

REIT Securities Issuer	MORI TRUST REIT, Inc.	Stock Exchange Listing:	Tokyo Stock Exchange
Securities Code:	8961	URL: https://www.mt-reit.jp/en/	
Representative:	Hiroshi Naito, Executive Director		
Asset Management Company:	MORI TRUST Asset Management Co., Ltd.		
Representative:	Hiroshi Naito, President and Representative Director		
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Scheduled date of submission of securities report:	November 28, 2023		
Scheduled date of commencement of cash distribution payment:	November 13, 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 August 31, 2023 (from March 1, 2023 to August 31, 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 August 31, 2023	11,812	62.7	7,188	77.1	6,535	75.1	7,157	98.1
Fiscal period ended February 28, 2023	7,258	5.2	4,057	18.4	3,731	22.6	3,614	8.5

	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 August 31, 2023	2,010	3.7	1.6	55.3
Fiscal period ended February 28, 2023	1,368	2.3	1.2	51.4

(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 fiscal period ended February 28, 2023 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 February 28, 2023.

(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 August 31, 2023	1,700	6,052	—	—	84.5	1.8
Fiscal period ended February 28, 2023	2,545	3,359	—	—	92.9	2.1

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(Note1) 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). The difference between the distributions per unit and the basic earnings per unit for the fiscal period ended August 31, 2023, is a result of the reserve of the reserve for reduction entry (1,105 million yen).

(Note2) The payout ratio is rounded down to one decimal place. The payout ratio for the fiscal period ended February 28, 2023 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 August 31, 2023	473,191	232,260	49.1	65,241
Fiscal period ended February 28, 2023	322,398	158,725	49.2	60,123

(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 February 28, 2023.

(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 August 31, 2023	13,626	(29,114)	13,952	21,271
Fiscal period ended February 28, 2023	10,325	(5,331)	(7,475)	17,143

2. Forecast for the February 2024 period (September 1, 2023 to February 29, 2024) and the August 2024 period (March 1, 2024 to August 31, 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	%		
Fiscal period ending February 29, 2024	11,952	1.2	7,648	6.4	6,946	6.3	6,935	(3.1)	Yen 1,757	Yen —
Fiscal period ending August 31, 2024	10,823	(9.4)	6,506	(14.9)	5,712	(17.8)	5,701	(17.8)	Yen 1,602	Yen —

(Reference) The profit per unit forecast is 1,948 yen for the fiscal period ending February 29, 2024 and 1,601 yen for the fiscal period ending August 31, 2024.

(Note1) 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 (681 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 will be distributed.

(Note2) The distributions per unit for the fiscal period ending August 31, 2024, is calculated based on the assumption that the sum of the net income for the said period and the reversal of reserve for reduction entry (3 million yen) will be distributed.

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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. ("MTR") 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, MTR 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 MTR 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).

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.

As a result, the real estate held by MTR as of August 31, 2023, numbered 22 properties, with a total assets price of 473,191 million yen.

(ii) Investment environment and performance

During the period under review, the Japanese economy continued to pick up as restrictions on activities due to COVID-19 were further eased and consumer spending, corporate capital investment, and inbound demand all showed signs of recovery, despite a slowdown in the pace of global economic recovery and the impact of high prices.

In the real estate investment market, the willingness of domestic and foreign investors to acquire properties remains firm, despite negative factors such as rising interest rates due to global monetary tightening and the risk of economic recession. Given these conditions, sales of high-quality properties available for investment were 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 extent of the decline was smaller amid the normalization of economic activity in the post-COVID era. Vacancy rates rose slightly in some areas due to an increase in new supply, but progress was made filling vacancies at existing buildings.

Hotels continued to show a recovery trend due to an increase in the number of foreign visitors to Japan as a result of the easing of border controls from October 2022 onwards, and the expansion of domestic lodging demand following reclassification of Covid-19 as Category V Infectious Diseases under the Infectious Diseases Control Act in May 2023.

As for retail facilities, department store, supermarket, and convenience store sales exceeded the previous year's levels despite the impact of rising prices, and the overall performance was strong partly thanks to a surge in inbound demand.

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.

Under these investment conditions, during the fiscal period under review, MTR conducted the merger and took over the five hotel properties owned by MTH. In addition, MTR has tenaciously negotiated to maintain and improve occupancy rates and revise rents of the assets under management, and has carried out investment management to ensure more stable profit through the partial acquisition of Kamiyacho Trust Tower on March 1, 2023, and the partial acquisition of Sendai MT Building and the partial transfer of Shimbashi Ekimae MTR Building on August 31, 2023.

As a result, as of August 31, 2023, MTR owned 22 properties with a total book value of 450,758 million yen. The occupancy rate for the properties owned by MTR was 98.9% (97.9% (Note)) as of August 31, 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, Kioicho Building and Hiroo MTR Building promoted energy conservation at their facilities, for instance with the use of LED lighting fixtures. In addition, MTR has acquired Environmental Certification and Evaluation for twelve properties it owns and the ratio of certified properties in the portfolio, excluding land with leasehold interest, is around 57% on a number of properties basis and around 54% on a leasable area basis as of August 31, 2023. For "S: society," Based on the results of MTAM's employee satisfaction survey, an action plan has been formulated to resolve areas requiring improvement, and efforts are being made to provide a healthier and more comfortable working environment. 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.

(Note) 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.

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(iii) Financing

In the fiscal period under review, MTR assumed interest-bearing debt of 53,975 million yen (short-term loans of 5,475 million yen and long-term loans of 48,500 million yen) through the merger with MTH on March 1, 2023, and on the same day borrowed 19,500 million yen for the additional acquisition of Kamiyacho Trust Tower and expansion of cash on hand. MTR borrowed a total of 20,000 million yen for the repayment of existing borrowings of 21,475 million yen that have matured.

As a result, interest-bearing debt as of August 31, 2023 amounted to 224,500 million yen, of which long-term loans payable amounted to 200,500 million yen (including long-term loans payable of 42,500 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 August 31, 2023 was 47.4% (compared with 47.3% as of February 28, 2023).

As of August 31, 2023, MTR 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 11,812 million yen, operating income came to 7,188 million yen, ordinary income after the deduction of loan-related interest expenses from operating income came to 6,535 million yen, and net income came to 7,157 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 deduction of a portion of the reserve for reduction entry accumulated using reduction entry under the Act on Special Measures Concerning Taxation totaling 1,105 million yen which consists of 631 million yen that was previously recorded as deferred tax liabilities and was transferred to the reserve for reduction entry and 473 million yen of the reserve for reduction entry 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 1,700 yen.

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(b) Outlook for the next fiscal period

(i) Outlook for overall performance

Turning to the outlook for the Japanese economy, global monetary tightening and the situation in Ukraine continue to take their toll. Against this backdrop, weaker-than-anticipated external demand due to global slowdown and high resource prices and inflation pose downside risks to the Japanese economy. Nonetheless, Japan's economy is expected to pick up due to a continued upward trend in personal consumption on the back of rising wages and employment growth, an increase in forward-looking capital investment among businesses post COVID, and further recovery in inbound demand driven by a sense that Japan is an affordable travel destination due to a weaker yen. However, developments such as the global recession caused by monetary tightening, economic trends in China where the real estate market continues to stagnate, and financial and foreign exchange market movements continue to require attention.

In the real estate investment market, there is growing concern over interest rate hikes as a result of global monetary tightening and the risk of a global recession and the market is being negatively impacted in some respects. Nonetheless, investors in Japan and abroad continue to have a firm desire to acquire properties, partly underpinned by the relative stability of the Japanese market compared to other countries. However, given that sales of prime properties for investment are limited, 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, the downward trend in rents for office buildings is expected to slow due to continued moves to relocate to a larger space or expand office space in the same building and a recovery in demand for office buildings amid the normalization of economic activity post COVID. However, given that some newly supplied buildings in central Tokyo will be completed with large vacancies, partly due to the impact of large supply in 2023, the vacancy rate trend will continue to require close monitoring.

As for hotels, further recovery of inbound demand is expected with the lifting of the ban on group travel to Japan from China, but the trend is uncertain due to the deterioration of sentiment toward Japan triggered by the release of treated water from the Fukushima Daiichi Nuclear Power Plant. Meanwhile, both inbound demand outside of China 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.

Retail facilities are expected to recover due to an upward trend in personal consumption on the back of rising wages and employment growth and inbound demand, despite the impact of rising prices.

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 MTR, MTR 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 MTR.

However, when entering into a new lease agreement, MTR 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 MTR to maintain and improve market competitiveness and to enable management that combines asset quality, stability, and growth potential.

1. MTR 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, MTR 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, MTR 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, MTR 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.

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(iii) Investment strategy for new investment real estate

MTR'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, MTR 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 investment assets, the investment area for office buildings will primarily be central Tokyo, which has a high concentration of commerce, industry and population. However, MTR 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, MTR 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.

MTR 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.

In addition, MTR will consider diversifying lenders and issuing investment corporation bonds while focusing on its conventional, long-term relationships with financial institutions. MTR will also consider green finance (financing for projects that improve the environment) as part of our efforts to improve sustainability.

(v) Significant events after balance sheet date

Not applicable

(vi) Forecasts of performance

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

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

	Fiscal period ending February 29, 2024	Fiscal period ending August 31, 2024
Operating revenues	11,952 million yen	10,823 million yen
Operating income	7,648 million yen	6,506 million yen
Ordinary income	6,946 million yen	5,712 million yen
Net income	6,935 million yen	5,701 million yen
Distributions per unit	1,757 yen	1,602 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 February 29, 2024 are based on the assumption of internal reserves provision. The distributions for the fiscal period ending August 31, 2024 are based on the assumption of internal reserves reduction.

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

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> Fiscal period ending February 29, 2024 (September 1, 2023 through February 29, 2024, totaling 182 days) Fiscal period ending August 31, 2024 (March 1, 2024 through August 31, 2024, totaling 184 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 February 29, 2024 are reflected in the 22 properties held as of August 31, 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 August 31, 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 224,500 million yen as of 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. MTR assumes that it will appropriate funds raised through refinancing to repay loans of 33,000 million yen that will fall due during the fiscal period ending August 31, 2024.
Operating revenue	<ul style="list-style-type: none"> Rental revenues are calculated taking into account factors such as market environment, tenants' trends, and the competitiveness of properties, in addition to the lease contracts that have been concluded, to be 10,580 million yen for the fiscal period ending February 29, 2024 and 10,823 million yen for the fiscal period ending August 31, 2024. In principle, it is assumed that the properties and sections that are expected to be vacant and for which no new contracts have been concluded when the forecast was prepared will remain vacant. Based on this assumption, "Kohnan Sagami-hara-Nishi-hashimoto" (the name was changed to "Hashimoto MTR Building" on September 28, 2023) is also assumed to remain vacant in the fiscal period ending February 29, 2024 and August 31, 2024 after September 27, 2023, when the tenant will leave due to the expiration of fixed-term building lease agreement. 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 February 29, 2024: 885 million yen Variable rent in the fiscal period ending August 31, 2024: 959 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%.</p> <p>(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.</p> <p>(Reference) Minimum annual guaranteed rent (from April each year to March the following year (Note)): 882,700,000 yen</p> <p>(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 February 29, 2024: 191 million yen Variable rent in the fiscal period ending August 31, 2024: 205 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</p>

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	<p>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. $\text{Base profit} = \text{The profit that the lessee earns from operating the hotel} - \text{The expenses that the lessee incurs from operating the hotel (the lessee's insurance expenses, etc.)}$</p> <p>[Courtyard by Marriott Tokyo Station] Variable rent in the fiscal period ending February 29, 2024: 299 million yen Variable rent in the fiscal period ending August 31, 2024: 280 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 February 29, 2024: 315 million yen Variable rent in the fiscal period ending August 31, 2024: 305 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). 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): 460,000,000 yen (Note) 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.</p> <ul style="list-style-type: none"> • We estimate gain on sale of real estate of around 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..
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. • 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

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	<p>the fiscal period, and (iii) certain types of repair and maintenance expenses are not required in every fiscal period.</p> <ul style="list-style-type: none"> • We estimate property and other taxes of 1,253 million yen for the fiscal period ending February 29, 2024 and 1,271 million yen for the fiscal period ending August 31, 2024. • We estimate property management fees of 781 million yen for the fiscal period ending February 29, 2024 and 797 million yen for the fiscal period ending August 31, 2024. • We estimate depreciation of 1,013 million yen for the fiscal period ending February 29, 2024 and 1,017 million yen for the fiscal period ending August 31, 2024. • We estimate operations expenses other than leasing business expenses (asset management fees, fees for the custody of assets, administrative service fees, etc.) of 643 million yen for the fiscal period ending February 29, 2024 and 587 million yen for the fiscal period ending August 31, 2024.
Amortization of goodwill	<ul style="list-style-type: none"> • 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. Amortization expenses related to goodwill are assumed to be 15 million yen for the period ending February 29, 2024 and 15 million yen for the period ending August 31, 2024.
Non-operating expenses	<ul style="list-style-type: none"> • We estimate non-operating expenses (loan interest, investment corporation bond interest, etc.) of 701 million yen for the fiscal period ending February 29, 2024 and 794 million yen for the fiscal period ending August 31, 2024.
Distributions	<ul style="list-style-type: none"> • Distributions (distribution per unit) are calculated based on the cash distribution policy set out in MTR's Certificate of Incorporation. • On calculating the distribution for the fiscal period ending February 29, 2024, MTR assumes provision as internal reserves of a portion worth 681 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. • On calculating the distribution for the fiscal period ending August 31, 2024, MTR assumes reversal of a portion worth 3 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. • 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.

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4. FINANCIAL STATEMENTS

(1) BALANCE SHEETS

Thousands of yen

	As of February 28, 2023	As of August 31, 2023
Assets		
Current assets		
Cash and deposits	14,729,422	16,376,466
Cash and deposits in trust	2,413,662	4,894,721
Operating accounts receivable	97,513	130,318
Accounts receivable - other	28	12
Prepaid expenses	55,631	72,178
Consumption taxes refund receivable	—	130,928
Other	64,915	23,140
Total current assets	17,361,173	21,627,766
Non-current assets		
Property, plant and equipment		
Buildings	34,742,923	34,290,253
Accumulated depreciation	(18,302,773)	(18,238,814)
Buildings, net	16,440,150	16,051,438
Structures	443,960	442,844
Accumulated depreciation	(413,398)	(413,317)
Structures, net	30,561	29,526
Machinery and equipment	128,457	121,199
Accumulated depreciation	(105,502)	(85,112)
Machinery and equipment, net	22,955	36,087
Vehicles	—	194
Accumulated depreciation	—	(29)
Vehicles, net	—	165
Tools, furniture and fixtures	113,212	160,993
Accumulated depreciation	(89,644)	(95,587)
Tools, furniture and fixtures, net	23,567	65,405
Land	109,001,394	103,417,452
Buildings in trust	35,354,628	59,153,104
Accumulated depreciation	(13,931,696)	(14,654,666)
Buildings in trust, net	21,422,932	44,498,437
Structures in trust	187,941	269,320
Accumulated depreciation	(119,677)	(128,499)
Structures in trust, net	68,264	140,821
Machinery and equipment in trust	70,137	116,384
Accumulated depreciation	(10,557)	(15,541)
Machinery and equipment in trust, net	59,579	100,843
Tools, furniture and fixtures in trust	105,717	132,357
Accumulated depreciation	(72,856)	(79,447)
Tools, furniture and fixtures in trust, net	32,860	52,909
Land in trust	157,795,399	286,365,778
Total property, plant and equipment	304,897,665	450,758,867

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Thousands of yen

	As of February 28, 2023	As of August 31, 2023
Intangible assets		
Goodwill	—	613,524
Software	—	2,232
Other	240	240
Total intangible assets	240	615,997
Investments and other assets		
Guarantee deposits	10,000	20,000
Deferred tax assets		875
Long-term prepaid expenses	57,897	103,802
Other	2,815	2,815
Total investments and other assets	70,713	127,492
Total non-current assets	304,968,618	451,502,357
Deferred assets		
Investment corporation bond issuance costs	68,950	61,156
Total deferred assets	68,950	61,156
Total assets	322,398,742	473,191,280
Liabilities		
Current liabilities		
Operating accounts payable	220,285	725,716
Short-term loans payable	6,000,000	10,000,000
Current portion of investment corporation bonds	3,000,000	3,000,000
Current portion of long-term loans payable	15,000,000	42,500,000
Accounts payable – other	349,524	67,657
Accrued expenses	444,375	569,221
Dividends payable	7,955	9,387
Income taxes payable	718	10,575
Accrued consumption taxes	61,744	—
Advances received	814,808	1,251,425
Deposits received	214	38,818
Total current liabilities	25,899,627	58,172,803
Non-current liabilities		
Investment corporation bonds	11,000,000	11,000,000
Long-term loans payable	117,500,000	158,000,000
Tenant leasehold and security deposits	7,698,469	12,799,156
Tenant leasehold and security deposits in trust	943,131	959,194
Deferred tax liabilities	631,732	—
Other	—	9
Total non-current liabilities	137,773,333	182,758,360
Total liabilities	163,672,960	240,931,164
Net assets		
Unitholders' equity		
Unitholders' capital	153,990,040	153,990,040
Surplus		
Capital surplus		69,736,000
Voluntary retained earnings		

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Thousands of yen

	As of February 28, 2023	As of August 31, 2023
Reserve for reduction entry	1,121,637	1,376,341
Total voluntary retained earnings	1,121,637	1,376,341
Unappropriated retained earnings	3,614,104	7,157,734
Total surplus	4,735,741	78,270,076
Total unitholders' equity	158,725,781	232,260,116
Total net assets	158,725,781	232,260,116
Total liabilities and net assets	322,398,742	473,191,280

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

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(2) STATEMENTS OF INCOME AND RETAINED EARNINGS

For the five-month period ended February 28, 2023 and the six-month period ended August 31, 2023

	Thousands of yen	
	For the period from October 1, 2022 to February 28, 2023	For the period from March 1, 2023 to August 31, 2023
Operating revenue		
Lease business revenue	5,620,653	10,113,102
Other lease business revenue	207,435	261,802
Gain on sale of investment property	1,430,579	1,437,186
Total operating revenue	7,258,668	11,812,092
Operating expenses		
Expenses related to rent business	2,710,417	3,382,852
Asset management fee	275,258	749,387
Asset custody fee	10,829	16,155
Administrative service fees	50,842	69,609
Directors' compensations	3,000	3,600
Merger-related expenses	61,360	250,000
Amortization of goodwill	—	15,731
Other operating expenses	88,983	136,137
Total operating expenses	3,200,691	4,623,473
Operating income	4,057,976	7,188,618
Non-operating income		
Interest income	94	94
Reversal of dividends payable	647	918
Interest on tax refund	—	89
Total non-operating income	741	1,102
Non-operating expenses		
Interest expenses	291,515	594,518
Interest expenses on investment corporation bonds	24,397	38,941
Amortization of investment corporation bond issuance costs	7,679	7,794
other	3,376	12,741
Total non-operating expenses	326,968	653,996
Ordinary income	3,731,749	6,535,724
Profit before income taxes	3,731,749	6,535,724
Income taxes - current	732	10,590
Income taxes - deferred	116,912	(632,600)
Total income taxes	117,644	(622,010)
Profit	3,614,104	7,157,734
Unappropriated retained earnings	3,614,104	7,157,734

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(3) STATEMENTS OF CHANGES IN NET ASSETS

Thousands of yen

	Unitholders' equity				
	Unitholders' capital	Surplus			
		Capital surplus		Voluntary retained earnings	
		Capital surplus	Capital surplus, net	Reserve for reduction entry	Total voluntary retained earnings
Balance at beginning of current period	153,990,040	–	–	1,750,398	1,750,398
Changes of items during period					
Reversal of reserve for reduction entry				(628,761)	(628,761)
Dividends of surplus					
Profit					
Total changes of items during period	–	–	–	(628,761)	(628,761)
Balance at end of current period	153,990,040	–	–	1,121,637	1,121,637

	Unitholders' equity			Total net assets
	Surplus		Total unitholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	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	–	–	–
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	282,865	(345,895)	(345,895)	(345,895)
Balance at end of current period	3,614,104	4,735,741	158,725,781	158,725,781

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

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For the six-month period ended March 1, 2023 and August 31, 2023

Thousands of yen

	Unitholders' equity				
	Unitholders' capital	Surplus			
		Capital surplus		Voluntary retained earnings	
		Capital surplus	Capital surplus, net	Reserve for reduction entry	Total voluntary retained earnings
Balance at beginning of current period	153,990,040	—	—	1,121,637	1,121,637
Changes of items during period					
Increase by merger		69,736,000	69,736,000		
Provision of reserve for reduction entry				254,704	254,704
Dividends of surplus					
Profit					
Total changes of items during period	—	69,736,000	69,736,000	254,704	254,704
Balance at end of current period	153,990,040	69,736,000	69,736,000	1,376,341	1,376,341

	Unitholders' equity			Total net assets
	Surplus		Total unitholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	3,614,104	4,735,741	158,725,781	158,725,781
Changes of items during period				
Increase by merger		69,736,000	69,736,000	69,736,000
Provision of reserve for reduction entry	(254,704)	—	—	—
Dividends of surplus	(3,359,400)	(3,359,400)	(3,359,400)	(3,359,400)
Profit	7,157,734	7,157,734	7,157,734	7,157,734
Total changes of items during period	3,543,630	73,534,334	73,534,334	73,534,334
Balance at end of current period	7,157,734	78,270,076	232,260,116	232,260,116

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

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(4) STATEMENTS OF CASH DISTRIBUTIONS

For the six-month period ended March 1, 2023 and August 31, 2023

Unit: yen

	Fiscal Period ended February 28, 2023 (October 1, 2022 to February 28, 2023)	Fiscal Period ended August 31, 2023 (March 1, 2023 to August 31, 2023)
I. Unappropriated retained earnings	3,614,104,524	7,157,734,912
II. Distribution amount	3,359,400,000	6,052,000,000
(Distribution amount per unit)	(2,545)	(1,700)
III. Voluntary retained earnings		
Provision of reserve for reduction entry	254,704,524	1,105,734,912
IV. Retained earnings carried forward	-	-
Calculation method of distribution amount	<p>In accordance with Paragraph 1, Article 29 of the Investment Corporation's Articles 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 Articles of Incorporation.</p>	<p>In accordance with Paragraph 1, Article 29 of the Investment Corporation's Articles of Incorporation, MTR decided to distribute the total balance of unappropriated retained earnings after deducting provision of the reserve for reduction entry under the Act on Special Measures Concerning Taxation that has been recorded as deferred tax liabilities, and the reserve for reduction entry under Article 65-7 of the Act on Special Measures Concerning Taxation, the amount of which is 6,052,000,000 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 Articles of Incorporation.</p>

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(5) STATEMENTS OF CASH FLOWS

For the six-month period ended March 1, 2023 and August 31, 2023

	Thousands of yen	
	For the period from October 1, 2022 to February 28, 2023	For the period from March 1, 2023 to August 31, 2023
Cash flows from operating activities		
Profit before income taxes	3,731,749	6,535,724
Depreciation	914,440	966,640
Amortization of goodwill	—	15,731
Amortization of investment corporation bond issuance costs	7,679	7,794
Interest income	(94)	(94)
Interest expenses	315,912	633,460
Decrease (Increase) in operating accounts receivable	(19,978)	(32,805)
Increase (Decrease) in operating accounts payable	(10,954)	504,944
Decrease(increase)in consumption taxes refund receivable	—	(129,917)
Increase (Decrease) in accrued consumption taxes	(172,139)	(61,744)
Increase (Decrease) in advances received	5,584	29,598
Decrease due to sale of investment property	5,829,179	5,822,521
Other, net	73,655	(68,973)
Subtotal	10,675,035	14,252,880
Interest income received	94	94
Interest expenses paid	(348,757)	(625,255)
Income taxes paid	(881)	(1,495)
Net cash provided by operating activities	10,325,489	13,626,223
Cash flows from investing activities		
Purchase of property, plant and equipment	(16,911)	(370,239)
Purchase of property, plant and equipment in trust	(5,405,860)	(29,341,494)
Purchase of intangible assets	—	(1,334)
Repayments of tenant leasehold and security deposits	(122,170)	(186,227)
Proceeds from tenant leasehold and security deposits	184,460	772,650
Repayments of tenant leasehold and security deposits in trust	(8,391)	(7,955)
Proceeds from tenant leasehold and security deposits in trust	37,476	19,938
Net cash used in investing activities	(5,331,397)	(29,114,663)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	(1,475,000)
Proceeds from long-term loans payable	6,000,000	32,500,000
Repayments of long-term loans payable	(8,500,000)	(13,000,000)
Proceeds from issuance of investment corporation bonds	3,000,000	—
Redemption of investment corporation bonds	(4,000,000)	—
Payments for investment corporation bond issuance costs	(15,045)	(2,600)
Dividends paid	(3,960,117)	(4,069,618)
Net cash used in financing activities	(7,475,163)	13,952,781
Net increase (decrease) in cash and cash equivalents	(2,481,070)	(1,535,658)
Cash and cash equivalents at beginning of period	19,624,156	17,143,085
Increase in cash and cash equivalents resulting from merger	—	5,663,761
Cash and cash equivalents at end of period	17,143,085	21,271,188

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

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5. Reference Information

(1) Composition of assets

type	Use (Note 1)	Region	As of February 28, 2023		As of August 31, 2023	
			Total of net book value (Note 2) (Millions of yen)	Ratio to total assets (Note 3) (%)	Total of net book value (Note 2) (Millions of yen)	Ratio to total assets (Note 3) (%)
Real property	Office building	Central Tokyo (Note 4)	87,508	27.1	87,461	18.5
		Metropolitan area, ordinance-designated cities,etc. (Note 5)	6,595	2.0	6,550	1.4
	Other	—	31,414	9.7	25,530	5.4
Trust	Office building	Central Tokyo (Note 4)	107,800	33.4	131,395	27.8
		Metropolitan area, ordinance-designated cities,etc. (Note 5)	21,772	6.8	27,050	5.7
	Lodging facilities	Major cities across Japan (Note 6)	15,238	4.7	131,104	27.7
		Famous tourist sites (Note 7)	—	—	7,120	1.5
	Other	—	34,568	10.7	34,546	7.3
Subtotal			304,897	94.6	450,758	95.3
Other assets			17,501	5.4	22,432	4.7
Total			322,398	100.0	473,191	100.0

(Note 1) “The use categories are Office buildings and Lodging facilities, which are the core assets, and Other (retail facilities and residential properties). The same applies hereinafter.

(Note 2) “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 3) “Ratio to total assets” is rounded to the first decimal place.

(Note 4) “Central Tokyo” refers to Chiyoda, Chuo, Minato, Shinagawa, Shibuya and Shinjuku Wards.

(Note 5) “Other” refers to greater Tokyo (Kanagawa, Chiba and Saitama Prefectures, and the Tokyo Metropolitan Area excluding central Tokyo) and Metropolitan area, ordinance-designated cities,etc.

(Note 6) Tokyo 23 wards and ordinance-designated cities

(Note 7) Areas with attractive cultural and tourist attractions that already attract tourists or are expected to attract tourists in the future.

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(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 August 31, 2023 was 22, 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 August 31, 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

Use	Property name	Location	Area (Note 1)		Structure (Note 2) /number of Floors (Note 1)	Type of specified assets
			Land (m ²)	Building (m ²)		
Lodging facilities	Tokyo Shiodome Building (Note 3) (Note 16)	Minato-ku, Tokyo	17,847.73	191,394.06	SRC · RC · S B4/37F	Real estate
	Kamiyacho Trust Tower (Note 4) (Note 16)	Minato-ku, Tokyo	16,131.84	196,037.12	S · RC B4/37F	Real estate trust's beneficiary rights
	ON Building (Note 5) (Note 6)	Shinagawa-ku, Tokyo	10,850.67	32,812.27	S · SRC B2/21F	Real estate trust's beneficiary rights
	Kioicho Building (Note 5) (Note 7) (Note 16)	Chiyoda-ku, Tokyo	9,291.93	63,535.55	SRC · S B4/26F	Real estate trust's beneficiary rights
	Osaki MT Building (Note 6)	Shinagawa-ku, Tokyo	13,852.74	26,980.68	S · SRC B3/14F	Real estate
	Hiroo MTR Building (Note 5)	Shibuya-ku, Tokyo	1,671.79	6,709.80	SRC B1/7F	Real estate trust's beneficiary rights
	Sendai MT Building (Note 5) (Note 8)	Miyagino-ku, Sendai-shi	5,020.33	42,941.53	RC B2/18F	Real estate trust's beneficiary rights
	Midosuji MTR Building (Note 5)	Chuo-ku, Osaka City	1,560.98	15,129.16	S · SRC B2/13F	Real estate trust's beneficiary rights
	Tenjin Prime (Note 5)	Chuo-ku, Fukuoka City	1,110.73	7,722.04	S · RC B1/12F	Real estate trust's beneficiary rights
	Shin-Yokohama TECH Building (Note 9)	Kohoku-ku, Yokohama City	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	Real estate
Lodging facilities	Shangri-La Tokyo (Note 5) (Note 10)	Chiyoda-ku, Tokyo	12,026.77	180,335.11	S · SRC · RC B4/37F	Real estate trust's beneficiary rights
	Hotel Okura Kobe (Note 5)	Chuo-ku, Kobe City	30,944.44	72,246.86	SRC · S B2/35F	Real estate trust's beneficiary rights
	Hilton Odawara Resort & Spa (Note 5) (Note 11)	Odawara-shi, Kanagawa	174,566.00	50,605.67	(Main facility) S · SRC B1/12F (Bade facility) RC B1/3F (Sports facility) RC B1/2F (Chapel) S 1F	Real estate trust's beneficiary rights

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Use	Property name	Location	Area (Note 1)		Structure (Note 2) /number of Floors (Note 1)	Type of specified assets
			Land (㎡)	Building (㎡)		
Lodging facilities	Courtyard by Marriott Shin-Osaka Station (Note 5) (Note 12)	Yodogawa-ku, Osaka	2,199.34	17,002.28	S 18F	Real estate trust's beneficiary rights
	Courtyard by Marriott Tokyo Station (Note 5) (Note 13)	Chuo-ku, Tokyo	4,399.47	51,242.93	S · SRC B3/21F	Real estate trust's beneficiary rights
	Hotel Sunroute Plaza Shinjuku (Note 5)	Shibuya-ku, Tokyo	3,136.57	20,451.25	RC · S B1/14F	Real estate trust's beneficiary rights
Other	SHIBUYA FLAG (Note 5) (Note 16)	Shibuya-ku, Tokyo	1,026.44	7,766.49	S · SRC B2/9F	Real estate trust's beneficiary rights
	Shinbashi Ekimae MTR Building (Note 14)	Minato-ku, Tokyo	1,069.88	7,820.45	S · SRC · RC B2/8F	Real estate
	Ito-Yokado Shonandai	Fujisawa City, Kanagawa Prefecture	35,209.93	53,393.66	S 5F	Real estate
	Kohnan Sagami-hara-Nishihashimoto (Note 15)	Midori-ku, Sagami-hara City	19,878.57	40,283.77	S 5F	Real estate
	Frespo Inage (Note 5)	Inage-ku, Chiba City	39,556.71	—	—	Real estate trust's beneficiary rights
	Park Lane Plaza	Shibuya-ku, Tokyo	1,702.95	5,246.78	RC B1/7F	Real estate

(Note 1) "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 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 13,292.02 m². Of the said floor area for exclusive use, the 7th to 9th floors (total floor space: 11,393.16 m². The number of floors is the number of floors in the registry plus one. The same applies hereinafter unless otherwise mentioned with respect to the property) are owned solely by MTR. MTR has a one-half of the co-ownership interest in the 14th floor (floor area: 3,797.72m²). Accordingly, for said 14th floor, the floor area multiplied by MTR's co-ownership interest (1/2) (1,898.86m²) is stated as the floor area of the exclusive portion owned by MTR.

(Note 5) Of the 22 properties listed above, Kamiyacho Trust Tower, ON Building, Kioicho Building, Hiroo MTR Building, Sendai MT Building, Midosuji MTR Building, Tenjin Prime, Shangri-La Tokyo, Hotel Okura Kobe, Hilton Odawara Resort & Spa, Courtyard by Marriott Shin-Osaka Station, Courtyard by Marriott Tokyo Station, Hotel Sunroute Plaza Shinjuku, SHIBUYA FLAG and Frespo Inage 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 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 7) 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 24,598.85m².

(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 2/3 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 (181,690/300,000) is 26,006.82m².

(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 site area of Shangri-La Tokyo is the total of five parcels of land comprising the site of the building and thus includes area owned by other unit owners. This building is a unit ownership building, but the area of the entire building of MARUNOUCHI TRUST TOWER MAIN and MARUNOUCHI TRUST TOWER NORTH is stated. The floor area of the exclusive element owned by the trustee with MTR as the sole beneficiary is 22,300.31m².

(Note 11) For the site area of the Hilton Odawara Resort & Spa, the area of the entire site or land is stated. For the floor area of the Hilton Odawara Resort & Spa, the grand total of total floor area for the entire buildings of the Hilton Odawara Resort & Spa is stated. The total floor area multiplied by the quasi-co-

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ownership interest in the Hilton Odawara Resort & Spa owned by MTR (50/100) is 25,302.83m².

(Note 12) The land area of Courtyard by Marriott Shin-Osaka Station is the land area that is the site of the building in question and includes the interests of other co-owners. The building of Courtyard by Marriott Shin-Osaka Station is a co-owned building, and the area multiplied by MTR's interest (74/100) subject to the co-ownership trust beneficiary right is 12,581.68m².

(Note 13) The site area of the entire site or land of the Courtyard by Marriott Tokyo Station is stated and the co-ownership interests of other parties are included. his building is a unit ownership building, and the total floor area of the entire building of KYOBASHI TRUST TOWER is stated. The floor area of the exclusive element owned by the trustee with MTR is 5,502.63m². The total floor area multiplied by the quasi-co-ownership interest in the Courtyard by Marriott Tokyo Station owned by MTR (935/1,000) is 5,144.95m².

(Note 14) 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 one-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 (one-thirds) is 2,608.81m².

(Note 15) The name was changed to "Hashimoto MTR Building" on September 28, 2023.

(Note 16) Tokyo Shiodome Building, Kamiyacho Trust Tower and Kioicho Building are categorized as "Office building", which is the main use of the buildings, and SHIBUYA FLAG is categorized as "Other", which is the main use of the building. The grade for each accommodation is as follows.

Grade	Summary	Guest room floor area (m ²)	Guest room unit price (yen)	Property Name
Luxury	A prominent hotel chain recognized worldwide as a luxury brand	40~	40,000~	Shangri-La Tokyo
Upper upscale	A prominent hotel chain recognized worldwide as an upper upscale hotel brand	30~40	30,000~40,000	Hotel Okura Kobe
				Hilton Odawara Resort & Spa
Upscale	A branded class under the umbrella of a prominent hotel chain recognized worldwide as a luxury hotel brand.	20~30	20,000~30,000	Courtyard by Marriott Shin-Osaka Station
				Courtyard by Marriott Tokyo Station
Upper midscale	More comfortable hotel than midscale hotels, with better room size and interior design	15~20	10,000~20,000	Hotel Sunroute Plaza Shinjuku
・ Standard area and price (ADR(Note)) guidelines are defined for each grade. The guideline for prices shall be revised when deemed necessary in response to changes in market conditions and other factors.				

(Note) ADR refers to Average Daily Rate.

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Categories, prices and investment ratios of the Portfolio

Use (Note 1)	Region	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			
Office building	Central Tokyo	Tokyo Shiodome Building	82,539 (Note 5)	74,591	81,600	3.1%	3.0%	3.1%	Rich Appraisal Institute K.K.	17.6%	
		Kamiyacho Trust Tower	51,660 (Note 6)	51,507	56,400	2.5%	2.4%	2.6%	Daiwa Real Estate Appraisal Co., Ltd.	11.0%	
		ON Building	39,900	38,696	35,300	3.3%	3.0%	3.4%	Japan Real Estate Institute	8.5%	
		Kioicho Building	34,300	32,881	38,400	3.1%	2.9%	3.3%	Daiwa Real Estate Appraisal Co., Ltd.	7.3%	
		Osaki MT Building	14,386 (Note 7)	12,870	17,600	3.2%	2.9%	3.3%	Japan Real Estate Institute	3.1%	
		Hiroo MTR Building	8,100	8,309	8,420	3.6%	3.4%	3.8%	Daiwa Real Estate Appraisal Co., Ltd.	1.7%	
	Subtotal			230,885	218,857	237,720	—			49.1%	
	Metropolitan area, ordinance- designated cities,etc.	Sendai MT Building	10,533 (Note 8)	10,619	10,500	4.5%	4.3%	4.7%	Daiwa Real Estate Appraisal Co., Ltd.	2.2%	
		Midosuji MTR Building	10,170	9,819	10,700	3.5%	3.3%	3.7%	Daiwa Real Estate Appraisal Co., Ltd.	2.2%	
		Tenjin Prime	7,050 (Note 9)	6,611	10,100	3.4%	3.2%	3.5%	Japan Real Estate Institute	1.5%	
		Shin-Yokohama TECH Building	6,900	6,550	8,600	4.3%	4.1%	4.6%	Chuo-Nittochi Solutions Co., Ltd.	1.5%	
	Subtotal			34,653	33,600	39,900	—			7.4%	
	Subtotal			265,539	252,457	277,620	—			56.5%	
	Lodging facilities	Major cities across Japan	Shangri-La Tokyo	49,200	49,140	49,600	3.2%	2.9%	3.4%	Japan Real Estate Institute	10.5%
			Hotel Okura Kobe	19,000	15,182	16,900	4.9%	4.7%	5.0%	Rich Appraisal Institute K.K.	4.0%
Courtyard by Marriott Shin-Osaka Station			17,400	17,352	17,500	4.2%	3.9%	4.4%	Japan Real Estate Institute	3.7%	
Courtyard by Marriott Tokyo Station (Note 10)			17,017	16,980	17,017	3.7%	3.4%	3.9%	Japan Real Estate Institute	3.6%	
Hotel Sunroute Plaza Shinjuku			32,500	32,447	32,400	3.5%	3.3%	3.7%	Japan Real Estate Institute	6.9%	
Subtotal			135,117	131,104	133,417	—			28.7%		
Famous tourist sites		Hilton Odawara Resort & Spa (Note 11)	7,100	7,120	7,150	4.7%	4.5%	4.8%	Japan Real Estate Institute	1.5%	
Subtotal			7,100	7,120	7,150	—			1.5%		
Subtotal			142,217	138,224	140,567	—			30.2%		
Other	—	SHIBUYA FLAG	32,040	32,352	41,700	3.1%	2.9%	3.2%	Japan Real Estate Institute	6.8%	
		Shinbashi Ekimae MTR Building	6,000 (Note 12)	5,821	7,270	3.6%	3.4%	3.8%	Chuo-Nittochi Solutions Co., Ltd.	1.3%	
		Ito-Yokado Shonandai	11,600	9,587	11,700	5.3%	5.0%	5.5%	Japan Real Estate Institute	2.5%	

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Use (Note 1)	Region	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)	Discounted cash flow (DCF) method			Appraiser	Investment ratio (Note 4)
						Direct reduction method Cap rate	Discount rate	Terminal cap rate		
Other	—	Kohnan Sagamihara-Nishihashimoto	7,460	7,037	6,620	4.6%	4.0%	4.5%	Japan Real Estate Institute	1.6%
		Frespo Inage	2,100 (Note 13)	2,193	2,600	— (Note 14)	7.9%	— (Note 15)	Japan Real Estate Institute	0.4%
		Park Lane Plaza	3,200	3,083	4,330	3.3%	3.9%	3.0%	Chuo-Nittochi Solutions Co., Ltd.	0.7%
Subtotal			62,400	60,076	74,220	—				13.3%
Total			470,156	450,758	492,407	—				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 Kioicho Building are categorized as “Office building”, which is the main use of the buildings, and SHIBUYA FLAG is categorized as “Other”, 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. However, for properties owned by MTH, the appraisal value as of the end of February 2023, which is their worth at the time of merger with MTH, is shown. 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 August 31, 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 August 31, 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) and March 1, 2023 (23,700 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) Sendai MT Building will be acquired in three separate acquisitions, and the acquisition price of the Sendai MT Building stated is the total amount of the acquisition prices on February 28, 2023 (5,266 million yen) and August 31, 2023 (5,266 million yen).

(Note 9) 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 10) The acquisition prices and the appraisal value at end of period for Courtyard by Marriott Tokyo Station are the figures corresponding to MTR’s quasi co-ownership interest in the trust beneficiary right of 935/1,000.

(Note 11) The acquisition prices and the appraisal value at end of period for Hilton Odawara Resort & Spa are the figures corresponding to MTR’s quasi co-ownership interest in the trust beneficiary right of 50/100.

(Note 12) The acquisition price of Shinbashi Ekimae MTR Building stated is the amount equivalent to one-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 and one-third of the co-ownership interest was transferred on August 31, 2023.

(Note 13) 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 14) The direct capitalization method is not adopted for Frespo Inage.

(Note 15) The terminal cap rate of Frespo Inage has not been stipulated.

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

The situation of leasing of the Portfolio held by MTR as of August 31, 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 August 31, 2023 (six months from March 1, 2023 to August 31, 2023) is 2 properties, Tokyo Shiodome Building, Kioicho Building.

Situation of leasing of the Portfolio

Use	Region	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
Office building	Central Tokyo	Tokyo Shiodome Building (Note 4)	1,421	13.7%	71,806.84	71,806.84	1 (25)
		Kamiyacho Trust Tower (Note 5)	944	9.1%	13,479.44	13,479.44	1 (7)
		ON Building	(Note 6)	(Note 6)	20,654.60	20,654.60	1
		Kioicho Building (Note 7)	1,047	10.1%	24,748.48	24,228.91	41 (76)
		Osaki MT Building (Note 8)	334	3.2%	24,495.21	24,495.21	1 (16)
		Hiroo MTR Building (Note 9)	158	1.5%	4,946.36	4,571.72	8
	Metropolitan area, ordinance- designated cities, etc.	Sendai MT Building (Note 10)	216	2.1%	26,006.82	26,006.82	1 (45)
		Midosuji MTR Building (Note 11)	307	3.0%	15,129.16	15,129.16	1 (32)
		Tenjin Prime (Note 9)	255	2.5%	5,990.40	5,990.40	13
		Shin-Yokohama TECH Building	316	3.0%	18,117.03	16,142.68	20
Lodging facilities	Major cities across Japan	Shangri-La Tokyo	935	9.0%	22,755.55	22,755.55	1
		Hotel Okura Kobe	629	6.1%	72,246.86	72,246.86	1
		Courtyard by Marriott Shin-Osaka Station	296	2.9%	13,881.47	13,881.47	1
		Courtyard by Marriott Tokyo Station	278	2.7%	5,255.05	5,255.05	1
		Hotel Sunroute Plaza Shinjuku	653	6.3%	21,248.23	21,248.23	1
	Famous tourist sites	Hilton Odawara Resort & Spa	191	1.9%	25,302.83	25,302.83	1
Other	—	SHIBUYA FLAG (Note 9)	(Note 6)	(Note 6)	5,983.86	5,983.86	3
		Shinbashi Ekimae MTR Building	—	—	2,685.00	0.00	0
		Ito-Yokado Shonandai	375	3.6%	53,393.66	53,393.66	1
		Kohnan Sagamihara- Nishihashimoto	(Note 6)	(Note 6)	40,283.77	40,283.77	1
		Frespo Inage	123	1.2%	39,556.71	39,556.71	1
		Park Lane Plaza (Note 12)	107	1.0%	4,443.03	4,295.99	17
Total (Note 13)			10,374	100.0%	532,410.36	526,709.76	117 (272)

(Note 1) "Rental revenues" stated are rental revenues (rent, common charges, other rental revenues, etc.) for the fiscal period ended August 31, 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). In addition, "Rent area" is included in the rentable area and is the area that has been actually leased through the execution of lease contracts. 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 and rent area of the building (191,394.06m²). The area stated for Kamiyacho Trust Tower is the rentable area and rent area for the 7th through 9th floors (11,553.81m²), plus the rentable area and rent area for the 14th floor (3,851.27m²) multiplied by MTR's co-

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ownership interest (1/2). 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 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 (181,690/300,000). The area stated for Courtyard by Marriott Shin-Osaka Station is the rentable area and rent area of the building (18,758.75 m²) multiplied by MTR's interest (74/100) that is subject to trust beneficiary rights. The area stated for Courtyard by Marriott Tokyo Station is the rentable area and rent area (5,620.38m²) subject to trust beneficiary rights multiplied by MTR's quasi co-ownership interest (935/1,000) in the trust beneficiary rights. The area stated for Hilton Odawara Resort & Spa is the rentable area and rent area (50,605.67m²) subject to trust beneficiary rights multiplied by MTR's quasi co-ownership interest (50/100) in the trust beneficiary rights. The area of the Shinbashi Ekimae MTR Building stated is the area calculated by multiplying MTR's co-owned interest (1/3) by the total rentable area and rent area of the building (8,050.00m²).

- (Note 4) 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 5) 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 6) The "Rental revenues" and the "Ratio to total rental revenues" of the ON Building, SHIBUYA FLAG and Kohnan Sagami-hara-Nishihashimoto are not 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 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 9) MTR leases the land and building of Hiroo MTR Building, Tenjin Prime and SHIBUYA FLAG 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 10) 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 11) The agreement used for the Midotsuji 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 12) 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 13) 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 Midotsuji 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 4.

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Occupancy rate of the Portfolio

Region	Use	Property name	2023		2022		2021		2020		2019	
			End of Aug.	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.
Office building	Central Tokyo	Tokyo Shiodome Building (Note 2)	100.0 (95.8)	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
		Kamiyacho Trust Tower (Note 3)	100.0 (99.3)	100.0 (99.3)	100.0 (99.3)	100.0 (99.3)	100.0 (97.3)	—	—	—	—	—
		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 4)	97.9 (97.4)	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)
		Osaki MT Building (Note 5)	100.0 (85.2)	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)
		Hiroo MTR Building (Note 6)	92.4	92.4	100.0	87.5	87.5	100.0	100.0	100.0	100.0	100.0
	Subtotal (Note 7)		99.4 (95.9)	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)
	Metropolitan area, ordinance-designated cities, etc.	Sendai MT Building (Note 8)	100.0 (99.1)	100.0 (99.9)	—	—	—	—	—	—	—	—
		Midotsuji MTR Building (Note 9)	100.0 (100.0)	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)
		Tenjin Prime (Note 6)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Shin-Yokohama TECH Building	89.1	78.0	71.7	59.9	100.0	100.0	100.0	100.0	100.0	98.7
	Subtotal (Note 7)		97.0 (95.8)	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)
	Subtotal (Note 7)		98.7 (95.8)	97.6 (87.1)	96.6 (84.6)	95.4 (81.8)	98.4 (80.6)	98.9 (97.3)	99.9 (99.7)	99.9 (99.7)	99.9 (99.2)	99.9 (99.3)
Lodging facilities	Major cities across Japan	Shangri-La Tokyo	100.0	—	—	—	—	—	—	—	—	
		Hotel Okura Kobe	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
		Courtyard by Marriott Shin-Osaka Station	100.0	—	—	—	—	—	—	—	—	
		Courtyard by Marriott Tokyo Station	100.0	—	—	—	—	—	—	—	—	
		Hotel Sunroute Plaza Shinjuku	100.0	—	—	—	—	—	—	—	—	
	Subtotal (Note 7)		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
	Famous tourist sites	Hilton Odawara Resort & Spa	100.0	—	—	—	—	—	—	—	—	
Subtotal (Note 7)		100.0	—	—	—	—	—	—	—	—		
Subtotal (Note 7)		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
Other	—	SHIBUYA FLAG (Note 6)	100.0	100.0	100.0	100.0	92.2	92.2	100.0	100.0	100.0	
		Shinbashi Ekimae MTR Building	0.0	0.0	0.0	0.0	100.0	100.0	100.0	100.0	100.0	
		Ito-Yokado Shonandai	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
		Kohnan Sagami-hara-Nishi-hashimoto	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	
		Park Lane Plaza	96.7	96.7	96.8	100.0	100.0	95.9	100.0	92.9	95.9	
Subtotal (Note 7)		98.1	96.3	94.6	94.7	99.7	99.6	100.0	99.8	99.9		
Total (Note 7)		98.9 (97.9)	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)	

(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) 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 4) Regarding the office portion of the Kioicho Building, MTR leases the office portion of the Kioicho Building from a fiduciary trust company under a

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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 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, Tenjin Prime and SHIBUYA FLAG 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 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.

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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 August 31, 2023 from March 1, 2023 to August 31, 2023, of MORI TRUST REIT, Inc. (MTR), prepared pursuant to the Law Concerning Investment Trusts and Investment Corporations of Japan.

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