

Issuer of Real Estate Investment Trust Securities

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## MTR Announces Financial Results for the fiscal period ended March 31, 2022

**Tokyo, May 23, 2022** – Mori Trust Sogo Reit, Inc. (MTR) has announced financial results for the fiscal period ended March 31, 2022 (from October 1, 2021 to March 31, 2022).

### 1. Operational/Asset Conditions for the fiscal period ended March 31, 2022 (from October 1, 2021 to March 31, 2022)

(Amounts are rounded down to the nearest million yen)

#### (1) Operating results

(% shows change vs. previous period)

	Operating Revenues		Operating Income		Ordinary Income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal period ended March 31, 2022	8,528	(7.3)	5,042	(9.4)	4,685	(10.0)	4,537	(10.0)
Fiscal period ended September 30, 2021	9,202	4.7	5,563	1.8	5,205	1.7	5,041	(1.4)

	Basic earnings per unit	Rate of return on equity	Ordinary income to total assets ratio	Ordinary income to operating revenues ratio
	Yen	%	%	%
Fiscal period ended March 31, 2022	3,437	2.8	1.4	54.9
Fiscal period ended September 30, 2021	3,819	3.1	1.6	56.6

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## (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 March 31, 2022	3,195	4,217	—	—	92.9	2.6
Fiscal period ended September 30, 2021	3,550	4,686	—	—	92.9	2.9

(Note1) The difference between the distribution per unit and profit per unit for the fiscal period ended September 30, 2021, is a result of the reversal of the reserve for reduction entry (¥134 million) and reserve (¥490 million). The difference between the distribution per unit and profit per unit for the fiscal period ended March 31, 2022, is a result of the reversal of the reserve for reduction entry (¥134 million) and reserve (¥454 million).

(Note2) The payout ratio is rounded down to one decimal place.

## (3) Financial positions

	Total assets	Net assets	Capital adequacy ratio	Net assets per unit
	Millions of yen	Millions of yen	%	Yen
Fiscal period ended March 31, 2022	325,071	159,957	49.2	121,180
Fiscal period ended September 30, 2021	328,288	160,106	48.8	121,292

## (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 March 31, 2022	18,165	(16,448)	(5,702)	17,878
Fiscal period ended September 30, 2021	18,783	(14,385)	(7,114)	21,863

## 2. Forecast for the September 2022 period (April 1, 2022 to September 30, 2022) and the March 2023 period (October 1, 2022 to March 31, 2023)

(% shows change vs. previous period)

	Operating revenues		Operating income		Ordinary income		Profit		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 ended September 30, 2022	6,845	(19.7)	3,324	(34.1)	2,936	(37.3)	3,257	(28.2)	3,000	0
Fiscal period ended March 31, 2023	6,876	0.5	3,383	1.7	2,974	1.3	3,200	(1.7)	2,800	0

(Reference) The profit per unit forecast is ¥2,467 for the fiscal period ending September 30, 2022 and ¥2,424 for the fiscal period ending March 31, 2023.

(Note1) The distribution per unit for the fiscal period ending September 30, 2022, is calculated based on the assumption that the sum of the profit for the said period and the reversal of the reserve for reduction entry (¥702 million) will be distributed.

(Note2) The distribution per unit for the fiscal period ending March 31, 2023, is calculated based on the assumption that the sum of the profit for the said period and the reversal of the reserve for reduction entry (¥495 million) will be distributed.

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### 3. Status of Asset Management

#### (a) Summary of results for the current fiscal period

##### (i) Transition of the Investment Corporation

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) 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 March 31, 2022, numbered 16 properties, with a total assets price of ¥325,071 million.

##### (ii) Investment environment and performance

During the fiscal period under review, the Japanese economy weakened, improving initially as consumer spending recovered with the lifting of the state of emergency but stagnating again due to the implementation of a quasi-state of emergency in face of the spread of new COVID-19 variants. The economic outlook also grew more uncertain amid rising geopolitical risk, including the Ukraine crisis.

In the real estate investment market, investor confidence in Japan and abroad remained at a high level partly due to the depreciation of the yen in response to the BOJ's maintenance of its monetary easing policy and the widening Japan-US interest rate spread. Under such 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 their downward trend but the vacancy rate for office buildings rose at a slower pace, reflecting relocation to new office buildings and continued partial cancellation or relocation to smaller spaces to reduce costs, offset by a growing tendency to relocate to larger spaces or open new offices.

In the market for retail facilities, urban commercial facilities and restaurants continued to face challenging conditions under a quasi-state of emergency but the sales of food at supermarkets, housing-related products, and other goods 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.

The hotel market continues to face a challenging environment, with the spread of new variants delaying the recovery of inbound tourism despite signs of improvement in domestic tourism.

Under these investment conditions, MTR carried out investment management to ensure more stable profit by maintaining the occupancy rate of portfolio properties, purchasing part of Kamiyacho Trust Tower and selling part of Tokyo Shiodome Building as of October 1, 2021.

As a result, as of March 31, 2022, the Investment Corporation owned 16 properties with a total book value of ¥306,985 million. The occupancy rate for the properties owned by the Investment Corporation was 96.0% (90.5% (Note)) as of March 31, 2022.

MTR and the Asset Management Company 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 improvement of organizational governance in asset management operations, are essential for achieving a medium- to long-term increase in the investor value of investment corporations.

In the fiscal period under review, MTR made efforts to save energy and water at facilities in connection with "E: environment," including installing LED emergency lighting fixtures in the parking lot of Hotel Okura Kobe and installing automatic faucets on wash basins at Shin-Yokohama TECH Building. Two properties (Osaki MT Building and Shin-Yokohama TECH Building) also acquired DBJ Green Building certification for the first time, and Kamiyacho Trust Tower, in which MTR purchased real estate trust beneficiary rights in July and October 2021, acquired the highest rating of AAA in Tokyo Metropolitan Government's Energy Performance Certificate Program. As a result, MTR has acquired Environmental Certification and Evaluation for eight properties it owns as of the end of the fiscal period under review. The ratio of certified properties in the portfolio, excluding land with leasehold interest, is around 53% on a number of properties basis and around 50% on a leasable area basis. For "S: society," MTR sought to encourage initiatives promoting respect for human rights by positioning human rights initiatives as a basic

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sustainability policy and also established a human rights policy. MTR also implemented initiatives to ensure tenants' safety and security, such as continuing to place disinfectants at common areas of its properties as measures against COVID-19 and continuing to provide documents on preventive measures against infection. In addition, MTR supported the activities of Japanese Red Cross Society by placing posters on its properties to cooperate in the Red Cross promotion activities. For "G: governance," MTR implemented training and awareness-raising activities such as providing compliance training to all executives and employees on a regular basis, and sought to improve compliance awareness among employees.

MTR also conducted climate scenario analysis, identification of climate-related risks and opportunities, and assessment of their financial impact for its portfolio and sought to enhance climate-related disclosures. In conjunction with this, MTR expressed its support for the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

(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.

### **(iii) Financing**

MTR borrowed a total of ¥17,500 million for the repayment of existing borrowings that have matured. MTR issued the sixteenth and seventeenth series unsecured investment corporation bonds as outlined below to secure funds needed for the redemption of the eleventh series unsecured investment corporation bonds due in February 2022.

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

Issue amount: ¥1000 million

Interest rate: 0.110% per annum

Date of issue: February 21 2022

Redemption date: February 28 2025

Collateral: Unsecured and unguaranteed

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

Issue amount: ¥1,000 million

Interest rate: 0.500% per annum

Date of issue: February 21, 2022

Redemption date: February 27, 2032

Collateral: Unsecured and unguaranteed

As a result, interest-bearing debt as of March 31, 2022 amounted to ¥154,000 million, of which long-term loans payable amounted to ¥135,000 million (including long-term loans payable of ¥25,500 million due for repayment within 1 year) and investment corporation bonds amounted to ¥13,000 million (including investment corporation bonds of ¥4,000 million due for redemption within 1 year). The ratio of interest-bearing debt to total assets as of March 31, 2022 was 47.4% (compared with 47.2% as of September 30, 2021).

As of March 31, 2022, 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 ¥8,528 million, operating income came to ¥5,042 million, ordinary income after the deduction of loan-related interest expenses from operating income came to ¥4,685 million, and profit came to ¥4,537 million.

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 a partial reversal (¥134 million) of the reserve for reduction entry accumulated under the Special Provisions for Taxation in the Case of Advanced Acquisition of Land,

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etc. in 2009 and 2010 in Article 66-2 of the Act on Special Measures Concerning Taxation and the deduction of the reserve for reduction entry of ¥454 million 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 distribution per investment unit amounted to ¥3,195.

## **(b) Outlook for the next fiscal period**

### **(i) Outlook for overall performance**

The Japanese economy is expected to see a gradual recovery in consumer spending as the vaccine rollout and the government's economic measures lessen the impact of COVID-19. However, given the increase in geopolitical risk, including the Ukraine crisis, the depreciation of the yen, and rising prices for oil and other goods, the situation in Japan and abroad requires attention.

In the real estate investment market, 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, driven by moves to relocate to a larger space or open a new office, is expected. However, the impact of increased new supply from FY2023 needs to be monitored.

In the markets for retail facilities and hotels, conditions are likely to remain challenging in the short term owing to the delayed recovery of inbound demand. However, given that consumer spending in Japan is expected to improve, a recovery in business performance is also anticipated.

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 Investment Corporation will operate and manage real estate in accordance with the following policy to maintain and increase market competitiveness and to enable stable operation.

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 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. In the case of portfolio real estate that can be expected to achieve stable internal growth, the Investment Corporation will also incorporate agreements designed to tap into growth in income gain.
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

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information, to expand the size of its assets under management (AUM) and acquire new real estate.

1. The Investment Corporation will invest primarily in real estate in central Tokyo regardless of its use, aiming for an investment portfolio in which central Tokyo properties account for 60 -80% of total AUM. It will also invest in certain investment real estate located in other regions, such as office buildings located in areas with a high concentration of office buildings and convenient transport links and high-quality commercial facilities that are highly competitive within their trade area.
2. The Investment Corporation will invest in investment real estate intended for “office building” use, aiming to build a portfolio in which office buildings account for 70-90% of total AUM. Besides office buildings, it will also invest in commercial facilities (10-30% of total AUM) and “Others” (0-10% of total AUM). However, for the present time, it will invest only in residential properties and hotels in the “others” category.
3. The Investment Corporation’s basic strategy is to conclude medium-to-long-term lease agreements with tenants. Also, where possible, it will endeavor to conclude fixed-term building lease agreements or other agreements that take fixing the rent or lengthening the agreement period into consideration. The agreement for the lease of investment real estate may take the form of leasing the investment real estate directly to the tenant or the form of using a master lessee as an intermediary between the Investment Corporation and tenants and leasing to the master lessee. The Investment Corporation will actively examine a master lease agreement in cases where, upon consideration of factors such as the size and use of the real estate and the characteristics of tenants, this arrangement is deemed to have certain benefits.

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**(iv) Financial strategy, etc.**

The Investment Corporation will examine points such as the amounts of loans, borrowing periods and the fixation of interest rates, and work to arrive at the optimum financing balance, 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**

Not applicable

**(vi) Forecasts of performance**

The Investment Corporation forecasts that performance in the next fiscal period the fiscal period ending September 30, 2022(from April 1, 2022 to September 30, 2022) will be as follows. Assuming that the assumptions of forecasts of performance are correct, performance forecasts for the fiscal period ending March 31, 2023(from October 1, 2022 to March 31, 2023) are as follows.

Please refer to “Assumptions for Forecasts of Performance for the fiscal period ending September 30, 2022(from April 1, 2022 to September 30, 2022) and the fiscal period ending March 31, 2023(from October 1, 2022 to March 31, 2023)” below for further details of the assumptions of forecasts of performance.

	the fiscal period ending September 30, 2022	the fiscal period ending March 31, 2023
Operating revenues	¥6,845 million	¥6,876 million
Operating income	¥3,324 million	¥3,383 million
Ordinary income	¥2,936 million	¥2,974 million
Profit	¥3,257 million	¥3,200 million
Distribution per unit	¥3,000	¥2,800

(Note1 ) 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, profit, and distribution per unit, and such may differ according to circumstances occurring in the future.

(Note2 ) The distributions for the fiscal period ending September 30, 2022, and fiscal period ending March 31 2023 are based on the assumption of internal reserves reduction.

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**Assumptions for Forecasts of Performance for the Fiscal Period ending September 30, 2022 (from April 1, 2022 to September 30, 2022) and the Fiscal Period ending March 31, 2023 (from October 1, 2022 to March 31, 2023)**

Item	Assumptions
Portfolio properties	<ul style="list-style-type: none"> <li>MTR assumes that the 16 properties held as of March 31, 2022.</li> <li>The actual portfolio may change due to the acquisition or disposal/transfer of other properties.</li> </ul>
Number of investment units issued and outstanding	<ul style="list-style-type: none"> <li>We assume 1,320,000 investment units issued and outstanding as of March 31, 2022. The number of investment issued and outstanding may change, however, for reasons such as the issuance of investment units during the fiscal period.</li> </ul>
Interest-bearing debt and refinancing	<ul style="list-style-type: none"> <li>Interest-bearing debt amounted to ¥154,000 million as of March 31, 2022.</li> <li>MTR assumes that it will appropriate funds raised through refinancing and the issuance of investment corporation bonds to repay loans of ¥20,000 million that will fall due during the fiscal period ending September 30, 2022. MTR assumes that it will appropriate funds raised through refinancing and the issuance of investment corporation bonds to repay loans of ¥11,500 million that will fall due during the fiscal period ending March 31, 2023, and redeem investment corporation bonds of ¥4,000 million.</li> </ul>
Operating revenue	<ul style="list-style-type: none"> <li>Concerning leasing business revenues, we take factors such as tenant movements into consideration.</li> <li>We assume that there will be no delayed payment or non-payment by tenants.</li> <li>MTR assumes rents for the offices and stores in Tokyo Shiodome Building for the fiscal period ending September 30 2022, and the fiscal period ending March 31, 2023, to be based on sublease agreements already signed at present.</li> <li>MTR assumes that Shinbashi MTR Building will be vacant during the fiscal period ending September 30 2022, and the fiscal period ending March 31 2023.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>We estimate property and other taxes of ¥880 million for the fiscal period ending September 30 2022 and ¥878 million for the fiscal period ending March 31 2023 fiscal period.</li> <li>We estimate property management fees of ¥756 million for the fiscal period ending September 30 2022 and ¥728 million for the fiscal period ending March 31 2023.</li> <li>We estimate depreciation of ¥1,116 million for the fiscal period ending September 30 2022 and ¥1,087 million for the fiscal period ending March 31 2023.</li> <li>We estimate operations expenses other than leasing business expenses (asset management fees, fees for the custody of assets, administrative service fees, etc.) of ¥416 million for the fiscal period ending September 30 2022 and ¥417 million for the fiscal period ending March 31 2023.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>We estimate non-operating expenses (loan interest, investment corporation bond interest, etc.) of ¥388 million for the fiscal period ending September 30 2022 and ¥408 million for the fiscal period ending March 31 2023.</li> </ul>
Distributions	<ul style="list-style-type: none"> <li>Distributions (distribution per unit) are calculated based on the cash distribution policy set out in the Investment Corporation's Articles of Incorporation.</li> <li>On calculating the distribution for the fiscal period ending September 30 2022, MTR assumes reversal of a portion worth ¥1,024 million (reserve for reduction entry of ¥702 million and relevant deferred tax liabilities of ¥322 million) of the internal reserves totaling ¥2,553 million (the total of reserve for reduction entry of ¥1,750 million and relevant deferred tax liabilities of ¥803 million) to be accumulated until the fiscal period ended March 31, 2022, under the application of the Special Provisions for Taxation in the Case of Advanced Acquisition of Land, etc. in 2009 and 2010 and Special Provisions for Taxation in Cases of Repurchase of Specified Assets.</li> <li>On calculating the distribution for the fiscal period ending March 31 2023, MTR assumes reversal of a portion worth ¥722 million (reserve for reduction entry of ¥495 million and relevant deferred tax liabilities of ¥227 million) of the internal reserves totaling ¥1,528 million (the total of reserve for reduction entry of ¥1,047 million and relevant deferred tax liabilities of ¥480 million) to be accumulated until the fiscal period ending September 30 2022, under the application of the Special Provisions for Taxation in the Case of Advanced Acquisition of Land, etc. in 2009 and 2010 and Special Provisions for</li> </ul>

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	<p>Taxation in Cases of Repurchase of Specified Assets.</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>• We currently have no plans to pay cash distributions in excess of earnings (distributions in excess of earnings per unit).</li> </ul>
Others	<ul style="list-style-type: none"> <li>• 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.</li> </ul>

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## 4. FINANCIAL STATEMENTS

### (1) Balance Sheets

Thousands of yen

	As of September 30, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	18,883,962	14,680,828
Cash and deposits in trust	2,979,150	3,197,268
Operating accounts receivable	45,140	41,862
Accounts receivable - other	395	1,334
Prepaid expenses	54,831	47,914
Other	9,290	9,296
Total current assets	21,972,770	17,978,504
Non-current assets		
Property, plant and equipment		
Buildings	37,804,123	34,980,281
Accumulated depreciation	(18,705,404)	(17,770,794)
Buildings, net	19,098,719	17,209,486
Structures	507,685	443,976
Accumulated depreciation	(472,793)	(412,958)
Structures, net	34,892	31,017
Machinery and equipment	153,655	153,655
Accumulated depreciation	(122,606)	(125,012)
Machinery and equipment, net	31,048	28,642
Tools, furniture and fixtures	109,079	109,138
Accumulated depreciation	(82,993)	(85,331)
Tools, furniture and fixtures, net	26,086	23,807
Land	125,628,932	114,585,335
Buildings in trust	31,121,100	33,902,566
Accumulated depreciation	(12,126,841)	(12,761,396)
Buildings in trust, net	18,994,259	21,141,169
Structures in trust	156,605	187,292
Accumulated depreciation	(107,008)	(111,516)
Structures in trust, net	49,597	75,775
Machinery and equipment in trust	34,117	61,690
Accumulated depreciation	(4,195)	(6,234)
Machinery and equipment in trust, net	29,922	55,456
Tools, furniture and fixtures in trust	98,318	102,316
Accumulated depreciation	(61,410)	(65,339)
Tools, furniture and fixtures in trust, net	36,907	36,976
Land in trust	142,307,259	153,797,970
Total property, plant and equipment	306,237,624	306,985,638
Intangible assets		
Other	240	240
Total intangible assets	240	240

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	As of September 30, 2021	As of March 31, 2022
<b>Investments and other assets</b>		
Guarantee deposits	10,000	10,000
Long-term prepaid expenses	16,004	38,968
Other	3,208	2,815
<b>Total investments and other assets</b>	<b>29,212</b>	<b>51,783</b>
<b>Total non-current assets</b>	<b>306,267,077</b>	<b>307,037,662</b>
<b>Deferred assets</b>		
Investment corporation bond issuance costs	48,777	55,401
<b>Total deferred assets</b>	<b>48,777</b>	<b>55,401</b>
<b>Total assets</b>	<b>328,288,624</b>	<b>325,071,568</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Operating accounts payable	340,740	242,061
Short-term loans payable	6,000,000	6,000,000
Current portion of investment corporation bonds	3,000,000	4,000,000
Current portion of long-term loans payable	31,500,000	25,500,000
Accounts payable – other	95,457	110,421
Accrued expenses	518,246	429,156
Dividends payable	8,289	7,185
Income taxes payable	606	879
Accrued consumption taxes	9,626	108,676
Advances received	999,415	913,270
Deposits received	322	916
<b>Total current liabilities</b>	<b>42,472,704</b>	<b>37,312,567</b>
<b>Non-current liabilities</b>		
Investment corporation bonds	11,000,000	9,000,000
Long-term loans payable	103,500,000	109,500,000
Tenant leasehold and security deposits	9,618,022	7,565,023
Tenant leasehold and security deposits in trust	934,875	932,717
Deferred tax liabilities	656,564	803,422
<b>Total non-current liabilities</b>	<b>125,709,462</b>	<b>127,801,163</b>
<b>Total liabilities</b>	<b>168,182,166</b>	<b>165,113,730</b>
<b>Net assets</b>		
<b>Unitholders' equity</b>		
Unitholders' capital	153,990,040	153,990,040
<b>Surplus</b>		
<b>Voluntary retained earnings</b>		
Reserve for reduction entry	1,074,447	1,430,418
<b>Total voluntary retained earnings</b>	<b>1,074,447</b>	<b>1,430,418</b>
Unappropriated retained earnings	5,041,970	4,537,379
<b>Total surplus</b>	<b>6,116,418</b>	<b>5,967,798</b>
<b>Total unitholders' equity</b>	<b>160,106,458</b>	<b>159,957,838</b>
<b>Total net assets</b>	<b>160,106,458</b>	<b>159,957,838</b>
<b>Total liabilities and net assets</b>	<b>328,288,624</b>	<b>325,071,568</b>

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## (2) Statement of income

For the six-month period ended September 30, 2021 and March 31, 2022

	Thousands of yen	
	For the period from April 1, 2021 to September 30, 2021	For the period from October 1, 2021 to March 31, 2022
Operating revenue		
Lease business revenue	7,485,180	6,739,063
Other lease business revenue	283,283	337,252
Gain on sale of investment property	1,433,905	1,452,077
<b>Total operating revenue</b>	<b>9,202,368</b>	<b>8,528,392</b>
Operating expenses		
Expenses related to rent business	3,152,474	3,025,005
Asset management fee	335,797	329,091
Asset custody fee	12,893	13,102
Administrative service fees	58,358	45,869
Directors' compensations	3,600	3,600
Other operating expenses	75,764	69,376
<b>Total operating expenses</b>	<b>3,638,888</b>	<b>3,486,044</b>
Operating income	5,563,480	5,042,348
Non-operating income		
Interest income	107	104
Reversal of dividends payable	782	753
Interest on refund	-	110
<b>Total non-operating income</b>	<b>890</b>	<b>969</b>
Non-operating expenses		
Interest expenses	325,876	325,041
Interest expenses on investment corporation bonds	22,802	22,833
Amortization of investment corporation bond issuance costs	9,146	8,933
other	1,071	1,374
<b>Total non-operating expenses</b>	<b>358,895</b>	<b>358,184</b>
Ordinary income	5,205,474	4,685,132
Profit before income taxes	5,205,474	4,685,132
Income taxes - current	623	895
Income taxes - deferred	163,408	146,858
<b>Total income taxes</b>	<b>164,031</b>	<b>147,753</b>
<b>Profit</b>	<b>5,041,443</b>	<b>4,537,379</b>
Retained earnings at beginning of period	527	-
<b>Unappropriated retained earnings</b>	<b>5,041,970</b>	<b>4,537,379</b>

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### (3) Statement of changes in Net Assets

For the six-month period from April 1, 2021 to September 30, 2021

Thousands of yen

	Unitholders' equity						Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	
		Reserve for reduction entry	Total voluntary retained earnings	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	153,990,040	1,074,447	1,074,447	5,115,527	6,189,975	160,180,015	160,180,015
Changes of items during period							
Dividends of surplus				(5,115,000)	(5,115,000)	(5,115,000)	(5,115,000)
Profit				5,041,443	5,041,443	5,041,443	5,041,443
Total changes of items during period	—	—	—	(73,556)	(73,556)	(73,556)	(73,556)
Balance at end of current period	153,990,040	1,074,447	1,074,447	5,041,970	6,116,418	160,106,458	160,106,458

For the six-month period from October 1, 2021 to March 31, 2022

Thousands of yen

	Unitholders' equity						Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	
		Reserve for reduction entry	Total voluntary retained earnings	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	153,990,040	1,074,447	1,074,447	5,041,970	6,116,418	160,106,458	160,106,458
Changes of items during period							
Provision of reserve for reduction entry		490,085	490,085	(490,085)	—	—	—
Reversal of reserve for reduction entry		(134,114)	(134,114)	134,114	—	—	—
Dividends of surplus				(4,686,000)	(4,686,000)	(4,686,000)	(4,686,000)
Profit				4,537,379	4,537,379	4,537,379	4,537,379
Total changes of items during period	—	355,970	355,970	(504,591)	(148,620)	(148,620)	(148,620)
Balance at end of current period	153,990,040	1,430,418	1,430,418	4,537,379	5,967,798	159,957,838	159,957,838

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#### (4) Statement of Cash Distributions

For the six-month period ended September 30, 2021 and March 31, 2022

Unit: yen

	The Fiscal Period ended September 30, 2021 (April 1, 2021 to September 30, 2021)	The Fiscal Period ended March 31, 2022 (October 1, 2021 to March 31, 2022)
I. Unappropriated retained earnings	5,041,970,716	4,537,379,582
II. Reversal of voluntary retained earnings		
Reversal of reserve for reduction entry	134,114,736	134,114,736
III. Distribution amount	4,686,000,000	4,217,400,000
(Distribution amount per unit)	(3,550)	(3,195)
IV. Voluntary retained earnings		
Provision of reserve for reduction entry	490,085,452	454,094,318
V. Retained earnings carried forward	—	—
Calculation method of distribution amount	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 adding the reversal of the reserve for reduction entry under Article 66-2 of the Act on Special Measures Concerning Taxation and deducting provision of the reserve for reduction entry under Article 66-7 of the Act on Special Measures Concerning Taxation, the amount of which is 4,686,000,000 yen.  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.	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 adding the reversal of the reserve for reduction entry under Article 66-2 of the Act on Special Measures Concerning Taxation and 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 4,217,400,000 yen.  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.

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## (5) Statement of cash flows

For the six-month period ended September 30, 2021 and March 31, 2022

	Thousands of yen	
	For the period from April 1, 2021 to September 30, 2021	For the period from October 1, 2021 to March 31, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	5,205,474	4,685,132
Depreciation	1,113,968	1,125,735
Amortization of investment corporation bond issuance costs	9,146	8,933
Interest income	(107)	(104)
Interest expenses	348,678	347,875
Decrease (Increase) in operating accounts receivable	(1,727)	(522)
Increase (Decrease) in operating accounts payable	69,932	(80,181)
Increase (Decrease) in accrued consumption taxes	(187,887)	99,050
Increase (Decrease) in advances received	(10,782)	(86,145)
Decrease due to sale of investment property	12,538,270	12,520,098
Other, net	53,598	(106,676)
Subtotal	19,138,564	18,513,195
Interest income received	107	104
Interest expenses paid	(353,821)	(346,685)
Income taxes paid	(972)	(622)
Net cash provided by operating activities	18,783,877	18,165,991
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(263,209)	(34,126)
Purchase of property, plant and equipment in trust	(14,180,295)	(14,344,757)
Repayments of tenant leasehold and security deposits	(195,043)	(2,385,217)
Proceeds from tenant leasehold and security deposits	250,001	326,611
Repayments of tenant leasehold and security deposits in trust	(55,395)	(16,369)
Proceeds from tenant leasehold and security deposits in trust	57,831	5,120
Other	393	393
Net cash used in investing activities	(14,385,718)	(16,448,345)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(4,000,000)	-
Proceeds from long-term loans payable	14,000,000	14,500,000
Repayments of long-term loans payable	(12,000,000)	(14,500,000)
Proceeds from issuance of investment corporation bonds	-	2,000,000
Redemption of investment corporation bonds	-	(3,000,000)
Payments for investment corporation bond issuance costs	-	(15,558)
Dividends paid	(5,114,632)	(4,687,104)
Net cash used in financing activities	(7,114,632)	(5,072,662)
Net increase (decrease) in cash and cash equivalents	(2,716,473)	(3,985,015)
Cash and cash equivalents at beginning of period	24,579,586	21,863,112
Cash and cash equivalents at end of period	21,863,112	17,878,096

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## 5. Reference Information

### (1) Composition of assets

type	Region	As of September 30, 2021		As of March 31, 2022	
		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)	121,134	36.9	108,338	33.3
	Other (Note 4)	23,685	7.2	23,540	7.2
Trust	Central Tokyo (Note 3)	126,922	38.7	140,752	43.3
	Other (Note 4)	34,495	10.5	34,355	10.6
Subtotal		306,237	93.3	306,985	94.4
Other assets		22,051	6.7	18,085	5.6
Total		328,288	100.0	325,071	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.

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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 March 31, 2022 was 16, 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 March 31, 2022 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
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 8)	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	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 Sagami-hara-Nishihashimoto	5-4-4 Nishihashimoto, Midori-ku, Sagami-hara 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 the 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, the Tokyo Shiodome Building is a co-owned building, and the floor area of 71,806.84m<sup>2</sup> 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 the ON Building is the total area (10,850.67m<sup>2</sup>) 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 the Osaki MT Building. As a result, the 3 sections of land in question (total area of 10,850.67m<sup>2</sup>) are stated separately as part of the land area of the Osaki MT Building and the land area of the 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 2,880.79m<sup>2</sup>) are solely owned by MTR. As for one section of land (area of 121.28m<sup>2</sup>), MTR owns a co-owned interest of 1/5 and, as for the 3 sections of land (total area of 10,850.67m<sup>2</sup>), MTR owns a co-owned interest of 159,861/1,000,000. In addition, the Osaki MT Building is a co-owned building, and the floor area of 24,495.21m<sup>2</sup> is calculated by multiplying MTR's co-owned interest (ratio

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of 907,880/1,000,000) by the total floor space.

- (Note 5) Of the 16 properties listed above, the ON Building, the Kioicho Building, Kamiyacho Trust Tower, the Midosuji MTR Building, Hiroo MTR 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 the 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 7,433.52m<sup>2</sup>) 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 m<sup>2</sup>.
- (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 m<sup>2</sup>.
- (Note 8) The Shin-Yokohama TECH Building is real estate that is comprised of two buildings, A-Wing and B-Wing, and the site for the buildings.

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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	Discount rate		
Central Tokyo	Office building	Tokyo Shiodome Building	82,539 (Note 5)	75,045	81,400	3.3%	3.2%	3.3%	Rich Appraisal Institute K.K.	25.4%	
		ON Building	39,900	38,898	35,100	3.4%	3.1%	3.5%	Japan Real Estate Institute	12.3%	
		Kioicho Building	34,300	33,080	38,000	3.2%	3.0%	3.4%	Daiwa Real Estate Appraisal Co., Ltd.	10.6%	
		Kamiyacho Trust Tower	27,960 (Note 6)	28,018	31,100	2.6%	2.5%	2.7%	Daiwa Real Estate Appraisal Co., Ltd.	8.6%	
		Osaki MT Building	14,386 (Note 7)	12,924	17,000	3.3%	3.0%	3.4%	Japan Real Estate Institute	4.4%	
		Hiroo MTR Building	8,100	8,338	8,440	3.6%	3.4%	3.8%	Daiwa Real Estate Appraisal Co., Ltd.	2.5%	
	Subtotal		207,185	196,305	211,040	—				63.8%	
	Retail facility	SHIBUYA FLAG	32,040	32,416	40,700	3.2%	3.0%	3.4%	Japan Real Estate Institute	9.9%	
		Shinbashi Ekimae MTR Building	18,000	17,257	21,800	3.6%	3.4%	3.8%	Chuo-Nittochi Solutions Co., Ltd.	5.5%	
	Subtotal		50,040	49,674	62,500	—				15.4%	
	Other	Park Lane Plaza	3,200	3,110	4,210	3.3%	4.0%	3.0%	Chuo-Nittochi Solutions Co., Ltd.	1.0%	
	Subtotal		3,200	3,110	4,210	—				1.0%	
Subtotal		260,425	249,090	277,750	—				80.2%		
Other	Office building	Midosuji MTR Building	10,170	9,907	10,500	3.6%	3.4%	3.8%	Daiwa Real Estate Appraisal Co., Ltd.	3.1%	
		Tenjin Prime	7,050 (Note 8)	6,690	9,680	3.7%	3.5%	3.8%	Japan Real Estate Institute	2.2%	
		Shin-Yokohama TECH Building	6,900	6,719	8,170	4.6%	4.4%	4.9%	Chuo-Nittochi Solutions Co., Ltd.	2.1%	
	Subtotal		24,120	23,317	28,350	—				7.4%	
	Retail facility	Ito-Yokado Shonandai	11,600	9,725	11,700	5.3%	5.0%	5.5%	Japan Real Estate Institute	3.6%	
		Kohnan Sagami-hara-Nishihashimoto	7,460	7,095	8,500	5.2%	4.9%	5.4%	Japan Real Estate Institute	2.3%	
		Frespo Inage	2,100 (Note 9)	2,193	2,610	— (Note 10)	7.9%	— (Note 11)	Japan Real Estate Institute	0.6%	
	Subtotal		21,160	19,013	22,810	—				6.5%	
Other	Hotel Okura Kobe	19,000	15,564	16,900	4.9%	4.7%	5.0%	Rich Appraisal Institute K.K.	5.9%		
Subtotal		19,000	15,564	16,900	—				5.9%		
Subtotal		64,280	57,895	68,060	—				19.8%		
Total		324,705	306,985	345,810	—				100.0%		

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

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- (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 March 31, 2022) 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 March 31, 2022, out of ¥110,000 million, 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 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 9) 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 10) The direct capitalization method is not adopted for Frespo Inage.
- (Note 11) 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 March 31, 2022 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 March 31, 2022 (six months from October 1, 2021 to March 31, 2022) 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 <sup>2</sup> )	Rent area (Note 4)(m <sup>2</sup> )	Total number of tenants
Central Tokyo	Office building	Tokyo Shiodome Building (Note 5)	878	12.4%	71,806.84	71,806.84	1 (12)
		ON Building	(Note 6)	(Note 6)	20,654.60	20,654.60	1
		Kioicho Building (Note 7)	982	13.9%	24,748.48	23,822.44	37 (71)
		Kamiyacho Trust Tower (Note 8)	533	7.5%	7,702.54	7,702.54	1 (7)
		Osaki MT Building (Note 9)	340	4.8%	24,495.21	24,495.21	1 (13)
		Hiroo MTR Building (Note 10)	177	2.5%	4,946.36	4,329.33	8
	Retail Facility	SHIBUYA FLAG (Note 10)	(Note 6)	(Note 6)	5,983.86	5,983.86	3
		Shinbashi Ekimae MTR Building	308	4.4%	8,055.00	0.00	0
	Other	Park Lane Plaza (Note 11)	109	1.5%	4,443.03	4,443.03	18
Other	Office building	Midosuji MTR Building (Note 12)	318	4.5%	15,129.16	15,129.16	1 (32)
		Tenjin Prime (Note 10)	254	3.6%	5,990.40	5,990.40	14
		Shin-Yokohama TECH Building	265	3.8%	18,238.86	10,923.95	14
	Retail facility	Ito-Yokado Shonandai	375	5.3%	53,393.66	53,393.66	1
		Kohnan Sagamihara- Nishihashimoto	(Note 6)	(Note 6)	40,283.77	40,283.77	1
		Frespo Inage	123	1.7%	39,556.71	39,556.71	1
	Other	Hotel Okura Kobe	618	8.7%	72,246.86	72,246.86	1
Total (Note 13)			7,076	100.0%	417,675.34	400,762.36	103 (197)

(Note 1) "Rental revenues" stated are rental revenues (rent, common charges, other rental revenues, etc.) for the fiscal period ended March 31, 2022 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 (191,394.06m<sup>2</sup>). 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 (26,980.68m<sup>2</sup>).

(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 (191,394.06m<sup>2</sup>). 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 rent area of the building (26,980.68m<sup>2</sup>).

(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 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

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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 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 the 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) 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 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, 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.

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Occupancy rate of the Portfolio

Region	Use	Property name	2022	2021		2020		2019		2018		2017
			End of Mar.	End of Sep.	End of Mar.	End of Sep.	End of Mar.	End of Sep.	End of Sep.	End of Mar.	End of Sep.	End of Sep.
Central Tokyo	Office building	Tokyo Shiodome Building (Note 2)	100.0 (61.3)	100.0 (53.5)	100.0	100.0	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)	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)	99.9 (98.7)	99.9 (98.1)
		Kamiyacho Trust Tower (Note 4)	100.0 (99.3)	100.0 (97.3)	—	—	—	—	—	—	—	—
		Osaki MT Building (Note 5)	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)	100.0 (92.7)	100.0 (92.7)
		Hiroo MTR Building (Note 6)	87.5	87.5	100.0	100.0	100.0	100.0	100.0	100.0	84.2	99.5
	Subtotal (Note 7)		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)	99.9 (99.1)	99.9 (99.0)
	Retail facility	SHIBUYA FLAG (Note 6)	100.0	92.2	92.2	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Shinbashi Ekimae MTR Building	0.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Subtotal		42.6	96.7	96.7	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Other	Park Lane Plaza	100.0	100.0	95.9	100.0	92.9	95.9	100.0	100.0	96.8	100.0
	Subtotal		100.0	100.0	95.9	100.0	92.9	95.9	100.0	100.0	96.8	100.0
Subtotal (Note 7)			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)	99.9 (99.2)	99.9 (99.1)
Other	Office building	Midosuji MTR Building (Note 8)	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)	100.0 (100.0)	100.0 (95.5)
		Tenjin Prime (Note 6)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	89.1	100.0	100.0
		Shin-Yokohama TECH Building	59.9	100.0	100.0	100.0	100.0	100.0	98.7	98.7	95.7	92.6
	Subtotal (Note 7)		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)	98.0 (97.7)	96.6 (94.7)
	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 Sagami-hara-Nishi-hashimoto	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)			97.0 (96.9)	100.0 (100.0)	100.0 (99.8)	100.0 (99.9)	100.0 (100.0)	100.0 (99.9)	99.9 (99.9)	99.6 (99.5)	99.7 (99.7)	99.4 (99.2)
Total (Note 7)			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)	99.8 (99.5)	99.7 (99.2)

(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 the 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

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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) 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 March 31, 2022 from October 1, 2021 to March 31, 2022, of MORI TRUST Sogo Reit, Inc. (MTR), prepared pursuant to the Law Concerning Investment Trusts and Investment Corporations of Japan.

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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.

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