, parking facilities, etc. are not included.</p> <p>(Reference) Minimum annual guaranteed rent (from October each year to September the following year (Note 1): 460,000,000 yen (Note 1) If the total amount of rent for the period from October each year to September the following year is less than 460,000,000 yen, rent for the period in question is taken as 460,000,000 yen, and the difference (shortfall) between this amount and the total amount of rent from October to September the following year is paid, together with the rent for September the following year, no later than the last day of August the following year. (Note 2) It is assumed that there will be a payment of difference (shortfall) between the minimum annual guaranteed rent and the total amount of rent at the end of August 2023 since the total amount of rent for the period from October 2022 to September 2023 is not expected to exceed 460,000,000 yen, and that there will be operating revenues of 53 million yen belonging to the fiscal period ending August 31, 2023 and 4 million yen belonging to the fiscal period ending February 29, 2024.</p> <ul style="list-style-type: none"> • We estimate gain on sale of real estate of around 1,400 million yen during the fiscal period ending August 31, 2023 and 1,300 million yen during the fiscal period ending February 29, 2024 from the partial transfer of Shinbashi Ekimae MTR Building. • Operating revenues are calculated based on the assumption that there will be no delinquent or unpaid rent by the lessor, and that there will be no grace period for the payment of rent to the lessor or reduction of rent, etc. associated with the spread of the COVID-19 infection.
Operating expenses	<ul style="list-style-type: none"> • Concerning fixed property tax, city planning tax, depreciated asset tax, etc. for owned real estate in trust, the portion of the tax amount to be levied that corresponds to the relevant calculation period is recorded as leasing business expenses. However, the amount equivalent to fixed property tax, city planning tax, etc. for the fiscal year of acquisition reimbursed to the previous owner at the time of acquisition of the real estate, etc. is included in the cost of acquisition of the relevant real estate and is thus not recognized as expenses in the relevant calculation period.

Disclaimer:
This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

	<ul style="list-style-type: none"> Concerning repair expenses, the estimated amount required is recorded as expenses. However, the actual repair expenses may significantly differ from the estimates since (i) an unforeseeable event may cause damage to a building requiring emergency repair expenditure, (ii) in general, amounts vary according to the fiscal period, and (iii) certain types of repair and maintenance expenses are not required in every fiscal period. We estimate property and other taxes of 1,227 million yen for the fiscal period ending August 31, 2023 and 1,214 million yen for the fiscal period ending February 29, 2024. We estimate property management fees of 756 million yen for the fiscal period ending August 31, 2023 and 782 million yen for the fiscal period ending February 29, 2024. We estimate depreciation of 1,541 million yen for the fiscal period ending August 31, 2023 and 1,529 million yen for the fiscal period ending February 29, 2024. The merger-related expenses of 563 million yen are assumed to be incurred temporarily in connection with the Merger. We estimate operations expenses other than leasing business expenses (asset management fees (excluding the merger-related expenses), fees for the custody of assets, administrative service fees, etc.) of 660 million yen for the fiscal period ending August 31, 2023 and 612 million yen for the fiscal period ending February 29, 2024.
Amortization of goodwill	<ul style="list-style-type: none"> The Merger is expected to generate goodwill. In accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21, revised on September 13, 2013), the goodwill will be recorded as an asset and amortized regularly on a straight-line basis over 20 years. The amount to be recorded as goodwill is 629 million yen, and amortization expenses related to goodwill are assumed to be 15 million yen for the period ending August 31, 2023 and 15 million yen for the period ending February 29, 2024.
Non-operating expenses	<ul style="list-style-type: none"> We estimate non-operating expenses (loan interest, investment corporation bond interest, etc.) of 664 million yen for the fiscal period ending August 31, 2023 and 715 million yen for the fiscal period ending February 29, 2024.
Distributions	<ul style="list-style-type: none"> Distributions (distribution per unit) are calculated based on the cash distribution policy set out in the Investment Corporation's Certificate of Incorporation. On calculating the distribution for the fiscal period ending August 31, 2023, MTR assumes reversal of a portion worth 2 million yen (reserve for reduction entry of 1 million yen and relevant deferred tax liabilities of 0 million yen) of the internal reserves to be accumulated under the application of the Special Provisions for Taxation in Cases of Repurchase of Specified Assets. On calculating the distribution for the fiscal period ending February 29, 2024, MTR assumes reversal of a portion worth 2 million yen (reserve for reduction entry of 1 million yen and relevant deferred tax liabilities of 0 million yen) of the internal reserves to be accumulated under the application of the Special Provisions for Taxation in Cases of Repurchase of Specified Assets and the accumulation as internal reserves of a portion worth 493 million yen (reserve for reduction entry of 338 million yen and relevant deferred tax liabilities of 155 million yen) of gains on sales of real estate, etc. due to the partial transfer of Shinbashi Ekimae MTR Building, which are expected to arise in the fiscal period ending February 29, 2024, under the application of Special Provisions for Taxation in Cases of Repurchase of Specified Assets. Distributions per unit may change due to a variety of factors, including changes in the assets under investment and changes in rental income as a result of changes in tenants, the occurrence of unforeseen repairs, fluctuation in the number of issued investment units and financing.
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> We currently have no plans to pay cash distributions in excess of earnings (distributions in excess of earnings per unit).
Others	<ul style="list-style-type: none"> Our forecasts assume no revisions that impact on the above projections will be made to laws and regulations, tax systems, accounting standards, securities listing regulations and the rules of The Investment Trusts Association, Japan, or others.

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

(B) Investment Risk

The following risks are changed and added to the "Investment Risks" in the most recent Securities Report (filed on December 23, 2022).

(1) Risks associated with the merger with MTH

The Investment Corporations has judged that building a portfolio equipped with stability of office assets and growth potential of hotel assets through the Merger and returning to a growth path by leveraging the sponsor support will lead to further improvement of the unitholder value; therefore, executed the Merger effective as of March 1, 2023.

However, there is no guarantee that the above effects expected from the Merger will be realized, and there is a possibility that the anticipated benefits will not be realized or, alternatively, that MTR's financial condition, etc. will be adversely affected in relation to the assets and liabilities under management succeeded to through the Merger and that unitholders or investment corporation creditors will suffer damages.

As of April 20, 2023, no financial statements exist for the post-merger operating period. The simple aggregate of the operating results and financial condition of MTR and MTH prior to the Merger does not fairly represent the operating results and financial condition of MTR after the Merger.

(2) Risks related to goodwill and amortization of goodwill

The Merger may result in goodwill, which will be amortized regularly on a straight-line basis over 20 years for accounting purposes. Amortization of goodwill is not deductible for tax purposes, resulting in income tax expense and a decrease in accounting profit, which is the source of dividends. The amount of distributable profit (or distributable amount) for the dividend payment requirement is calculated based on pre-tax income for accounting purposes, and if a large amount of corporate tax is incurred, MTR may not be able to distribute more than 90% of its distributable profit (or distribute more than 90% of its distributable amount), making it difficult to meet the dividend payment requirement. As a result, MTR's tax burden will increase, which may have an adverse effect on the amount of distributions to unitholders.

In addition, depending on the future treatment of interpretation and operation of laws and regulations concerning the treatment of goodwill, MTR's activities may be subject to unforeseen restrictions, or MTR's tax burden may increase, which may adversely affect MTR's income and distributions to unitholders.

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

4. FINANCIAL STATEMENTS

(1) Balance Sheets

Thousands of yen

	As of September 30, 2022	As of February 28, 2023
Assets		
Current assets		
Cash and deposits	16,534,395	14,729,422
Cash and deposits in trust	3,089,760	2,413,662
Operating accounts receivable	77,534	97,513
Accounts receivable - other	-	28
Prepaid expenses	86,346	55,631
Other	15,449	64,915
Total current assets	19,803,486	17,361,173
Non-current assets		
Property, plant and equipment		
Buildings	35,007,630	34,742,923
Accumulated depreciation	(18,237,032)	(18,302,773)
Buildings, net	16,770,597	16,440,150
Structures	443,976	443,960
Accumulated depreciation	(413,582)	(413,398)
Structures, net	30,393	30,561
Machinery and equipment	153,655	128,457
Accumulated depreciation	(127,417)	(105,502)
Machinery and equipment, net	26,237	22,955
Tools, furniture and fixtures	111,307	113,212
Accumulated depreciation	(87,823)	(89,644)
Tools, furniture and fixtures, net	23,483	23,567
Land	114,585,335	109,001,394
Buildings in trust	33,964,244	35,354,628
Accumulated depreciation	(13,395,018)	(13,931,696)
Buildings in trust, net	20,569,225	21,422,932
Structures in trust	187,293	187,941
Accumulated depreciation	(116,015)	(119,677)
Structures in trust, net	71,277	68,264
Machinery and equipment in trust	66,552	70,137
Accumulated depreciation	(8,450)	(10,557)
Machinery and equipment in trust, net	58,102	59,579
Tools, furniture and fixtures in trust	102,790	105,717
Accumulated depreciation	(69,394)	(72,856)
Tools, furniture and fixtures in trust, net	33,395	32,860
Land in trust	153,798,827	157,795,399
Total property, plant and equipment	305,966,876	304,897,665
Intangible assets		
Other	240	240
Total intangible assets	240	240

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

Thousands of yen

	As of September 30, 2022	As of February 28, 2023
Investments and other assets		
Guarantee deposits	10,000	10,000
Long-term prepaid expenses	66,825	57,897
Other	2,815	2,815
Total investments and other assets	79,640	70,713
Total non-current assets	306,046,756	304,968,618
Deferred assets		
Investment corporation bond issuance costs	58,984	68,950
Total deferred assets	58,984	68,950
Total assets	325,909,227	322,398,742
Liabilities		
Current liabilities		
Operating accounts payable	307,709	220,285
Short-term loans payable	6,000,000	6,000,000
Current portion of investment corporation bonds	4,000,000	3,000,000
Current portion of long-term loans payable	18,000,000	15,000,000
Accounts payable – other	58,604	349,524
Accrued expenses	430,289	444,375
Dividends payable	8,073	7,955
Income taxes payable	867	718
Accrued consumption taxes	233,884	61,744
Advances received	809,224	814,808
Deposits received	322	214
Total current liabilities	29,848,976	25,899,627
Non-current liabilities		
Investment corporation bonds	11,000,000	11,000,000
Long-term loans payable	117,000,000	117,500,000
Tenant leasehold and security deposits	7,555,628	7,698,469
Tenant leasehold and security deposits in trust	918,125	943,131
Deferred tax liabilities	514,820	631,732
Total non-current liabilities	136,988,574	137,773,333
Total liabilities	166,837,550	163,672,960
Net assets		
Unitholders' equity		
Unitholders' capital	153,990,040	153,990,040
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	1,750,398	1,121,637
Total voluntary retained earnings	1,750,398	1,121,637
Unappropriated retained earnings	3,331,238	3,614,104
Total surplus	5,081,637	4,735,741
Total unitholders' equity	159,071,677	158,725,781
Total net assets	159,071,677	158,725,781
Total liabilities and net assets	325,909,227	322,398,742

Disclaimer:
This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

(2) Statement of income

	Thousands of yen	
	For the period from April 1, 2022 to September 30, 2022	For the period from October 1, 2022 to February 28, 2023
Operating revenue		
Lease business revenue	6,603,932	5,620,653
Other lease business revenue	298,407	207,435
Gain on sale of investment property	-	1,430,579
Total operating revenue	6,902,340	7,258,668
Operating expenses		
Expenses related to rent business	3,057,896	2,710,417
Asset management fee	307,505	275,258
Asset custody fee	12,987	10,829
Administrative service fees	45,076	50,842
Directors' compensations	3,600	3,000
Merger-related expenses	-	61,360
Other operating expenses	46,950	88,983
Total operating expenses	3,474,016	3,200,691
Operating income	3,428,323	4,057,976
Non-operating income		
Interest income	90	94
Reversal of dividends payable	845	647
Total non-operating income	936	741
Non-operating expenses		
Interest expenses	345,823	291,515
Interest expenses on investment corporation bonds	27,158	24,397
Amortization of investment corporation bond issuance costs	8,874	7,679
other	3,886	3,376
Total non-operating expenses	385,741	326,968
Ordinary income	3,043,518	3,731,749
Profit before income taxes	3,043,518	3,731,749
Income taxes - current	881	732
Income taxes - deferred	(288,601)	116,912
Total income taxes	(287,720)	117,644
Profit	3,331,238	3,614,104
Unappropriated retained earnings	3,331,238	3,614,104

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

(3) Statement of changes in Net Assets

For the six-month period ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

Thousands of yen

	Unitholders' equity						Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	
		Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total surplus		
		Reserve for reduction entry	Total voluntary retained earnings				
Balance at beginning of current period	153,990,040	1,430,418	1,430,418	4,537,379	5,967,798	159,957,838	159,957,838
Changes of items during period							
Provision of reserve for reduction entry		454,094	454,094	(454,094)	-	-	-
Reversal of reserve for reduction entry		(134,114)	(134,114)	134,114	-	-	-
Dividends of surplus				(4,217,400)	(4,217,400)	(4,217,400)	(4,217,400)
Profit				3,331,238	3,331,238	3,331,238	3,331,238
Total changes of items during period	-	319,979	319,979	(1,206,140)	(886,161)	(886,161)	(886,161)
Balance at end of current period	153,990,040	1,750,398	1,750,398	3,331,238	5,081,637	159,071,677	159,071,677

The accompanying notes form an integral part of these financial statements.

For the five-month period ended February 28, 2023 (from October 1, 2022 to February 28, 2023)

Thousands of yen

	Unitholders' equity						Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	
		Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total surplus		
		Reserve for reduction entry	Total voluntary retained earnings				
Balance at beginning of current period	153,990,040	1,750,398	1,750,398	3,331,238	5,081,637	159,071,677	159,071,677
Changes of items during period							
Reversal of reserve for reduction entry		(628,761)	(628,761)	628,761	-	-	-
Dividends of surplus				(3,960,000)	(3,960,000)	(3,960,000)	(3,960,000)
Profit				3,614,104	3,614,104	3,614,104	3,614,104
Total changes of items during period	-	(628,761)	(628,761)	282,865	(345,895)	(345,895)	(345,895)
Balance at end of current period	153,990,040	1,121,637	1,121,637	3,614,104	4,735,741	158,725,781	158,725,781

The accompanying notes form an integral part of these financial statements.

Disclaimer:
This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

(4) Statement of Cash Distributions

Unit: yen

	The Fiscal Period ended September 30, 2022 (April 1, 2022 to September 30, 2022)	The Fiscal Period ended February 28, 2023 (October 1, 2022 to February 28, 2023)
I. Unappropriated retained earnings	3,331,238,876	3,614,104,524
II. Reversal of voluntary retained earnings		
Reversal of reserve for reduction entry	628,761,124	-
III. Distribution amount	3,960,000,000	3,359,400,000
(Distribution amount per unit)	(3,000)	(2,545)
IV. Voluntary retained earnings		
Provision of reserve for reduction entry	-	-
V. Retained earnings carried forward	-	-
Calculation method of distribution amount	<p>In accordance with Paragraph 1, Article 29 of the Investment Corporation's Certificate of Incorporation, MTR decided to distribute the total balance of unappropriated retained earnings after adding the reversal of the reserve for reduction entry under Article 66-2 of the Act on Special Measures Concerning Taxation, the amount of which is 3,960,000,000 yen.</p> <p>In addition, MTR does not distribute dividends in excess of accounting profit as set forth in Paragraph 2, Article 29 of the Investment Corporation's Certificate of Incorporation.</p>	<p>In accordance with Paragraph 1, Article 29 of the Investment Corporation's Certificate of Incorporation, MTR decided to distribute the total balance of unappropriated retained earnings after deducting provision of the reserve for reduction entry under Article 65-7 of the Act on Special Measures Concerning Taxation, the amount of which is 3,359,400,000 yen.</p> <p>In addition, MTR does not distribute dividends in excess of accounting profit as set forth in Paragraph 2, Article 29 of the Investment Corporation's Certificate of Incorporation.</p>

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

(5) Statement of cash flows

	Thousands of yen	
	For the period from April 1, 2022 to September 30, 2022	For the period from October 1, 2022 to February 28, 2023
Cash flows from operating activities		
Profit before income taxes	3,043,518	3,731,749
Depreciation	1,116,153	914,440
Amortization of investment corporation bond issuance costs	8,874	7,679
Interest income	(90)	(94)
Interest expenses	372,981	315,912
Decrease (Increase) in operating accounts receivable	(35,671)	(19,978)
Increase (Decrease) in operating accounts payable	(10,983)	(10,954)
Increase (Decrease) in accrued consumption taxes	125,207	(172,139)
Increase (Decrease) in advances received	(104,045)	5,584
Decrease due to sale of investment property	-	5,829,179
Other, net	(89,768)	73,655
Subtotal	4,426,175	10,675,035
Interest income received	90	94
Interest expenses paid	(353,781)	(348,757)
Income taxes paid	(892)	(881)
Net cash provided by operating activities	4,071,591	10,325,489
Cash flows from investing activities		
Purchase of property, plant and equipment	(69,009)	(16,911)
Purchase of property, plant and equipment in trust	(80,198)	(5,405,860)
Repayments of tenant leasehold and security deposits	(90,166)	(122,170)
Proceeds from tenant leasehold and security deposits	160,283	184,460
Repayments of tenant leasehold and security deposits in trust	(25,275)	(8,391)
Proceeds from tenant leasehold and security deposits in trust	7,804	37,476
Net cash used in investing activities	(96,562)	(5,331,397)
Cash flows from financing activities		
Proceeds from long-term loans payable	17,000,000	6,000,000
Repayments of long-term loans payable	(17,000,000)	(8,500,000)
Proceeds from issuance of investment corporation bonds	2,000,000	3,000,000
Redemption of investment corporation bonds	-	(4,000,000)
Payments for investment corporation bond issuance costs	(12,457)	(15,045)
Dividends paid	(4,216,512)	(3,960,117)
Net cash used in financing activities	(2,228,969)	(7,475,163)
Net increase (decrease) in cash and cash equivalents	1,746,059	(2,481,070)
Cash and cash equivalents at beginning of period	17,878,096	19,624,156
Cash and cash equivalents at end of period	19,624,156	17,143,085

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

5. Reference Information

(1) Composition of assets

type	Region	As of September 30, 2022		As of February 28, 2023	
		Total of net book value (Note 1) (Millions of yen)	Ratio to total assets (Note 2) (%)	Total of net book value (Note 1) (Millions of yen)	Ratio to total assets (Note 2) (%)
Real property	Central Tokyo (Note 3)	108,049	33.2	102,254	31.7
	Other (Note 4)	23,386	7.2	23,263	7.2
Trust	Central Tokyo (Note 3)	140,410	43.1	140,175	43.5
	Other (Note 4)	34,119	10.5	39,203	12.2
Subtotal		305,966	93.9	304,897	94.6
Other assets		19,942	6.1	17,501	5.4
Total		325,909	100.0	322,398	100.0

(Note 1) "Total of net book value" is based on the amounts presented in the balance sheets (book value after depreciation for real estate and real estate in trust) as of the settlement date.

(Note 2) "Ratio to total assets" is rounded to the first decimal place.

(Note 3) "Central Tokyo" refers to Chiyoda, Chuo, Minato, Shinagawa, Shibuya and Shinjuku Wards.

(Note 4) "Other" refers to greater Tokyo (Kanagawa, Chiba and Saitama Prefectures, and the Tokyo Metropolitan Area excluding central Tokyo) and other major regional cities.

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

(2) Investment Assets

The total number of real estate properties held by MTR and real estate properties in trust associated with the real estate trust's beneficiary rights held by MTR as of February 28, 2023 was 17, and all such real estate is leased by MTR or trust fiduciaries based on trust contracts in the case of real estate in trust.

(i) List of details of real estate and real estate in trust

The overview of real estate held by MTR and real estate trust's beneficiary rights and real estate in trust, properties in trust subject to such rights, as of February 28, 2023 is as follows (real estate, real estate trust's beneficiary rights and real estate in trust, properties in trust subject to such rights, are hereinafter individually or collectively referred to as the "Portfolio").

Overview of the Portfolio

Property name	Location (Parcel number) (Note 1)	Area (Note 1)		Structure (Note 2) /number of floors(Note 1)	Ownership form	
		Land (㎡)	Building (㎡)		Land	Building
Tokyo Shiodome Building (Note 3)	1-12-1 Higashishinbashi, Minato-ku, Tokyo	17,847.73	191,394.06	SRC・RC・S B4/37F	Owned	Owned
ON Building (Note 4) (Note 5)	5-746-1 Kitashinagawa, Shinagawa-ku, Tokyo, etc.	10,850.67	32,812.27	S・SRC B2/21F	Owned	Owned
Kioicho Building (Note 5) (Note 6)	3-3 Kioicho, Chiyoda-ku, Tokyo, etc.	9,291.93	63,535.55	SRC・S B4/26F	Owned	Owned
Kamiyacho Trust Tower (Note 5) (Note 7)	4-24-6 Toranomom, Minato-ku, Tokyo, etc.	16,131.84	196,037.12	S・RC B4/37F	Owned	Owned
Sendai MT Building(Note 5) (Note 8)	4-2-3, Tsutsujigaoka, Miyagino-ku, Sendai-shi, Miyagi	5,020.33	42,941.53	RC B2/18F	Owned	Owned
Osaki MT Building (Note 4)	5-689-2 Kitashinagawa, Shinagawa-ku, Tokyo, etc.	13,852.74	26,980.68	S・SRC B3/14F	Owned	Owned
Midosuji MTR Building (Note 5)	3-43-5 Awajimachi, Chuo-ku, Osaka City	1,560.98	15,129.16	S・SRC B2/13F	Owned	Owned
Hiroo MTR Building (Note 5)	2-91-1, Ebisu, Shibuya-ku, Tokyo	1,671.79	6,709.80	SRC B1/7F	Owned	Owned
Tenjin Prime (Note 5)	2-138 Tenjin, Chuo-ku, Fukuoka City, etc.	1,110.73	7,722.04	S・RC B1/12F	Owned	Owned
Shin-Yokohama TECH Building (Note 9)	3-9-1 Shinyokohama, Kohoku-ku, Yokohama City, etc.	2,671.11	A-Wing : 11,636.35 B-Wing : 13,550.87 Total : 25,187.22	A-Wing : SRC B1/9F B-Wing : S・SRC B1/16F	Owned	Owned
SHIBUYA FLAG (Note 5)	81-11 Udagawacho, Shibuya-ku, Tokyo, etc.	1,026.44	7,766.49	S・SRC B2/9F	Owned	Owned
Shinbashi Ekimae MTR Building(Note 10)	2-28-2 Shinbashi, Minato-ku, Tokyo, etc.	1,069.88	7,820.45	S・SRC・RC B2/8F	Owned	Owned
Ito-Yokado Shonandai	6-2-1 Ishikawa, Fujisawa City, Kanagawa Prefecture	35,209.93	53,393.66	S 5F	Owned	Owned
Kohnan Sagamihara-Nishihashimoto	5-4-4 Nishihashimoto, Midori-ku, Sagamihara City	19,878.57	40,283.77	S 5F	Owned	Owned
Frespo Inage (Note 5)	731-17 Naganumaracho, Inage-ku, Chiba City	39,556.71	—	—	Owned	—
Hotel Okura Kobe (Note 5)	48-1 Hatobacho, Chuo-ku, Kobe City, etc.	30,944.44	72,246.86	SRC・S B2/35F	Owned	Owned
Park Lane Plaza	2-30-6 Jingumae, Shibuya-ku, Tokyo	1,702.95	5,246.78	RC B1/7F	Owned	Owned

(Note 1) "Location (Parcel number)", "Area" and "Structure/number of floors" present the details stated in real estate registries.

(Note 2) In "Structure", "SRC" means steel-framed reinforced concrete construction, "RC" means reinforced construction and "S" means steel construction.

(Note 3) The land area of Tokyo Shiodome Building is the area of land jointly owned by MTR, and it includes the area of co-owned interest jointly owned by MTR with other co-owners. In the relevant land, MTR's co-owned interest is a ratio of 375,178/1,000,000. Moreover, Tokyo Shiodome Building is a co-owned building, and the floor area of 71,806.84m² is calculated by multiplying MTR's co-owned interest (ratio of 375,178/1,000,000) by the total floor space.

(Note 4) The land area of ON Building is the total area (10,850.67m²) of the 3 sections of land in which trust fiduciaries for whom MTR is the sole trust beneficiary own a co-owned interest, and the trust fiduciaries own a co-owned interest of 840,139/1,000,000. The co-owned interest other than the one owned by the trust fiduciaries is owned by MTR as the site of Osaki MT Building. As a result, the 3 sections of land in question (total area of 10,850.67m²) are stated separately as part of the land area of Osaki MT Building and the land area of ON Building. Moreover, the land area of the Osaki MT Building is the total area of all the 17 sections of land that MTR owns or jointly owns, which includes the co-owned interest of other co-owners. Of all the 17 sections of land in question, 13 sections of land (total area of 2,880.79m²) are solely owned by MTR. As for one section of land (area of 121.28m²), MTR owns a co-owned interest of 1/5 and, as for the 3 sections of land (total area of 10,850.67m²), MTR owns a co-owned interest of 159,861/1,000,000. In addition, Osaki MT Building is a co-owned building, and the floor area of 24,495.21m² is calculated by multiplying MTR's co-owned interest (ratio of 907,880/1,000,000) by the total floor space.

(Note 5) Of the 17 properties listed above, ON Building, Kioicho Building, Kamiyacho Trust Tower, Sendai MT Building, Midosuji MTR Building, Hiroo MTR

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

Building, Tenjin Prime, SHIBUYA FLAG, Frespo Inage and Hotel Okura Kobe have been categorized as real estate in trust, and the other 7 properties have been categorized as real estate. In addition, real estate in trust associated with Frespo Inage is only land, and the building is not included.

- (Note 6) The land area of Kioicho Building is the total area of the 8 sections of land, the site of the relevant building, and it includes the interest of other owners (partial ownership). Of the 8 sections of land in question, 5 sections of land (total area of 7,433.52m²) are solely owned by a trust fiduciary for whom MTR is the sole trust beneficiary. MTR has acquired sectional ownership of the Kioicho Building. The total floor space stated is the total floor space for the portion of one building that represents the sectional ownership. The exclusive portion of the floor space owned by a fiduciary of the trust in which MTR is the sole beneficiary is 24,598.85 m².
- (Note 7) The land area of Kamiyacho Trust Tower is the total of 14 plots comprising the site of the building, including leased land. The building of Kamiyacho Trust Tower is sectionally owned and the building area indicated is the total floor area of one building. The floor area for exclusive use owned by the trust fiduciary having MTR as the only trust beneficiary is 7,595.44 m².
- (Note 8) The land area of the Sendai MT Building is the total area of all four parcels of land that are the site of the building in question, and is the so-called partial ownership land consisting of the land owned solely by MORI TRUST CO., LTD. and other co-owners who had co-owned interest of the building. A trust fiduciary, whose sole trust beneficiary is MTR currently holds a co-owned interest of 90,845/300,000 in the land owned solely by MORI TRUST CO., LTD. The Sendai MT Building is a co-owned building of MORI TRUST CO., LTD. and a trust fiduciary, whose sole trust beneficiary is MTR, and a trust fiduciary, whose sole trust beneficiary is MORI TRUST CO. LTD. The total floor space multiplied by the co-owned interest of the trust fiduciary, whose sole trust beneficiary is MTR (90,845/300,000) is 13,003.41 m².
- (Note 9) Shin-Yokohama TECH Building is real estate that is comprised of two buildings, A-Wing and B-Wing, and the site for the buildings.
- (Note 10) The land area of the Shinbashi Ekimae MTR Building is the total area of all 11 lots, which is the site of the building in question, with MTR holding a two-thirds co-owned interest and a trust fiduciary, whose sole trust beneficiary is MORI TRUST CO. LTD. holding one-third co-owned interest. The Shinbashi Ekimae MTR Building is a co-owned building, and the total floor space multiplied by MTR's co-owned interest (two-thirds) is 5,213.63m².

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

Categories, prices and investment ratios of the Portfolio

Region	Use (Note 1)	Property name	Acquisition Price (Note 2) (Millions of yen)	Book value at the end of fiscal period (Millions of yen)	End-of-period appraisal value (Note 3) (Millions of yen)	Direct reduction method		Discounted cash flow (DCF) method		Appraiser	Investment ratio (Note 4)
						Cap rate	Discount rate	Terminal cap rate	Terminal cap rate		
Central Tokyo	Office building	Tokyo Shiodome Building	82,539 (Note 5)	74,666	81,400	3.2%	3.1%	3.2%	Rich Appraisal Institute K.K.	25.5%	
		ON Building	39,900	38,735	36,200	3.3%	3.0%	3.4%	Japan Real Estate Institute	12.3%	
		Kioicho Building	34,300	32,885	38,400	3.1%	2.9%	3.3%	Daiwa Real Estate Appraisal Co., Ltd.	10.6%	
		Kamiyacho Trust Tower	27,960 (Note 6)	27,863	32,300	2.5%	2.4%	2.6%	Daiwa Real Estate Appraisal Co., Ltd.	8.6%	
		Osaki MT Building	14,386 (Note 7)	12,841	17,800	3.2%	2.9%	3.3%	Japan Real Estate Institute	4.4%	
		Hiroo MTR Building	8,100	8,316	8,420	3.6%	3.4%	3.8%	Daiwa Real Estate Appraisal Co., Ltd.	2.5%	
	Subtotal		207,186	195,308	214,520	—		—		64.0%	
	Retail facility	SHIBUYA FLAG	32,040	32,374	41,100	3.2%	3.0%	3.3%	Japan Real Estate Institute	9.9%	
		Shinbashi Ekimae MTR Building	12,000 (Note 8)	11,658	14,500	3.6%	3.4%	3.8%	Chuo-Nittochi Solutions Co., Ltd.	3.7%	
	Subtotal		44,040	44,033	55,600	—		—		13.6%	
	Other	Park Lane Plaza	3,200	3,088	4,290	3.3%	4.0%	3.0%	Chuo-Nittochi Solutions Co., Ltd.	1.0%	
	Subtotal		3,200	3,088	4,290	—		—		1.0%	
Subtotal		254,426	242,429	274,410	—		—		78.5%		
Other	Office building	Sendai MT Building	5,266 (Note 9)	5,297	5,270	4.5%	4.3%	4.7%	Daiwa Real Estate Appraisal Co., Ltd.	1.6%	
		Midosuji MTR Building	10,170	9,839	11,100	3.5%	3.3%	3.7%	Daiwa Real Estate Appraisal Co., Ltd.	3.1%	
		Tenjin Prime	7,050 (Note 10)	6,635	10,200	3.5%	3.3%	3.6%	Japan Real Estate Institute	2.2%	
		Shin-Yokohama TECH Building	6,900	6,595	8,440	4.4%	4.2%	4.7%	Chuo-Nittochi Solutions Co., Ltd.	2.1%	
	Subtotal		29,387	28,367	35,010	—		—		9.1%	
	Retail facility	Ito-Yokado Shonandai	11,600	9,619	11,700	5.3%	5.0%	5.5%	Japan Real Estate Institute	3.6%	
		Kohnan Sagami-hara-Nishihashimoto	7,460	7,048	8,190	5.4%	5.1%	5.6%	Japan Real Estate Institute	2.3%	
		Frespo Inage	2,100 (Note 11)	2,193	2,610	— (Note 12)	7.9%	— (Note 13)	Japan Real Estate Institute	0.6%	
	Subtotal		21,160	18,861	22,500	—		—		6.5%	
	Other	Hotel Okura Kobe	19,000	15,238	16,900	4.9%	4.7%	5.0%	Rich Appraisal Institute K.K.	5.9%	
Subtotal		19,000	15,238	16,900	—		—		5.9%		
Subtotal		69,547	62,467	74,410	—		—		21.5%		
Total		323,973	304,897	348,820	—		—		100.0%		

(Note 1) The attribution of properties that have more than one use is judged based on their main use. Tokyo Shiodome Building, Kamiyacho Trust Tower and

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

Kioicho Building are categorized as “Office building”, which is the main use of the buildings, and SHIBUYA FLAG is categorized as “Retail facility”, which is the main use of the building. The same applies thereafter.

(Note 2) The “Acquisition price” stated is the amount (sales prices stated in sales contracts, etc.) that does not include various expenses (sales commission charges, property and other taxes, etc.) that were incurred when the relevant Portfolio was acquired. The same applies thereafter.

(Note 3) The “End-of-period appraisal value” stated is the value that was calculated based on the capitalization method (based on the price as of February 28, 2023) by real estate appraisers in accordance with MTR’s rules and the Investment Corporation Calculation Rules (Cabinet Office Ordinance No. 47, 2006; including revisions thereafter).

(Note 4) The “Investment ratio” is the ratio of the acquisition prices of each asset against the total acquisition price of the Portfolio, and is rounded to the first decimal place.

(Note 5) The acquisition price of Tokyo Shiodome Building indicated is equivalent to 37.5178% of the co-ownership interest held by MTR as of February 28, 2023, out of 110,000 million yen, which is the acquisition price of 50% of the co-ownership interest of the property concerned, due to the sale of 6.2411% co-ownership interest on July 1, 2021, and the sale of 6.2411% co-ownership interest on October 1, 2021.

(Note 6) The acquisition price of the Kamiyacho Trust Tower stated is the total amount of the acquisition prices on July 1, 2021 (13,980 million yen), October 1, 2021 (13,980 million yen).

(Note 7) The acquisition price of the Osaki MT Building stated is the total amount of the acquisition prices on March 31, 2005 (7,870 million yen), October 28, 2005 (5,656 million yen) and January 30, 2015 (860 million yen).

(Note 8) The acquisition price of Shinbashi Ekimae MTR Building stated is the amount equivalent to two-thirds of 18,000 million yen, the acquisition price of the entire property in question, because one-third of the co-ownership interest was transferred on February 28, 2023.

(Note 9) Sendai MT Building will be acquired in three separate acquisitions, and the acquisition price for the first acquisition on February 28, 2023 is listed.

(Note 10) The acquisition price of the Tenjin Prime stated is the total amount of the acquisition prices on July 12, 2012 (6,940 million yen), December 1, 2021 (110 million yen).

(Note 11) The acquisition price of Frespo Inage stated is the amount equivalent to 50% of 4,200 million yen, the acquisition price of the entire property in question, because 50% of the land in trust was transferred on February 29, 2012.

(Note 12) The direct capitalization method is not adopted for Frespo Inage.

(Note 13) The terminal cap rate of Frespo Inage has not been stipulated.

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

(ii) Details of the situation of leasing of the Portfolio

The situation of leasing of the Portfolio held by MTR as of February 28, 2023 is as follows.

Of the Portfolio held by MTR, the property in the Portfolio whose rental revenues account for 10% of the total rental revenues of the entire Portfolio or higher in the fiscal period ended February 28, 2023 (five months from October 1, 2022 to February 28, 2023) is 4 properties, Tokyo Shiodome Building, ON Building, Kioicho Building and SHIBUYA FLAG.

Situation of leasing of the Portfolio

Region	Use	Property name	Rental revenues (Note 1) (Millions of yen)	Ratio to total rental revenues ratio(Note 2)	Rentable area (Note 3)(m ²)	Rent area (Note 4)(m ²)	Total number of tenants
Central Tokyo	Office building	Tokyo Shiodome Building (Note 5)	860	14.8%	71,806.84	71,806.84	1 (18)
		ON Building	(Note 6)	(Note 6)	20,654.60	20,654.60	1
		Kioicho Building (Note 7)	860	14.8%	24,748.48	24,203.55	40 (71)
		Kamiyacho Trust Tower (Note 8)	454	7.8%	7,702.54	7,702.54	1 (7)
		Osaki MT Building (Note 9)	287	4.9%	24,495.21	24,495.21	1 (13)
		Hiroo MTR Building (Note 10)	144	2.5%	4,946.36	4,571.72	8
	Retail Facility	SHIBUYA FLAG (Note 10)	(Note 6)	(Note 6)	5,983.86	5,983.86	3
		Shinbashi Ekimae MTR Building	0	0.0%	5,370.00	0.00	0
	Other	Park Lane Plaza (Note 11)	90	1.6%	4,443.03	4,295.99	17
Other	Office building	Sendai MT Building (Note 12)	1	0.0%	13,003.41	13,003.41	1 (45)
		Midosuji MTR Building (Note 13)	254	4.4%	15,129.16	15,129.16	1 (32)
		Tenjin Prime (Note 10)	210	3.6%	5,990.40	5,990.40	13
		Shin-Yokohama TECH Building	235	4.0%	18,117.03	14,124.38	18
	Retail facility	Ito-Yokado Shonandai	312	5.4%	53,393.66	53,393.66	1
		Kohnan Sagamihara- Nishihashimoto	(Note 6)	(Note 6)	40,283.77	40,283.77	1
		Frespo Inage	103	1.8%	39,556.71	39,556.71	1
	Other	Hotel Okura Kobe	524	9.0%	72,246.86	72,246.86	1
Total (Note 14)			5,828	100.0%	427,871.92	417,442.66	109 (250)

(Note 1) "Rental revenues" stated are rental revenues (rent, common charges, other rental revenues, etc.) for the fiscal period ended February 28, 2023 fiscal period.

(Note 2) The "Ratio to total rental revenues" is rounded to the first decimal place.

(Note 3) The "Rentable area" includes a rentable area that is able to be used for use other than the main use in question (offices, stores, warehouses, etc.), in addition to the rentable area that is able to be used for leasing, the main use of the Portfolio, and the "Rentable area" stated is the total area of the areas as described above (including common areas, etc. that are leased). The area of the Tokyo Shiodome Building stated is the area calculated by multiplying MTR's co-owned interest (375,178/1,000,000) by the total rentable area of the building (191,394.06m²). In addition, the area of the Osaki MT Building stated is the area calculated by multiplying MTR's co-owned interest (907,880/1,000,000) by the total rentable area of the building (26,980.68m²). The area of the Shinbashi Ekimae MTR Building stated is the area calculated by multiplying MTR's co-owned interest (2/3) by the total rent area of the building (8,050.00m²). The total leasable area of Sendai MT Building represents the leasable area of the building (42,941.53m²) multiplied by the co-ownership interest of the trust fiduciary, whose sole trust beneficiary is MTR (90,845/300,000).

(Note 4) The "Rent area" stated is the area that includes the rentable area and the area for which lease contracts are actually concluded and the property is leased. The area of the Tokyo Shiodome Building stated is the area calculated by multiplying MTR's co-owned interest (375,178/1,000,000) by the total rent area of the building (191,394.06m²). The area of the Osaki MT Building stated is the area calculated by multiplying MTR's co-owned interest (907,880/1,000,000) by the total rent area of the building (26,980.68m²). The total leasable area of Sendai MT Building represents the leasable area of the building (42,941.53m²) multiplied by the co-ownership interest of the trust fiduciary, whose sole trust beneficiary is MTR (90,845/300,000).

(Note 5) A master lease agreement, under which rent income is linked to rents under sublease agreements, is used for the office and store sections, and a master lease agreement specifying a fixed rent is used for the hotel section of Tokyo Shiodome Building. The numbers in parentheses of the total number of tenants of the property represent the total number of tenants based on sublease agreements for the office and store section and that based on the master lease agreement for the hotel section.

(Note 6) The "Rental revenues" and the "Ratio to total rental revenues" of the ON Building, SHIBUYA FLAG and Kohnan Sagamihara-Nishihashimoto are not

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

disclosed because the agreements of the tenants about disclosing rents have not been able to be obtained.

- (Note 7) Regarding the office portion of the Kioicho Building, MTR leases the office portion of the Kioicho Building from a fiduciary trust company under a master lease agreement and subleases it to tenants. Regarding the residential portion, the agreement used is the master lease pass-through model. The total number of tenants of the relevant properties stated above is that under the sublease agreement for the office portion and the master lease agreement for the residential portion. The figure in brackets for the total number of tenants is the total number of tenants based on the sublease agreements of the office and residential portions of the building.
- (Note 8) A master lease agreement, under which rent income is linked to rents for joint management units, is used for Kamiyacho Trust Tower, and the number in parentheses of the total number of tenants of the property is the total number of tenants of the joint management units. Joint management is the system in which 25 floors from the sixth to the 30th floors are designated as joint management units, each unit owner signs a lease agreement with MORI TRUST CO., LTD., designating the unit owner as the lessor and MORI TRUST CO., LTD. as the lessee, and the lessee subleases each floor as a joint management unit. The lessee distributes the total income generated from these joint management units according to interest ratios based on the exclusively owned area owned by each unit owner.
- (Note 9) A master lease agreement under which rent income is linked to rents under a sublease agreement has been concluded for Osaki MT Building. The figure in brackets for the total number of tenants of the building is the total number of tenants based on the sublease agreements.
- (Note 10) MTR leases the land and building of Hiroo MTR Building, SHIBUYA FLAG and Tenjin Prime from a fiduciary trust company under a master lease agreement and subleases it to tenants. The total number of tenants of the above properties is that under the sublease agreements.
- (Note 11) At Park Lane Plaza, if lease contracts for more than one residential unit are concluded with one tenant, the number of residential units is counted as the number of tenants.
- (Note 12) A master lease agreement under which rent income is linked to rents under a sublease agreement has been concluded for Sendai MT Building. The figure in brackets for the total number of tenants of the building is the total number of tenants based on the sublease agreements.
- (Note 13) The agreement used for the Midosuji MTR Building is the master lease pass-through model. The figure in brackets for the number of tenants of the building is the total number of tenants based on the sublease agreements.
- (Note 14) The numbers in parentheses of the total number of tenants represent the total numbers of tenants based on sublease agreements for Kioicho Building, Osaki MT Building, Sendai MT Building, and Midosuji MTR Building and the overall number of tenants in all joint management units for Kamiyacho Trust Tower. The total number of tenants in Tokyo Shiodome Building represents that based on Note 5.

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

Occupancy rate of the Portfolio

Region	Use	Property name	2023	2022		2021		2020		2019		2018
			End of Feb.	End of Sep.	End of Mar.	End of Sep.	End of Mar.	End of Sep.	End of Mar.	End of Sep.	End of Mar.	End of Sep.
Central Tokyo	Office building	Tokyo Shiodome Building (Note 2)	100.0 (70.8)	100.0 (66.5)	100.0 (61.3)	100.0 (53.5)	100.0	100.0	100.0	100.0	100.0	100.0
		ON Building	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Kioicho Building (Note 3)	97.8 (95.6)	94.5 (92.6)	96.3 (95.6)	89.7 (89.7)	90.8 (89.5)	99.9 (98.7)	99.9 (98.7)	99.9 (98.5)	99.9 (99.9)	99.9 (99.9)
		Kamiyacho Trust Tower (Note 4)	100.0 (99.3)	100.0 (99.3)	100.0 (99.3)	100.0 (97.3)	—	—	—	—	—	—
		Osaki MT Building (Note 5)	100.0 (88.3)	100.0 (95.6)	100.0 (95.2)	100.0 (85.8)	100.0 (85.0)	100.0 (99.1)	100.0 (97.8)	100.0 (91.8)	100.0 (91.8)	100.0 (100.0)
		Hiroo MTR Building (Note 6)	92.4	100.0	87.5	87.5	100.0	100.0	100.0	100.0	100.0	84.2
	Subtotal (Note 7)		99.4 (85.9)	99.1 (84.8)	99.0 (82.8)	98.0 (75.1)	98.7 (97.1)	99.9 (99.7)	99.9 (99.6)	99.9 (99.0)	99.9 (99.3)	99.5 (99.5)
	Retail facility	SHIBUYA FLAG (Note 6)	100.0	100.0	100.0	92.2	92.2	100.0	100.0	100.0	100.0	100.0
		Shinbashi Ekimae MTR Building	0.0	0.0	0.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Subtotal		52.7	42.6	42.6	96.7	96.7	100.0	100.0	100.0	100.0	100.0
	Other	Park Lane Plaza	96.7	96.8	100.0	100.0	95.9	100.0	92.9	95.9	100.0	100.0
Subtotal		96.7	96.8	100.0	100.0	95.9	100.0	92.9	95.9	100.0	100.0	
Subtotal (Note 7)			96.2 (83.4)	94.5 (80.8)	94.4 (79.2)	98.0 (78.1)	98.5 (97.0)	99.9 (99.7)	99.8 (99.5)	99.9 (99.0)	99.9 (99.3)	99.6 (99.5)
Other	Office building	Sendai MT Building (Note 8)	100.0 (99.9)	—	—	—	—	—	—	—	—	—
		Midosuji MTR Building (Note 9)	100.0 (100.0)	100.0 (96.4)	100.0 (100.0)	100.0 (100.0)	100.0 (95.6)	100.0 (98.4)	100.0 (100.0)	100.0 (100.0)	100.0 (100.0)	100.0 (96.4)
		Tenjin Prime (Note 6)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	89.1
		Shin-Yokohama TECH Building	78.0	71.7	59.9	100.0	100.0	100.0	100.0	100.0	98.7	98.7
	Subtotal (Note 7)		92.4 (90.5)	86.9 (83.9)	81.4 (78.7)	100.0 (100.0)	100.0 (98.7)	100.0 (99.5)	100.0 (100.0)	100.0 (100.0)	99.4 (99.3)	97.7 (96.3)
	Retail facility	Ito-Yokado Shonandai	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Kohnan Sagamihara-Nishihashimoto	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Frespo Inage	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Subtotal		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Other	Hotel Okura Kobe	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Subtotal		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Subtotal (Note 7)			98.5 (98.4)	97.9 (97.7)	97.0 (96.9)	100.0 (100.0)	100.0 (99.8)	100.0 (99.9)	100.0 (100.0)	100.0 (100.0)	99.9 (99.9)	99.6 (99.5)
Total (Note 7)			97.6 (93.1)	96.5 (91.6)	96.0 (90.5)	99.1 (91.9)	99.3 (98.6)	99.9 (99.9)	99.9 (99.8)	99.9 (99.6)	99.9 (99.7)	99.6 (99.5)

(Note 1) The "Occupancy rate" is rounded to the first decimal place. The occupancy rate stated for each Portfolio is the percentage of the total rented area out of the total rentable area. The subtotal of the occupancy rate for each category (or the total occupancy rate of the entire Portfolio) is the percentage of the subtotal (or the total) rented area out of the subtotal (or the total) rentable area. The subtotal and total occupancy rates stated are the rates based on the Portfolio held by MTR as of the end of each fiscal period. If the result of rounding is 100.0%, however, the rate is indicated as 99.9% by rounding down the second decimal place to the nearest first decimal place.

(Note 2) A master lease agreement, under which rent income is linked to rents under sublease agreements, has been used for the office and store sections, and a master lease agreement specifying a fixed rent has been used for the hotel section of Tokyo Shiodome Building since April 1, 2021. Therefore, the numbers in parentheses of the occupancy rates of the properties after September 30, 2021, represent occupancy rates based on sublease agreements for the office and store section and occupancy rates based on the master lease agreement for the hotel section.

(Note 3) Regarding the office portion of the Kioicho Building, MTR leases the office portion of the Kioicho Building from a fiduciary trust company under a master lease agreement and subleases it to tenants. Regarding the residential portion, the agreement used is the master lease pass-through model. The occupancy rates of the relevant properties stated above are those under the sublease agreement for the office portion and the master lease agreement for the residential portion. The figures in brackets for the occupancy rates are the occupancy rates based on the sublease agreements of the office and residential portions of the building.

(Note 4) A master lease agreement, under which rent income is linked to the rents for joint management units, is used for Kamiyacho Trust Tower, and the number in parentheses of the occupancy rate of the property is the occupancy rate of the entire joint management units.

(Note 5) A master lease agreement under which rent income is linked to rents under a sublease agreement has been concluded for Osaki MT Building. The figures in brackets for the occupancy rates of the building are the occupancy rates of tenants based on the sublease agreements.

(Note 6) MTR leases the land and building of Hiroo MTR Building, SHIBUYA FLAG and Tenjin Prime from a fiduciary trust company under a master lease agreement and subleases it to tenants. The occupancy rates of the above properties are those under the sublease agreements.

(Note 7) The numbers in parentheses of subtotal and total occupancy rates represent occupancy rates based on sublease agreements for Kioicho Building, Osaki

Disclaimer:
This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

MT Building, Sendai MT Building, and Midosuji MTR Building and the occupancy rate calculated based on the occupancy rate of the entire joint management units for Kamiyacho Trust Tower. The occupancy rate of Tokyo Shiodome Building after September 30, 2021, was calculated according to Note 2.

(Note 8) A master lease agreement under which rent income is linked to rents under a sublease agreement has been concluded for Sendai MT Building. The figures in brackets for the occupancy rates of the building are the occupancy rates of tenants based on the sublease agreements.

(Note 9) The agreement used for the Midosuji MTR Building is the master lease pass-through model. The figures in brackets for the occupancy rates of the building are the occupancy rates based on the sublease agreement.

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.

Disclaimer:

This report contains translations of selected information described in the Financial Release (Kessan-Tanshin) prepared under the timely-disclosure requirements of the Tokyo Stock Exchange, and portions of the Financial Statements and the Performance Information Report for the fiscal period ended February 28, 2023 from October 1, 2022 to February 28, 2023, of MORI TRUST REIT, Inc. (MTR), prepared pursuant to the Law Concerning Investment Trusts and Investment Corporations of Japan.

This English language document was prepared solely for the convenience of and reference by investors and neither corresponds to the original Japanese documents nor is intended to constitute a disclosure document. The Japanese language Kessan-Tanshin and the Financial Statements and the Performance Information Report for the aforementioned should always be referred to as originals of this document.

English terms for Japanese legal, accounting, tax and business concepts used herein may not be precisely identical to the concepts of the equivalent Japanese terms. With respect to any and all terms herein, including without limitation, financial statements, if there exist any discrepancies in the meaning or interpretation thereof between the original Japanese documents and English statements contained herein, the original Japanese documents will always govern the meaning and interpretation.

None of MTR, MORI TRUST Asset Management Co., Ltd. (MTAM) or any of their respective directors, officers, employees, partners, shareholders, agents or affiliates will be responsible or liable for the completeness, appropriateness or accuracy of English translations or the selection of the portion(s) of any document(s) translated into English. No person has been authorized to give any information or make any representations other than as contained in this document in relation to the matters set out in this document, and if given or made, such information or representation must not be relied upon as having been authorized by MTR, MTAM or any of their respective directors, officers, employees, partners, shareholders, agents or affiliates.

The financial statements are a translation of the unaudited financial statements of MTR, that were prepared in accordance with generally accepted accounting principles in Japan (Japanese GAAP) which may materially differ in certain respects from generally accepted accounting principles and practices in other jurisdictions. In preparing the financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format that is more familiar to readers outside Japan.

Certain provisions of this document contain forward-looking statements and information. We base these statements on our beliefs as well as our assumptions based solely on certain limited information currently available to us. Because these statements reflect our current views concerning future events, these statements involve known and unknown risks, uncertainties and assumptions. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements, including without limitation: the general economy, market conditions, financial markets including the performance of the real estate market, interest rate fluctuations, competition with our properties, and the impact of changing regulations or taxation.

MTR does not intend and is under no obligation to update any particular forward-looking statement included in this document. The forward-looking statements contained in this press release speak only as of the date of release, and MTR does not undertake to update those forward-looking statements to reflect events or circumstances occurring after the date of this release.

Disclaimer:

This English language document is provided as a service and is not intended to be an official statement. Should a discrepancy be found, the Japanese original will always govern the meaning and interpretation.