



MORI TRUST Sogo Reit, Inc.

(Securities Code: 8961)

<http://www.mt-reit.jp/en/>

Fiscal Period Ended September 2017 (31st Fiscal Period)
Information Package

(Asset Management Company)

MORI TRUST Asset Management Co., LTD.

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Cover picture: Kioicho Building

Disclaimer:

This document is intended to provide information about the business performance and strategies of MORI TRUST Sogo Reit, Inc. (MTR). It is not intended and should not be construed as an inducement or invitation to purchase or invest in the products or investment units of MTR. We caution readers to contact their securities company representative if intending to acquire or sell any of MTR's investment products or investment units, and to undertake investment decisions subject to individual determination. Statements in this document that are not historical facts are "forward-looking statements." While MTR takes all reasonable care in the preparation of this document, it does not guarantee the accuracy and completeness of its content. Readers are also cautioned that the contents of this document may be changed or deleted without prior notice.

1. Overview of the Settlement and Forecasts



Settlement Highlights

Fiscal period ended September 2017 distribution

¥4,964

(up ¥1,361 vs. the fiscal period ended March 2017,
up ¥64 vs. the forecast)

Of the gains on sale of Ito-Yokado Shin-Urayasu (¥2.81 billion),
¥720 million is retained internally and the remaining (¥2.08 billion)
is distributed.

¥1,580 per unit

(September 30, 2017)

Asset

Number of property: 14 properties

(down 1 property from the end of the previous fiscal period)

Asset size (Note 1): ¥315.9 billion

(down ¥12.1 billion from the end of the previous fiscal period)

Occupancy rate (Note 2): 99.7%

(down 0.3% from the end of the previous fiscal period)

(99.2%) (down 0.3% from the end of the previous fiscal period)

Appraisal values of portfolio properties at the fiscal period end:

¥336.5 billion (down ¥1.2 billion from the end of the previous fiscal period)

(up ¥7.7 billion from the end of the previous fiscal period other than the properties sold)

Unrealized profit: ¥33.0 billion

(up ¥10.8 billion from the end of the previous fiscal period)

Investment ratio: (by area) **Tokyo metropolitan area 79.7%**

(up 2.6% from the end of the previous fiscal period)

(by use) **Office building 70.4%**

(up 3.0% from the end of the previous fiscal period)

Debt

Balance of interest-bearing debt: ¥152.0 billion

(down ¥7.5 billion from the end of the previous fiscal period)

Average interest rate for borrowings during fiscal period:

0.64% (down 0.02% year on year)

LTV: 46.4% (down 1.5% from the end of the previous fiscal period)

Long-term rating of issuers: AA (stable)

/ Japan Credit Rating Agency, Ltd. JCR

Equity

Number of units issued: 1,320,000 units

(the same as the end of the previous fiscal period)

NAV per unit: ¥147,523

(up 7.3% from the end of the previous fiscal period)

Investment unit price: ¥168,400

(closing price on September 29, 2017)

(Note 1) Total acquisition price

(Note 2) The occupancy rate in parentheses shows the occupancy rate calculated based on the occupancy rate under the sublease contract for properties governed by the master lease contract or pass-through type master lease contract in which rent revenues are linked to rent under a sublease contract.

Forecast Distribution

Utilizing internal reserves, stable distribution will be maintained.

Forecast distribution for the fiscal period ending March 2018

¥3,650 (down ¥1,314 vs. the fiscal period ended September 2017)

Although this forecast is the same as the previous one, the internal reserves reduction is reduced (from ¥290 million -> ¥210 million)

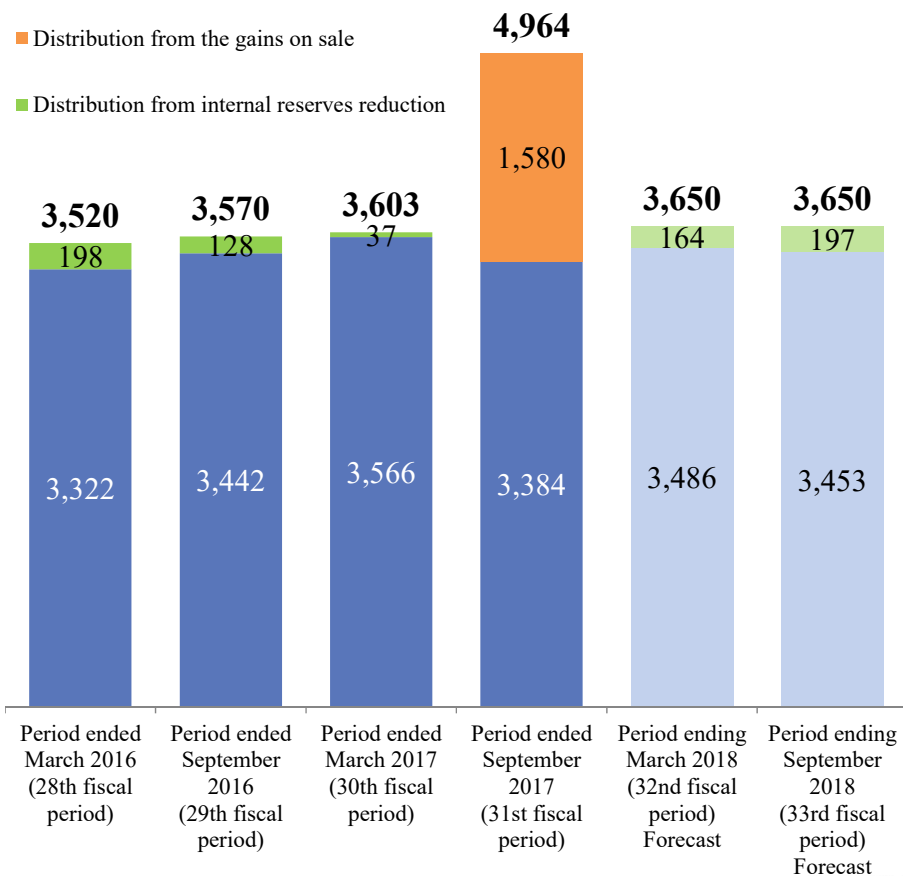
Forecast distribution for the fiscal period ending September 2018

¥3,650

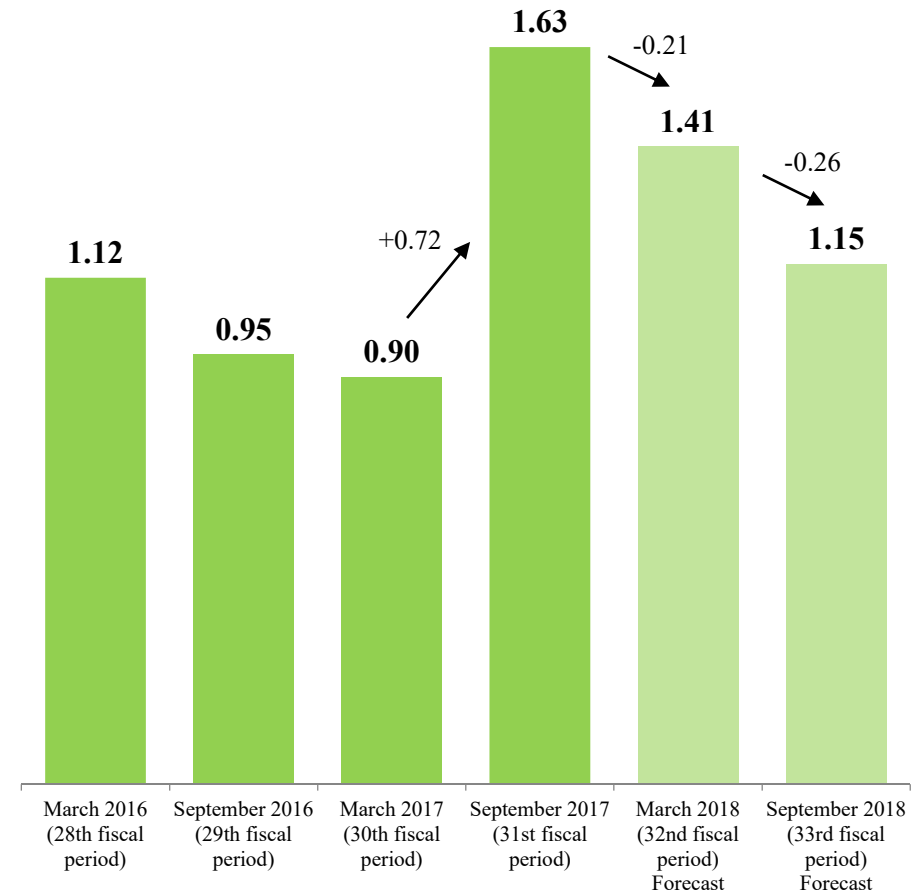
(same as the forecast for the fiscal period ending March 2018)

An internal reserves reduction (¥260 million) is expected.

Distribution Per Unit (Yen)



Changes in Internal Reserve Balance (Billion yen)



Overview of the Settlement for the Fiscal Period Ended September 2017

Results for the fiscal period ended September 2017

(Unit: Million yen)

	Period ended March 2017 Actual (30th fiscal period) (A)	Period ended September 2017 Actual (31st fiscal period) (B)	Change (B-A)
Operating revenues	8,869	11,606	2,737
Rental revenues (a)	8,869	8,793	-75
Gain on sale of real estate	—	2,813	2,813
Operating expenses	3,636	3,812	176
Property-related expenses (b)	3,195	3,285	89
Property and other taxes	920	928	8
Overhead expenses	880	982	101
Depreciation (c)	1,394	1,373	-20
Selling, general and administrative expenses	440	527	87
Profits and losses from real estate business (d)=(a)-(b)	5,673	5,508	-165
Earnings before depreciation and amortization (NOI) (d)+(c)	7,067	6,882	-185
Operating income	5,233	7,794	2,560
Non-operating revenues	4	1	-3
Non-operating expenses	530	515	-14
Ordinary income	4,707	7,280	2,572
Profit before income taxes	4,707	7,280	2,572
Income taxes - current	0	1	0
Income taxes - deferred (*)	-15	229	245
Profit	4,722	7,049	2,327
Reversal of reserves for reduction entry (*)	33	—	-33
Provision of reserves for reduction entry (*)	—	497	497
Total distribution	4,755	6,552	1,796
Distribution per unit (yen)	3,603	4,964	1,361
Total number of outstanding investment units	1,320,000	1,320,000	—

Internal reserves (*)

	Period ended March 2017	Period ended September 2017	(Change)
(Amount of reduction)	¥49 million	—	-¥49 million
(Amount of provision)	—	¥726 million	+¥726 million
(Amount of change)			+¥776 million

Main factors for change (vs. the fiscal period ended March 2017)

(Unit: Million yen)

Operating revenues

- Increase in revenues from Kioicho Building 129
- Decrease in revenues upon sale of IY Shin-Urayasu (for two months) -128
- Decrease in revenues during the construction work for increasing the value of Shin-Yokohama TECH Building (vacation of some tenants) -105
- Posting of capital gain on IY Shin-Urayasu 2,813

Operating expenses

- Increase in repair expenses 105
- Increase in management fees (sale of IY Shin-Urayasu, etc.) 39
- Posting of expenses related to the general meeting of investors 15

Non-operating expenses

- Decrease in interest expenses -14

(Reference) Comparison with forecast for the fiscal period ended September 2017

(Unit: Million yen)

	Period ended September 2017		Change (B-C)
	Forecast (C)	Actual (B)	
Operating revenues	11,575	11,606	30
Operating income	7,715	7,794	78
Ordinary income	7,189	7,280	91
Profit	6,961	7,049	88
Total distribution	6,468	6,552	84
Distribution per unit (yen)	4,900	4,964	64
Total number of outstanding investment units	1,320,000	1,320,000	—

Note: The forecast for the fiscal period ended September 2017 is the forecast made upon announcement of financial results for the fiscal period ended March 2017.

Main factors for change

(Unit: Million yen)

Operating revenues

- Effect of upward revision of rent, etc. 25

Operating expenses

- Decrease in repair expenses -19

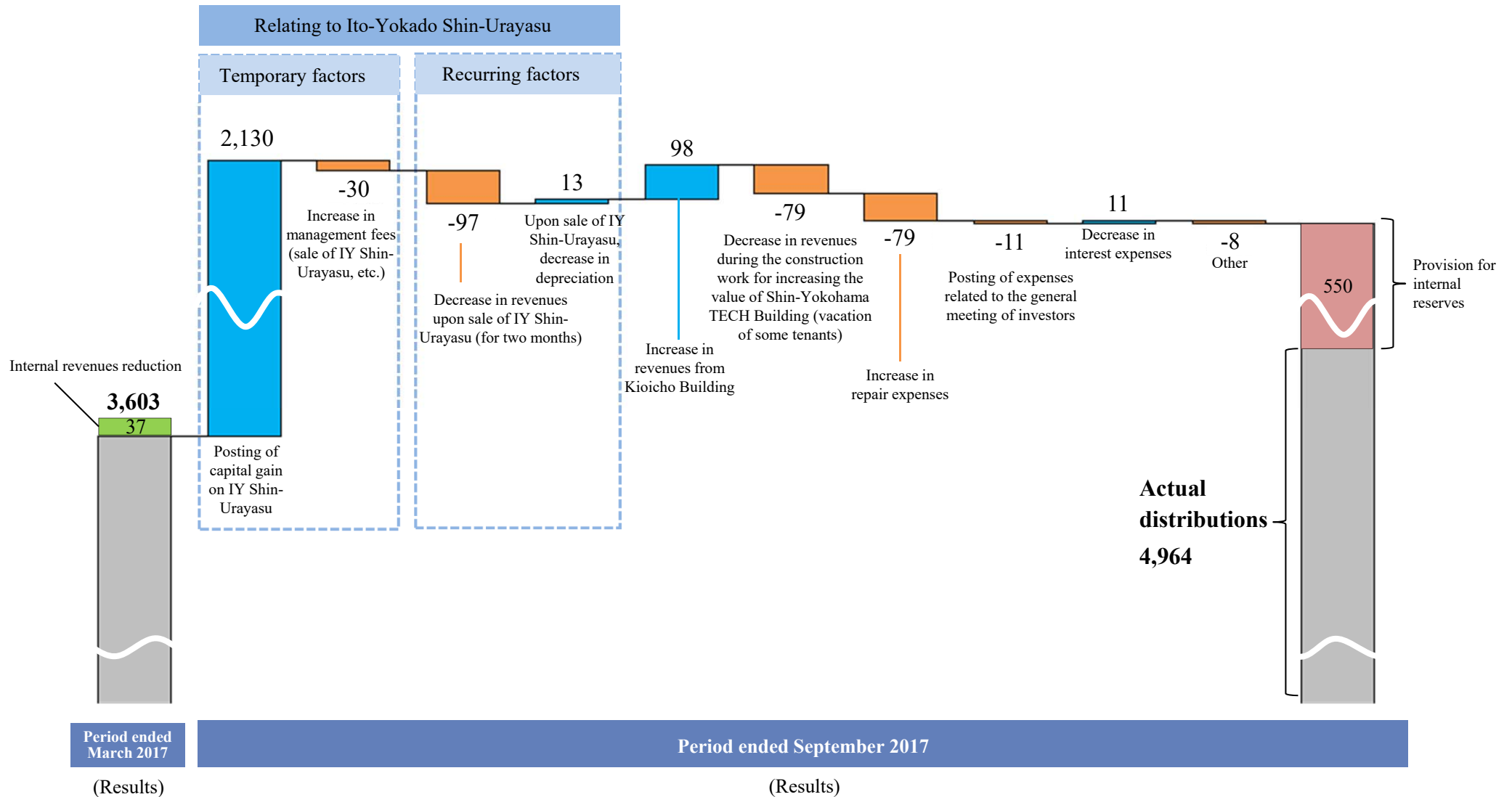
Non-operating expenses

- Decrease in interest expenses -12

Factors for Change in Distributions per Unit (the fiscal period ended September 2017)

Comparison with the actual results for the fiscal period ended March 2017 (up ¥1,361)

(Unit: Yen)



Forecasts for the Fiscal Period ending March 2018 and the Fiscal Period ending September 2018

Fiscal Period Ended September 2017 (31st Fiscal Period) Information Package

1. Overview of the Settlement and Forecasts

Forecasts for the fiscal period ending March 2018 (Unit: Million yen)

	Period ended September 2017 Actual (31st fiscal period) (A)	Period ending March 2018 Forecast (32nd fiscal period) (B)	Change (B-A)
Operating revenues	11,606	8,538	-3,068
Rental revenues (a)	8,793	8,538	-255
Gain on sale of real estate	2,813	—	-2,813
Operating expenses	3,812	3,450	-361
Property-related expenses (b)	3,285	3,008	-277
Property and other taxes	928	876	-51
Overhead expenses	982	849	-132
Depreciation (c)	1,373	1,281	-92
Selling, general and administrative expenses	527	442	-84
Profits and losses from real estate business (d)=(a)-(b)	5,508	5,529	21
Earnings before depreciation and amortization (NOI) (d)+(c)	6,882	6,811	-70
Operating income	7,794	5,087	-2,706
Non-operating revenues	1	1	-0
Non-operating expenses	515	485	-30
Ordinary income	7,280	4,603	-2,676
Profit before income taxes	7,280	4,603	-2,676
Income taxes - current	1	1	-0
Income taxes - deferred (*)	229	-68	-298
Profit	7,049	4,671	-2,378
Reversal of reserves for reduction entry (*)	—	148	148
Provision of reserves for reduction entry (*)	497	—	-497
Total distribution	6,552	4,818	-1,734
Distribution per unit (yen)	4,964	3,650	-1,314
Total number of outstanding investment units	1,320,000	1,320,000	—

Internal reserves (*)

	Period ended September 2017	Period ending March 2018	(Change)
(Amount of reduction)	—	¥216 million	+¥216 million
(Amount of provision)	¥726 million	—	-¥726 million
(Amount of change)			-¥943 million

Main factors for change (vs. the fiscal period ended September 2017)

(Unit: Million yen)

Operating revenues	
● Increase in revenues from Shin-Yokohama TECH Building	27
● Decrease in revenues upon sale of IY Shin-Urayasu (for four months)	-250
● Absence of capital gain for IY Shin-Urayasu	-2,813
Operating expenses	
● Absence of fixed asset and city planning taxes upon sale of IY Shin-Urayasu	-50
● Decrease in repair expenses	-113
● Decrease in depreciation	-92
● Decrease in management fees (sale of IY Shin-Urayasu, etc.)	-41
● Absence of expenses related to the general meeting of investors	-15
Non-operating expenses	
● Decrease in interest expenses	-30

Forecasts for the fiscal period ending September 2018 (Unit: Million yen)

	Period ending March 2018 Forecast (32nd fiscal period) (B)	Period ending September 2018 Forecast (33rd fiscal period) (C)	Change (C-B)
Operating revenues	8,538	8,551	13
Operating income	5,087	5,033	-53
Ordinary income	4,603	4,559	-44
Profit	4,671	4,640	-30
Total distribution	4,818	4,818	—
Distribution per unit (yen)	3,650	3,650	—
Total number of outstanding investment units	1,320,000	1,320,000	—

Main factors for change

(Unit: Million yen)

Operating revenues	
● Increase in revenues from Shin-Yokohama TECH Building	18
Operating expenses	
● Increase in fixed asset and city planning taxes	40
● Increase in repair expenses	17
Non-operating expenses	
● Decrease in interest expenses	-9

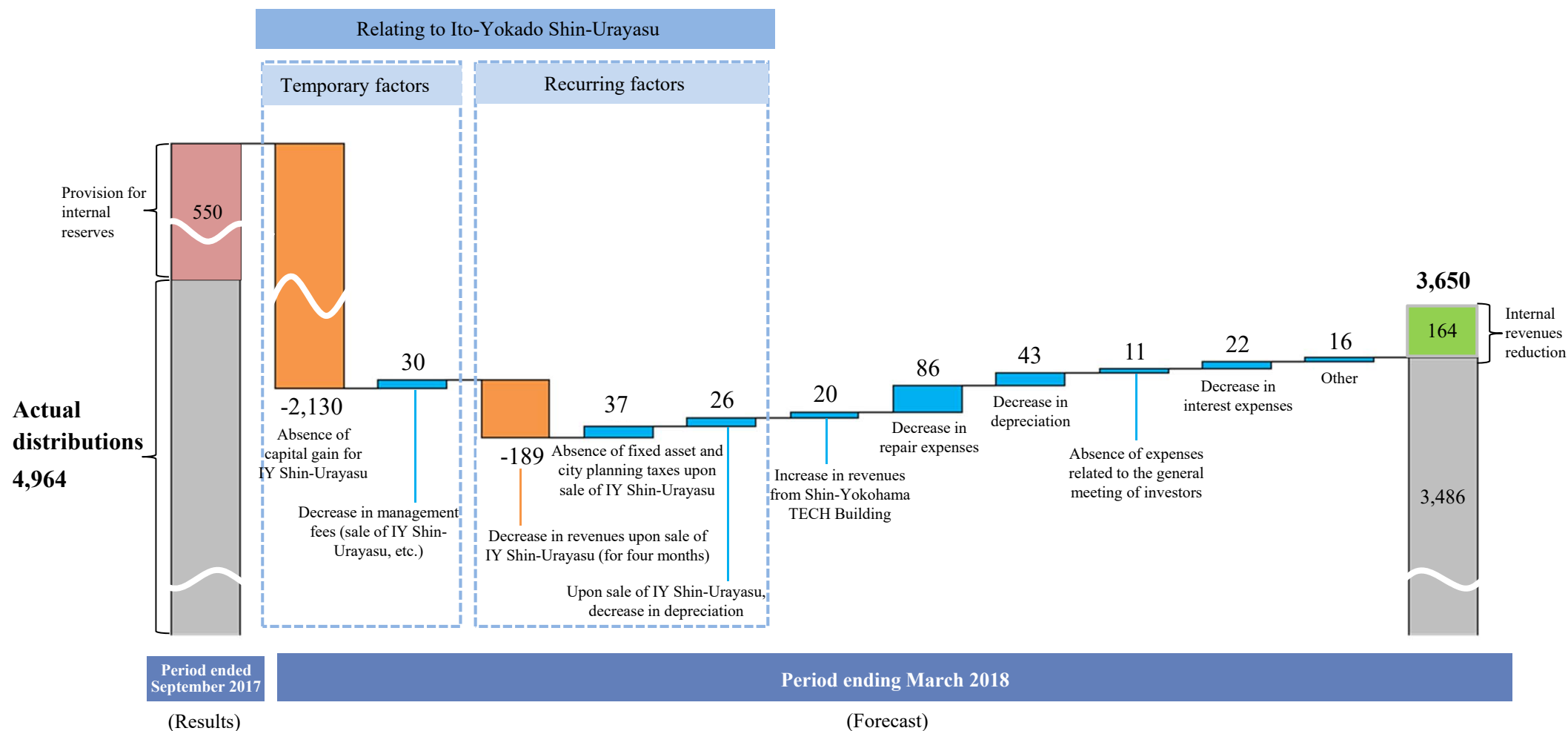
Note: Forecasts for the fiscal period ending March 2018 and the fiscal period ending September 2018 are currently calculated based on certain assumptions. According to change in the circumstances, the actual operating revenue, operating income, ordinary income, profit, distribution per unit, etc. may differ from the forecasts. Those forecasted figures are not guaranteed.

Factors for Change in Distributions per Unit (the fiscal period ending March 2018)

Comparison with the actual results for the fiscal period ended September 2017 (down ¥1,314)

(Unit: Yen)

Substantial increase of ¥73 except for the temporary factors relating to Ito-Yokado Shin-Urayasu



2. Portfolio Operations Data



Investment Strategy after Sale of Ito-Yokado Shin-Urayasu

According to the investment strategy focusing on quality (location, sense of grade), investments are made into the properties which produce stable revenues with flexibility in scale, etc. to improve the quality of portfolio and increase the earning capacity.

Environment recognition

Tokyo metropolitan area

- Under the intensifying competition in acquisition of properties, the real estate price generally rises.
Limited opportunity to invest in good properties, especially large buildings

Major local cities

- Brisk demand for investment spreads to the major local cities.
The market for real estate investment is brisk.

Investment strategy

Main investments are large office buildings in the Tokyo metropolitan area which are the core assets of the portfolio.

Also considering the current market environment, the activities to acquire properties are proceeded with according to the policy described below.

- **Maximum utilization of unutilized capacity to acquire properties shall be taken into consideration.**
- **Investment in medium-scale buildings in the Tokyo metropolitan area shall be actively considered to increase investment opportunities.**
- **To supplement the yield, investment in properties which produce stable revenues, located in the major local cities where the yield is relatively higher than that in the Tokyo metropolitan area shall be sought.**
(Also to diversify risks, control of the investment scale per property shall be considered.)



(Summary of the sale of Ito-Yokado Shin-Urayasu)

Date of sale	31-Jul-17
Sale price	14,250 million yen
Book value	11,245 million yen (as of March 31, 2017)
Appraised value	8,940 million yen (as of March 31, 2017)
Capital gain	About 2.8 billion yen

Unutilized capacity to acquire properties

- Approximately 30 billion yen (on the condition that the maximum LTV is 50%.

Effective use of funds on hand before acquisition of properties

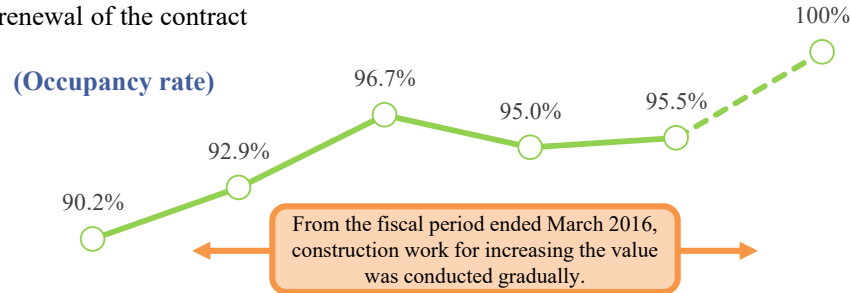
- Repayment of 7.5 billion yen in total in August and September 2017

Constructions work for increasing value to maintain and increase occupancy rate

Midosuji MTR Building

Construction work for increasing the value of the common area has been conducted gradually since the fiscal period ended March 2016. Work on all standard floors will be completed in the current fiscal period.

Contribution to maintenance and increase of the occupancy rate and upward revision at the time of renewal of the contract



(Note) Occupancy rate under the sublease contract

September 30, 2015 (End of 27th fiscal period)	March 31, 2016 (End of 28th fiscal period)	September 30, 2016 (End of 29th fiscal period)	March 31, 2017 (End of 30th fiscal period)	September 30, 2017 (End of 31st fiscal period)	Estimate at the end of November 2017
90.2%	92.9%	96.7%	95.0%	95.5%	100%

(Note) The occupancy rate at the end of November 2017 is an estimate based on the lease contract, etc. executed by the end of October 2017.

(Construction works for increasing the value of the common area)

Elevator hall



(Before the work)



(After the work)

Toilet



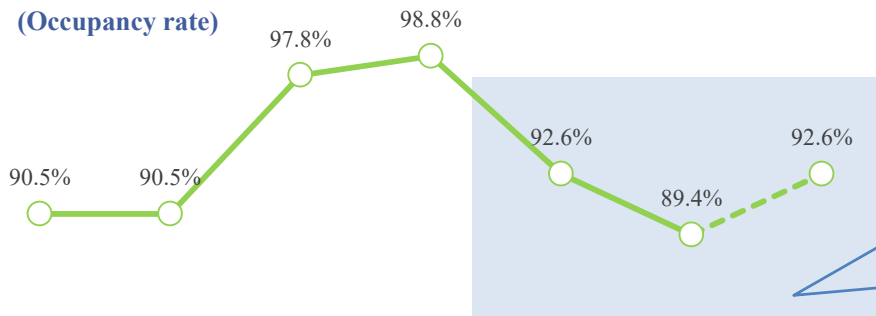
(Before the work)



(After the work)

Shin-Yokohama TECH Building

Some main tenants left due to restructuring within their group but a stable occupancy rate was maintained thanks to the construction work for increasing the value of the property



(Relations with the existing tenants)

Success in capturing the demands for relocation from other bases of main tenants

(Invitation of new tenants)

New tenants moved in some areas from which the main tenants left.



Introduction of LED lighting

September 30, 2015 (End of 27th fiscal period)	March 31, 2016 (End of 28th fiscal period)	September 30, 2016 (End of 29th fiscal period)	March 31, 2017 (End of 30th fiscal period)	September 30, 2017 (End of 31st fiscal period)	October 31, 2017	Estimate at the end of November 2017
90.5%	90.5%	97.8%	98.8%	92.6%	89.4%	92.6%

(Note) The occupancy rate at the end of December 2017 is an estimate based on the lease contract, etc. executed by the end of October 2017.



State of upward revision of rent and efforts to reduce costs

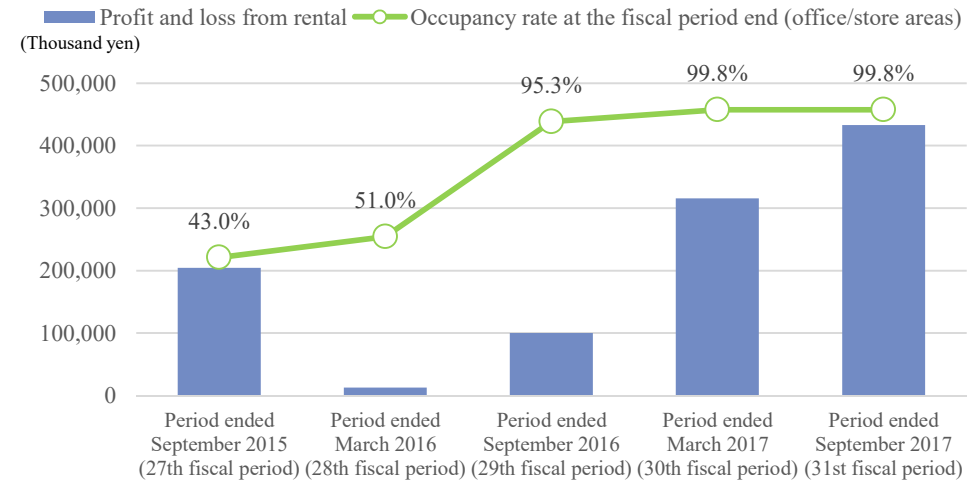
Kioicho Building

- The occupancy rate and profit and loss of rental which dropped after vacation of the main tenants have steadily recovered.
- An upward revision of rent at the time of renewal of the contract shall be requested from tenants whose rent is lower than the prevailing rent in invitations of new tenants to the said property.

Rental market in the Tokyo metropolitan area

- The market continues to improve with strong demand.
- Partly due to the smooth invitation of tenants for new buildings, vacancy rates are gradually falling and rent levels are on a gradual rise.

(Change in profit and loss of rental and the occupancy rate of office/store areas at the fiscal period end)



Hotel Okura Kobe

- Revision to the rent under the terms and conditions of the lease contract

Revenue increase of about ¥12 million per fiscal period

Rental revenues

Period ended March 2017 ¥628 million ▶ Period ended September 2017 ¥640 million

Efforts to reduce costs

For the current fiscal period, the contract for 4 properties is changed to power producer and suppliers (PPS). In addition, for the following fiscal period, the existing contract for electricity for 1 property will be reviewed to reduce electricity charges.

A reduction of about 13% is expected based on a trial calculation.

Park Lane Plaza

- Revenues increased with the increase in the unit price of rents upon replacement of tenants and renewal of contracts.
The unit price of rents will increase continuously.

The average unit price of rents for residential areas at the end of the current fiscal period increased about 10% compared to the end of the fiscal period ended September 2015.

Overview of the Appraisal Values of Portfolio Properties at Fiscal Period End

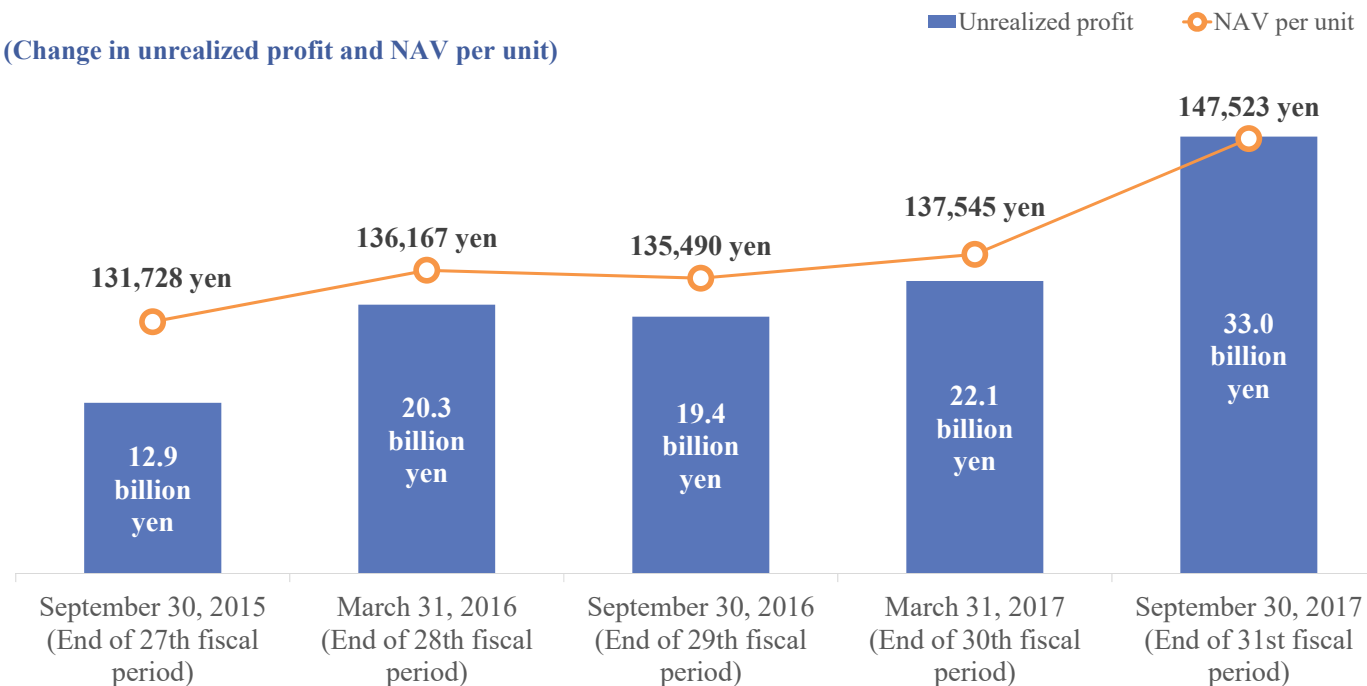
Due to the increase in the appraisal values of portfolio properties at the fiscal period end, etc., unrealized profit is ¥33.0 billion (up ¥10.8 billion from the previous period).

State of appraisal values of portfolio properties at the fiscal period end

	March 31, 2017 (End of 30th fiscal period)	September 30, 2017 (End of 31st fiscal period)	Change
Number of properties	15	14	-1
Appraisal Value at the Fiscal Period-End	337.8 billion yen	336.5 billion yen	-1.2 billion yen
Book Value at the Fiscal Period-End	315.6 billion yen	303.4 billion yen	-12.1 billion yen
Unrealized profit	22.1 billion yen	33.0 billion yen	10.8 billion yen
Rate of unrealized profit	7.0%	10.9%	3.9%

Upon sale of Ito-Yokado Shin-Urayasu
Elimination of latent loss ¥2.3 billion
Decrease in the book value of the existing properties at the fiscal period end ¥0.8 billion
Increase in the fiscal-period-end appraisal values of portfolio properties held at the fiscal period end ¥7.7 billion
¥10.8 billion

(Change in unrealized profit and NAV per unit)



Appraisal Values of Portfolio Properties at the Fiscal Period-End

2. Portfolio Operations Data

Use	Name	Construction completion	Acquisition date	Acquisition price	End-of-period book value		End-of-period appraisal value			Direct reduction method			Discounted cash flow (DCF) method		Appraiser (Note 4)
					Period ended March 2017	Period ended September 2017	Period ended March 2017	Period ended September 2017	Difference	Cap rate		Comparison with the previous fiscal period	Discount rate	Terminal cap rate	
										Period ended March 2017	Period ended September 2017				
Office Buildings	Tokyo Shiodome Building	Jan. 2005	Apr. 2010	110,000	104,333	103,825	125,000	128,000	3,000	3.7%	3.6%	-0.1%	3.6%	3.8%	Rich Appraisal
	ON Building	Nov. 1990	Aug. 2008	39,900	39,592	39,528	29,900	30,700	800	4.0%	3.9%	-0.1%	3.6%	4.1%	Japan Real Estate
	Kioicho Building	Nov. 1989	Oct. 2014	34,300	34,112	33,925	35,600	36,600	1,000	3.4%	3.3%	-0.1%	3.1%	3.5%	Daiwa Real Estate
	Osaki MT Building	Jul. 1994	Mar. 2005 and other	14,386	13,379	13,324	12,700	13,000	300	3.9%	3.8%	-0.1%	3.5%	4.0%	Japan Real Estate
	Midosuji MTR Building	Mar. 1999	Apr. 2015	10,170	10,235	10,213	10,200	10,200	—	3.9%	3.8%	-0.1%	3.6%	4.0%	Daiwa Real Estate
	Tenjin Prime	Oct. 2008	Jul. 2012	6,940	6,749	6,723	8,640	8,810	170	4.4%	4.3%	-0.1%	4.0%	4.5%	Japan Real Estate
	Shin-Yokohama TECH Building	Feb. 1986 and other	Nov. 2003	6,900	6,564	6,777	5,020	5,500	480	5.3%	5.2%	-0.1%	5.0%	5.5%	Nippon Tochi-Tatemono
Retail Facilities	SHIBUYA FLAG	Aug. 2009	Apr. 2013	32,040	32,634	32,614	38,100	39,200	1,100	3.4%	3.3%	-0.1%	3.1%	3.5%	Japan Real Estate
	Shinbashi Ekimae MTR Building	Apr. 1999	Apr. 2007	18,000	17,433	17,411	20,900	20,900	—	4.0%	4.0%	—	3.8%	4.2%	Nippon Tochi-Tatemono
	Ito-Yokado Shin-Urayasu (Note 1)	Sep. 2000	Jul. 2004	—	11,245	—	8,940	—	-8,940	5.8%	—	—	—	—	—
	Ito-Yokado Shonandai	Nov. 2002	Mar. 2003	11,600	9,933	9,923	12,400	12,400	—	5.3%	5.3%	—	5.0%	5.5%	Japan Real Estate
	Kohnan Sagamihara-Nishihashimoto	Aug. 2005	Oct. 2012	7,460	7,456	7,418	8,320	8,470	150	5.4%	5.3%	-0.1%	5.0%	5.5%	Japan Real Estate
	Frespo Inage	—	Mar. 2002	2,100	2,193	2,193	2,650	2,650	—	—(Note 2)	—(Note 2)	—	8.0%	—(Note 3)	Japan Real Estate
Hotel	Hotel Okura Kobe	Mar. 1989	Sep. 2006	19,000	16,551	16,427	16,200	16,700	500	4.9%	4.9%	—	4.7%	5.0%	Rich Appraisal
Residential	Park Lane Plaza	Jun. 1988	Dec. 2004	3,200	3,198	3,189	3,240	3,440	200	4.1%	3.9%	-0.2%	4.4%	3.6%	Nippon Tochi-Tatemono

	Acquisition price	End-of-period book value		End-of-period appraisal value			Difference		
		Period ended March 2017	Period ended September 2017	Period ended March 2017	Period ended September 2017	Difference	Period ended March 2017	Period ended September 2017	Difference
Total	315,996	315,614	303,497	337,810	336,570	-1,240	22,195	33,072	10,876

(Note 1) MTR sold the Ito-Yokado Shin-Urayasu store on July 31, 2017.

(Note 2) For Frespo Inage, the direct reduction method is not adopted.

(Note 3) For Frespo Inage, the cap rate and the terminal cap rate have not been established.

(Note 4) Richi Appraisal: Richi Appraisal Institute, Japan Real Estate: Japan Real Estate Institute, Daiwa Real Estate: Daiwa Real Estate Appraisal Co., Ltd., Nippon Tochi-Tatemono: Nippon Tochi-Tatemono Co., Ltd.

Overview of Occupancy Rate and Lease Contracts at the Fiscal Period-End

Use	Name	Occupancy rate	Total number of tenants	Major tenant/master lessee			
				Type of lease contract		Lease contract expiry	
Office Buildings	Tokyo Shiodome Building	100%	1	Mori Trust Co., Ltd.	Master lease	Fixed-term building lease	(Offices/retailers) April 12, 2020 (Hotel) December 31, 2035
	ON Building	100%	1	Kobe Steel Ltd.	Direct lease	Building lease	March 31, 2019
	Kioicho Building (Note 1)	99.9% (98.1%)	38 (69)	—	—	—	—
	Osaki MT Building (Note 2)	100% (92.7%)	1 (12)	Mori Trust Co., Ltd.	Master lease	Fixed-term building lease	March 31, 2019
	Midosuji MTR Building (Note 3)	100% (95.5%)	1 (30)	Japan Property Solutions Co., Ltd.	Master lease	Building lease	March 31, 2018
	Tenjin Prime (Note 4)	100%	15	Sumitomo Mitsui Banking Corporation	Direct lease (Note 4)	Fixed-term building lease	October 31, 2018
	Shin-Yokohama TECH Building	92.6%	8	Fujitsu Co., Ltd.	Direct lease	Building lease	September 30, 2018
Retail Facilities	SHIBUYA FLAG (Note 4)	100%	3	H&M Hennes & Mauritz Japan KK	Direct lease (Note 4)	Undisclosed (Note 5)	Undisclosed (Note 5)
	Shinbashi Ekimae MTR Building	100%	1	Yamada Denki Co., Ltd.	Direct lease	Building lease	May 31, 2019
	Ito-Yokado Shonandai	100%	1	Ito-Yokado Co., Ltd.	Master lease	Building lease	November 20, 2022 (No cancellation prior to November 20, 2017)
	Kohnan Sagami-hara-Nishihashimoto	100%	1	Kohnan Shoji Co., Ltd.	Master lease	Fixed-term building lease	September 27, 2023
	Frespo Inage	100%	1	Daiwa Lease Co, Ltd.	Direct lease	Land lease	December 2, 2027
Hotel	Hotel Okura Kobe	100%	1	Hotel Okura Kobe	Direct lease	Fixed-term building lease	March 31, 2022
Residential	Park Lane Plaza	100%	18	—	—	—	—
Total (Note 6)		99.7% (99.2%)	91 (162)				

(Note 1) 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 rate and the total number of tenants 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 rate and the total number of tenants are the occupancy rate and the total number of tenants based on the sublease agreements of the office and residential portions of the building.

(Note 2) 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 occupancy rate and the total number of tenants of the building is the occupancy rate and total number of tenants based on the sublease agreement.

(Note 3) The agreement used for the Midosuji MTR Building is the master lease pass-through model. The figure in brackets for the occupancy rate and the number of tenants of the building is the occupancy rate and the total number of tenants based on the sublease agreement.

(Note 4) MTR leases the land and building of Tenjin Prime and SHIBUYA FLAG from a fiduciary trust company under a master lease agreement and subleases it to tenants. The occupancy rate and the total number of tenants of the above properties are those under the sublease agreements. The type of lease contract with major tenants is based on the sublease agreements.

(Note 5) Lease contract expiry is not shown, as consent from tenants has not been obtained.

(Note 6) The occupancy rate and the total number of tenants in brackets is the total that was calculated based on the occupancy rate and the total number of tenants in the sublease agreements for Kioicho Building, Osaki MT Building and the Midosuji MTR Building.

Acquisition of GRESB Real Estate Assessment

Upon the first participation in the GRESB Real Estate Assessment in 2017, we received high recognition for our environmental and sustainability initiatives, which were deemed superior both in terms of "management and policy" and "implementation and measurement." The highest assessment "Green Star" was awarded.

Assessment

(Highest assessment)

Green Star



[Points in assessment]

- Measurement and management of energy consumption and CO2 emissions of all properties held
- Establishment of policy for sustainability
- Acquisition of certificate of DBJ Green Building
- Efforts to disclose information regarding sustainability

<What is GRESB Real Estate Assessment?>

GRESB (Global Real Estate Sustainability Benchmark) was founded under the leadership of the European pension funds group in 2009. GRESB is the annual benchmark assessment which measures consideration to the environment, society and governance (ESG) in the real estate sector. It is used in the selection of investments by major institutional investors of Europe, America and Asia, among other occasions.

(Other initiatives relating to ESG)

■ Acquisition of the certificate of DBJ Green Building

Tokyo Shiodome Building, one of the properties held by the Investment Corporation, acquired the certificate of DBJ Green Building for 2016. It was assessed as a building with extremely superior "consideration to the environment and society" (assessment rank: 4).



■ Consideration to the environment and activities for contribution to the society

The Investment Corporation and the asset management company, MORI TRUST Asset Management Co., Ltd., implements various initiatives as part of activities to consider the environment and contribute to the society.

(Participation in local cleaning activities)



Around Shibuya Flag and the Shibuya Station

(Installation of bicycles for the community)



Kioicho Building

3. Financial Operations Data



Interest-Bearing Liabilities and Rating

Repayment of loans with a part of the proceeds from the sale of Ito-Yokado Shin-Urayasu to save costs (¥7.5 billion)

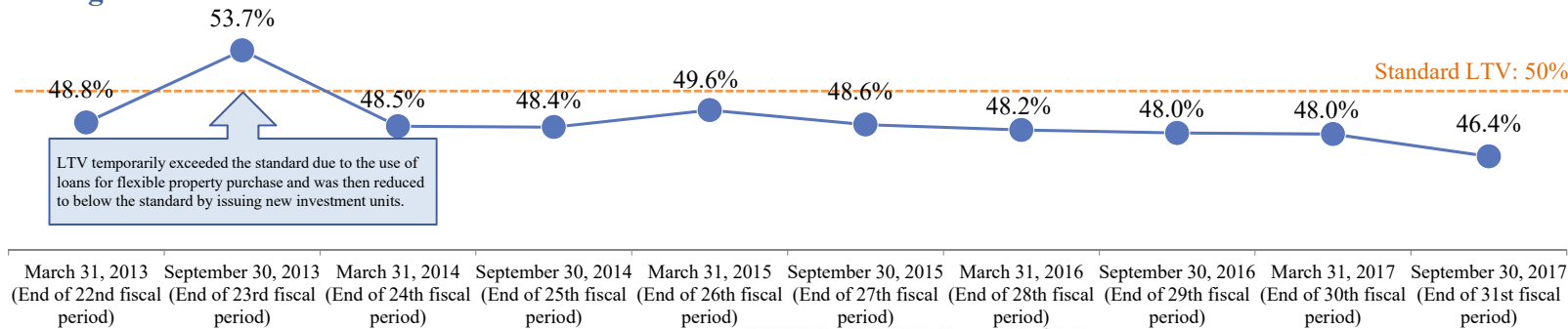
Interest-bearing liabilities

	(Million yen)		
	March 31, 2017 (End of the 30th fiscal period)	September 30, 2017 (End of the 31st fiscal period)	Change
Total interest-bearing liabilities	159,500	152,000	-7,500
Short-term loans	6,000	5,500	-500
Long-term loans (including long-term loans due within one year)	140,500	133,500	-7,000
Investment corporation bonds (including investment corporation bonds due within one year)	13,000	13,000	-0
LTV (Loan To Value ratio)	48.0%	46.4%	-1.5%
Long-term interest-bearing liabilities ratio (including loans expected to be repaid or redeemed within one year)	96.2%	96.4%	0.1%
Fixed interest-bearing liabilities ratio	96.2%	96.4%	0.1%
Average interest for borrowings during fiscal period	0.65%	0.64%	-0.02%
Short-term loans	0.16%	0.16%	-
Long-term loans and investment corporation bonds	0.67%	0.66%	-0.02%
Average duration of interest-bearing liabilities	2.7 years	2.7 years	0.0 years

Rating

Rating agency	Japan Credit Rating Agency, Ltd. (JCR)
Liabilities rated	Long-Term Issuer Rating
Rating (outlook)	AA (stable)

Changes in LTV



Breakdown of interest-bearing liabilities (as of the end of September 2017)

Classification	Lender	Balance of borrowings	(%)
Loans	Mizuho Bank, Ltd.	27,000	17.8%
	Sumitomo Mitsui Banking Corporation	27,000	17.8%
	Sumitomo Mitsui Trust Bank, Limited.	17,000	11.2%
	Mitsubishi UFJ Trust and Banking Corporation	16,000	10.5%
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	15,500	10.2%
	Development Bank of Japan Inc.	12,500	8.2%
	The Bank of Fukuoka, Ltd.	5,500	3.6%
	Aozora Bank, Ltd.	4,500	3.0%
	Resona Bank, Limited	4,500	3.0%
	ORIX Bank Corporation	3,000	2.0%
	Nippon Life Insurance Company	2,000	1.3%
	The Hachijuni Bank, Ltd.	1,000	0.7%
	Mizuho Trust & Banking Co., Ltd.	1,000	0.7%
	The Ashikaga Bank, Ltd.	1,000	0.7%
	The Dai-ichi Life Insurance Company, Limited	500	0.3%
	The Nishi-Nippon City Bank, Ltd.	500	0.3%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	500	0.3%	
	Subtotal	139,000	91.4%
Investment corporation bonds		13,000	8.6%
	Total	152,000	100.0%

Reduced the cost of financing using favorable financing condition

Results of loans for the fiscal period under review

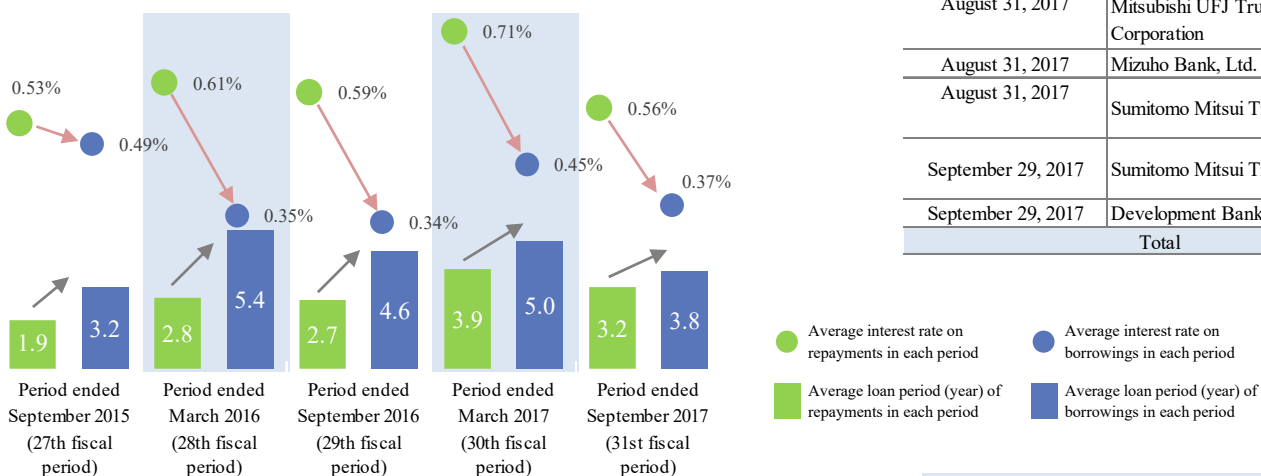
Repayment summary		Borrowing summary	
Total amount	25.0 billion yen	Total amount	17.5 billion yen
Average loan term	3.2 years	Average loan term	3.8 years
Average interest rate	0.56%	Average interest rate	0.37%

Breakdown of borrowings during the period under review

(Million yen)

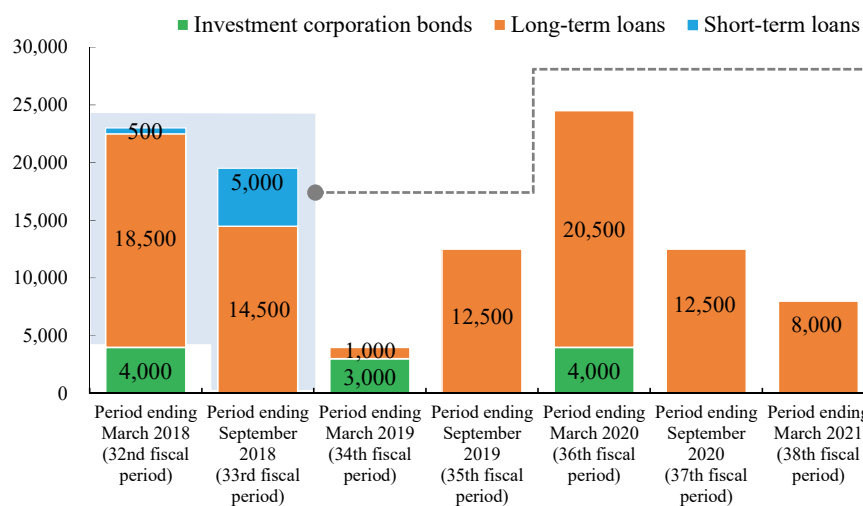
Draw down date	Lender	Amount	Period	Fixed/ Floating	Interest rate
April 11, 2017	Mizuho Bank, Ltd.	4,000	5 years	Fixed	0.47%
April 11, 2017	Aozora Bank, Ltd.	1,000	5 years	Fixed	0.47%
April 12, 2017	Mizuho Bank, Ltd.	2,000	1 year	Floating	Standard interest (JBA 1 month JPY TIBOR) 0.13%
April 24, 2017	The Ashikaga Bank, Ltd.	1,000	5 years	Fixed	0.44%
August 31, 2017	Mitsubishi UFJ Trust and Banking Corporation	3,000	1 year	Floating	Standard interest (JBA 1 month JPY TIBOR) 0.13%
August 31, 2017	Mizuho Bank, Ltd.	1,500	4 years	Fixed	0.37%
August 31, 2017	Sumitomo Mitsui Trust Bank, Limited.	3,500	5 years	Fixed	0.44%
September 29, 2017	Sumitomo Mitsui Trust Bank, Limited.	1,000	5 years	Fixed	0.47%
September 29, 2017	Development Bank of Japan Inc.	500	6 years	Fixed	0.54%
Total		17,500			

Changes in borrowings



Loan repayment schedule diversification

(Million yen)



(Schedule for repayment within one year)

Fiscal period ending March 2018

Repayment summary	
Total amount	19.0 billion yen
Average loan term	4.7 years
Average interest rate	0.72%

Fiscal period ending September 2018

Repayment summary	
Total amount	19.5 billion yen
Average loan term	3.2 years
Average interest rate	0.52%

Interest-Bearing Liabilities

Short-term loans

(Million yen)

Lender	Outstanding balance at end of period	Average interest rate	Drawdown date	Repayment date
Resona Bank, Limited	500	0.16%	October 18, 2016	October 18, 2017
Mizuho Bank, Ltd.	2,000	0.16%	April 12, 2017	April 12, 2018
Mitsubishi UFJ Trust and Banking Corporation	3,000	0.16%	August 31, 2017	August 31, 2018
Total	5,500			

Long-term loans

(Million yen)

Lender	Outstanding balance at end of period	Average interest rate	Drawdown date	Repayment date
Sumitomo Mitsui Trust Bank, Limited.	1,000	0.46%	December 26, 2014	December 26, 2017
Mitsubishi UFJ Trust and Banking Corporation	1,000	0.46%	December 26, 2014	December 26, 2017
Sumitomo Mitsui Banking Corporation	5,000	0.76%	February 28, 2013	February 28, 2018
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,000	0.76%	February 28, 2013	February 28, 2018
Mizuho Bank, Ltd.	3,000	0.76%	February 28, 2013	February 28, 2018
ORIX Bank Corporation	2,000	0.75%	March 19, 2013	March 19, 2018
Development Bank of Japan Inc.	1,500	0.84%	April 24, 2013	March 19, 2018
Mitsubishi UFJ Trust and Banking Corporation	4,500	0.47%	April 13, 2015	April 13, 2018
Mizuho Bank, Ltd.	3,000	0.85%	April 24, 2013	April 24, 2018
Aozora Bank, Ltd.	1,000	0.85%	April 24, 2013	April 24, 2018
The Bank of Fukuoka, Ltd.	1,000	0.63%	May 30, 2014	May 31, 2018
ORIX Bank Corporation	1,000	0.78%	August 30, 2013	August 30, 2018
Mitsubishi UFJ Trust and Banking Corporation	3,000	0.44%	August 31, 2015	August 31, 2018
Development Bank of Japan Inc.	1,000	0.99%	August 31, 2012	August 31, 2018
Sumitomo Mitsui Banking Corporation	1,000	0.72%	February 28, 2014	February 28, 2019
Development Bank of Japan Inc.	2,000	0.75%	April 11, 2014	April 11, 2019
Mizuho Bank, Ltd.	1,000	0.75%	April 11, 2014	April 11, 2019
Sumitomo Mitsui Banking Corporation	3,000	0.96%	April 24, 2013	April 24, 2019
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000	1.04%	August 30, 2013	August 30, 2019
Mizuho Bank, Ltd.	1,500	0.53%	August 31, 2015	August 30, 2019
Mizuho Bank, Ltd.	1,500	0.69%	August 29, 2014	August 30, 2019
Development Bank of Japan Inc.	1,000	1.12%	August 31, 2012	August 30, 2019
Tokio Marine & Nichido Fire Insurance Co., Ltd.	500	0.17%	August 31, 2016	August 30, 2019
Sumitomo Mitsui Banking Corporation	5,000	1.04%	April 12, 2013	October 11, 2019
Sumitomo Mitsui Banking Corporation	2,000	0.97%	October 11, 2013	October 11, 2019
Mizuho Bank, Ltd.	1,500	0.64%	October 17, 2014	October 17, 2019
Mizuho Bank, Ltd.	1,000	0.62%	December 26, 2014	December 26, 2019
The Bank of Fukuoka, Ltd.	500	0.62%	December 26, 2014	December 26, 2019
Resona Bank, Limited	500	0.62%	December 26, 2014	December 26, 2019
Nippon Life Insurance Company	500	0.62%	December 26, 2014	December 26, 2019
The Nishi-Nippon City Bank, Ltd.	500	0.57%	December 26, 2014	December 26, 2019
The Bank of Fukuoka, Ltd.	500	0.33%	January 31, 2017	January 31, 2020
The Bank of Fukuoka, Ltd.	500	0.62%	January 30, 2015	January 31, 2020
Sumitomo Mitsui Trust Bank, Limited.	3,000	0.63%	February 27, 2015	February 28, 2020
Mitsubishi UFJ Trust and Banking Corporation	3,000	0.20%	February 29, 2016	February 28, 2020
The Hachijuni Bank, Ltd.	1,000	0.34%	February 28, 2017	February 28, 2020
Development Bank of Japan Inc.	1,000	0.88%	March 12, 2014	March 12, 2020
Sumitomo Mitsui Trust Bank, Limited.	4,000	0.65%	April 13, 2015	April 13, 2020

Lender	Outstanding balance at end of period	Average interest rate	Issue date	Maturity date
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,000	1.07%	April 24, 2013	April 24, 2020
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,000	1.18%	August 30, 2013	August 31, 2020
Nippon Life Insurance Company	500	0.63%	August 31, 2015	August 31, 2020
Nippon Life Insurance Company	1,000	0.55%	September 30, 2015	September 30, 2020
Sumitomo Mitsui Banking Corporation	3,000	1.09%	October 11, 2013	October 9, 2020
Sumitomo Mitsui Trust Bank, Limited.	1,500	0.27%	February 29, 2016	February 26, 2021
Mizuho Bank, Ltd.	1,000	0.27%	February 29, 2016	February 26, 2021
Development Bank of Japan Inc.	1,000	1.02%	March 12, 2014	March 12, 2021
Mitsubishi UFJ Trust and Banking Corporation	1,500	0.30%	March 31, 2016	March 31, 2021
Sumitomo Mitsui Banking Corporation	5,000	1.02%	April 11, 2014	April 9, 2021
Resona Bank, Limited	1,000	0.28%	April 22, 2016	April 22, 2021
Resona Bank, Limited	500	0.28%	May 31, 2016	May 31, 2021
Mizuho Bank, Ltd.	1,500	0.37%	August 31, 2017	August 31, 2021
Mizuho Bank, Ltd.	1,000	0.34%	August 31, 2016	August 31, 2021
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,500	0.89%	October 1, 2014	October 1, 2021
Sumitomo Mitsui Banking Corporation	1,000	0.83%	December 26, 2014	December 24, 2021
Aozora Bank, Ltd.	500	0.83%	December 26, 2014	December 24, 2021
The Bank of Fukuoka, Ltd.	2,000	0.47%	January 31, 2017	January 31, 2022
Development Bank of Japan Inc.	3,000	0.84%	February 27, 2015	February 28, 2022
The Dai-ichi Life Insurance Company, Limited	500	0.45%	February 28, 2017	February 28, 2022
Mizuho Bank, Ltd.	4,000	0.47%	April 11, 2017	April 11, 2022
Aozora Bank, Ltd.	1,000	0.47%	April 11, 2017	April 11, 2022
The Ashikaga Bank, Ltd.	1,000	0.44%	April 24, 2017	April 22, 2022
Sumitomo Mitsui Banking Corporation	2,000	0.80%	April 30, 2015	April 28, 2022
Sumitomo Mitsui Trust Bank, Limited.	3,500	0.44%	August 31, 2017	August 31, 2022
Sumitomo Mitsui Trust Bank, Limited.	2,000	0.40%	August 31, 2016	August 31, 2022
Sumitomo Mitsui Trust Bank, Limited.	1,000	0.47%	September 29, 2017	September 30, 2022
Sumitomo Mitsui Trust Bank, Limited.	1,000	0.45%	February 29, 2016	February 28, 2023
Mizuho Trust & Banking Co., Ltd.	1,000	0.45%	February 29, 2016	February 28, 2023
Mizuho Bank, Ltd.	3,500	0.47%	April 12, 2016	April 12, 2023
The Bank of Fukuoka, Ltd.	1,000	0.43%	April 22, 2016	April 21, 2023
Mizuho Bank, Ltd.	1,500	0.48%	August 31, 2016	August 31, 2023
Resona Bank, Limited	1,000	0.48%	August 31, 2016	August 31, 2023
Development Bank of Japan Inc.	500	0.54%	September 29, 2017	September 29, 2023
Resona Bank, Limited	1,000	0.46%	October 18, 2016	October 18, 2023
Development Bank of Japan Inc.	1,500	0.64%	February 28, 2017	February 29, 2024
Aozora Bank, Ltd.	2,000	0.54%	March 11, 2016	March 11, 2024
Total	133,500			

Investment corporation bonds

(Million yen)

Issue	Balance at end of period	Interest rate	Issue date	Maturity date
Fifth unsecured investment corporation bonds	4,000	0.18%	February 26, 2015	February 26, 2018
Seventh unsecured investment corporation bonds	3,000	0.11%	February 25, 2016	February 25, 2019
Eighth unsecured investment corporation bonds	4,000	0.00%	February 23, 2017	February 21, 2020
Sixth unsecured investment corporation bonds	1,000	1.07%	February 26, 2015	February 26, 2027
Ninth unsecured investment corporation bonds	1,000	1.08%	February 23, 2017	February 23, 2037
Total	13,000			

(Note 1) The short-term loans, long-term loans, and investment corporation bonds are all unsecured and unguaranteed.

(Note 2) The interest rate for the 8th unsecured investment corporation bond is 0.001%. In addition, the bond is issued over par (at a price exceeding the par value), and thus the yield to maturity is about 0.0003% annually.

Total interest-bearing liabilities at the end of the period:

¥152,000 million

Borrowed during the 31st period ended September 2017

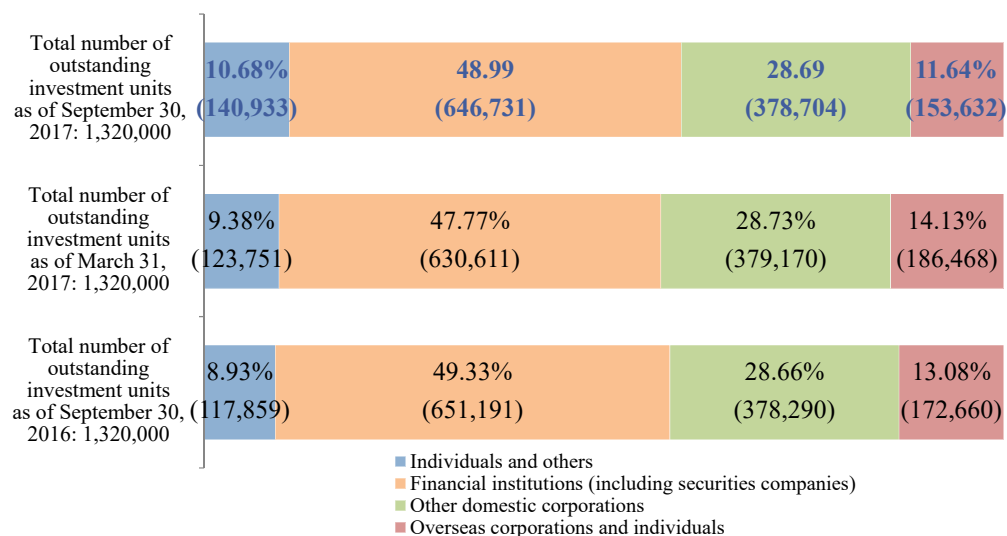
(Reference) Investors

Top 10 Unitholders (Total number of outstanding investment units: 1,320,000)

(As of September 30, 2017)

Unitholders	Number of units held	Ownership ratio
MORI TRUST Holdings, Inc.	350,070	26.52%
Japan Trustee Services Bank, Ltd. (trust account)	257,039	19.47%
The Master Trust Bank of Japan, Ltd. (trust account)	144,023	10.91%
Trust & Custody Services Bank, Ltd. (securities investment trust account)	43,967	3.33%
The Nomura Trust and Banking Co., Ltd. (investment trust)	39,422	2.99%
STATE STREET BANK - WEST PENSION FUND CLIENTS - EXEMPT 505233	17,190	1.30%
DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	14,402	1.09%
STATE STREET BANK AND TRUST COMPANY 505012	11,405	0.86%
STATE STREET BANK WEST CLIENT - TREATY 505234	11,129	0.84%
STATE STREET BANK AND TRUST COMPANY 505223	11,038	0.84%
Total of top 10 unitholders	899,685	68.16%

Changes in investment unitholder ratio by owner (End of each fiscal period)



Changes in number of investment unitholders by owner (End of each fiscal period)

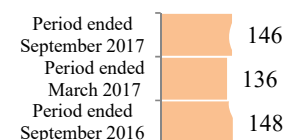
Total number of investment unitholders



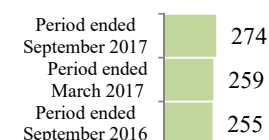
Individuals and others



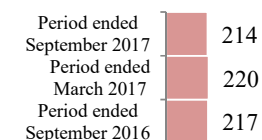
Financial institutions (incl. securities companies)



Other domestic corporations



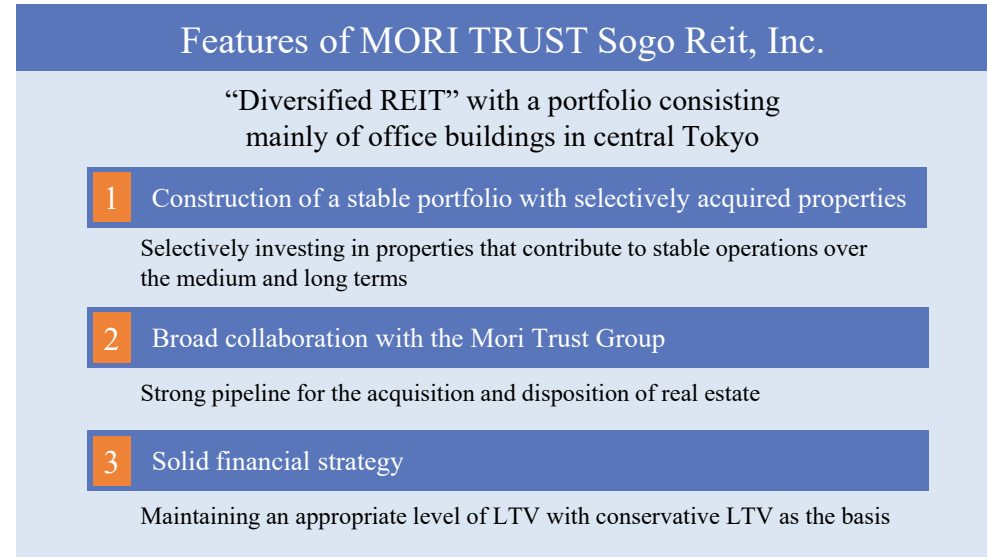
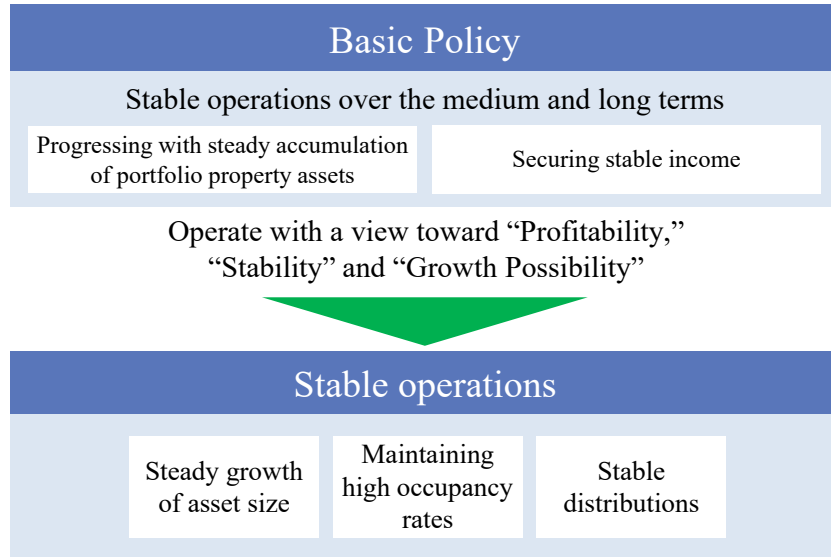
Overseas corporations and individuals



4. Characteristics of MORI TRUST Sogo Reit, Inc.



Basic Policy and Characteristics of MORI TRUST Sogo Reit, Inc. (1) 4. Characteristics of MORI TRUST Sogo Reit, Inc.

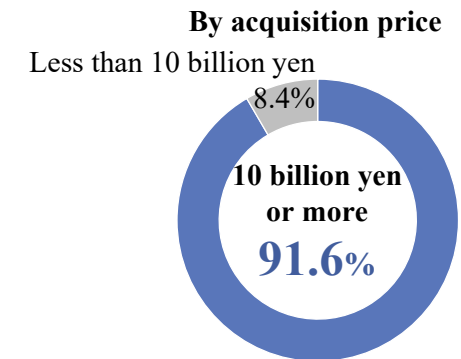
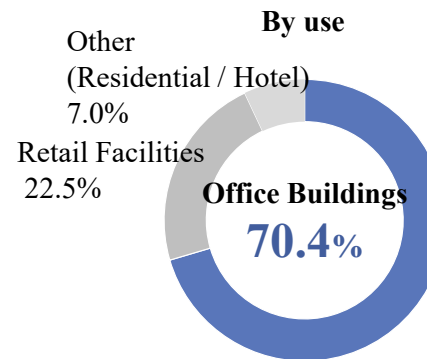
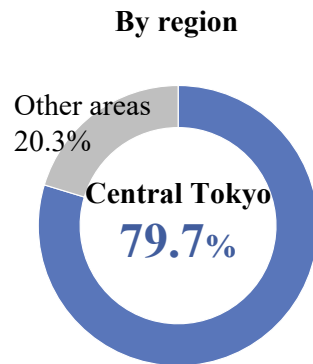


1 Construction of a stable portfolio with selectively acquired properties

Investments (as of September 30, 2017)

Number of properties: 14 properties

Asset size: 315.9 billion yen
(Total acquisition price)



Target portfolio and actual performance

		Region				Total	
		Central Tokyo (Note 1)		Other areas (Note 2)		Target	Actual
		Target	Actual	Target	Actual		
Use	Office Buildings	60 to 70%	62.8%	10 to 20%	7.6%	70 to 90%	70.4%
	Retail Facilities / Other (Note 3)	0 to 10%	16.8%	10 to 20%	12.7%	10 to 30%	29.6%
Total		60 to 80%	79.7%	20 to 40%	20.3%	100%	

(Note 1) “Central Tokyo” refers to Chiyoda, Chuo, Minato, Shinagawa, Shibuya and Shinjuku Wards.

(Note 2) “Other Areas” refers to greater Tokyo (Kanagawa, Chiba and Saitama Prefectures, and the Tokyo Metropolitan Area excluding central Tokyo) and other major regional cities.

(Note 3) Restricted to investments in residential properties and hotels for the foreseeable future.

(Note 4) The investment ratios are based on acquisition prices.

Basic Policy and Characteristics of MORI TRUST Sogo Reit, Inc. (2)

4. Characteristics of MORI TRUST Sogo Reit, Inc.

2 Broad collaboration with the Mori Trust Group

Investment units held by the Mori Trust Group

350,070 units (26.5%) held (as of September 30, 2017)

Pipeline for the acquisition and disposition of real estate

The Investment Corporation and Mori Trust Co., Ltd. have entered into an agreement on the provision of information on real estate, etc. between the Investment Corporation and three companies of the Mori Trust Group.

Acquisitions (as of September 30, 2017)

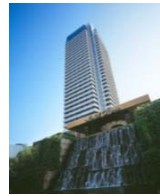
Acquisitions Based on Information Provided by the Mori Trust Group



ON Building



Kioicho Building

Shin-Yokohama
TECH Building

Hotel Okura Kobe

31.9%

Acquisitions through
Proprietary Channels

21.4%

Acquisitions
involving the
Mori Trust Group

78.6%

Acquisitions from the Mori Trust Group

46.7%

Tokyo Shiodome
Building

Osaki MT Building

Shinbashi Ekimae
MTR BuildingIto-Yokado
Shonandai

* Percentage based on acquisition price

Recent dispositions

Dispositions to the Mori Trust Group:

Akasaka-Mitsuke MT Building (2010), Mita MT Building (2014)

Dispositions based on information provided by the Mori Trust Group:

Ginza MTR Building (2014 and 2015), Osaka Marubeni Building (2015),
Ito-Yokado Shin-Urayasu (2017)

Harnessing the real estate leasing and management knowhow of the Mori Trust Group

The Investment Corporation seeks to increase the profitability of the portfolio by harnessing the real estate leasing and management knowhow of the Mori Trust Group.

3 Solid financial strategy

- Conservative LTV is the basis, and the 50% upper limit of LTV is the benchmark.
- Diversify repayment maturities
- Procure short-term borrowings and long-term debt in a balanced manner, paying attention to reducing financing costs and the effect of changes in the financial environment
- Establish a credit line to ensure flexible fundraising (Mizuho Bank: ¥10 billion; Sumitomo Mitsui Banking: ¥10 billion)

Since its founding in 1951, the Mori Trust Group has engaged in large urban development projects primarily in the central Tokyo area, with property holding, leasing, operation, and management. Through the success of this core business, in which the Group has envisioned the future of cities and continued to provide functions truly needed by people, the Group ensures high profitability and stable income and is building a strong financial foundation.



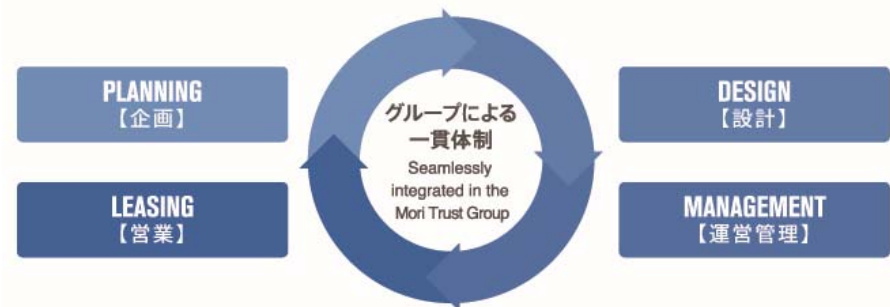
Mori Trust Group lease operation facilities

Holds and operates a large number of properties in central Tokyo and central areas of major cities (Sendai and Osaka)

Total number of facilities: 162	Operated area: Approx. 1,560,000 sq. meters
Buildings for lease: 145 buildings, approx. 1,360,000 sq. meters	

System of real estate development

Applies expertise built in property marketing, operation, and management to building planning and design



(As of September 30, 2017)

Major Properties Held, Developed, etc. in Central Tokyo by Mori Trust Group



Note: As of the end of October 2017, there is not plan for the Investment Corporation to acquire the above properties.

5. Reference



	(Unit: thousand yen)	
	Period ended March 2017 (As of March 31, 2017)	Period ended September 2017 (As of September 30, 2017)
Assets		
Current assets		
Cash and deposits	14,206,209	21,105,617
Cash and deposits in trust	2,576,492	2,683,202
Operating accounts receivable	79,397	68,100
Prepaid expenses	33,816	25,422
Deferred tax assets	13	21
Other	—	3,538
Total current assets	16,895,929	23,885,903
Non-current assets		
Property, plant and equipment		
Buildings	27,347,031	25,102,163
Structures	56,803	34,752
Machinery and equipment	29,956	28,601
Tools, furniture and fixtures	51,358	33,380
Land	146,060,266	136,672,529
Buildings in trust	18,666,008	18,218,754
Structures in trust	15,892	20,150
Machinery and equipment in trust	692	664
Tools, furniture and fixtures in trust	26,997	27,193
Land in trust	123,359,160	123,359,160
Total property, plant and equipment	315,614,167	303,497,351
Intangible assets		
Software	95	76
Other	240	240
Total intangible assets	335	316
Investments and other assets		
Guarantee deposits	10,000	10,000
Long-term prepaid expenses	2,130	562
Other	3,602	3,602
Total investments and other assets	15,732	14,164
Total non-current assets	315,630,235	303,511,832
Deferred assets		
Investment corporation bond issuance costs	49,830	40,427
Total deferred assets	49,830	40,427
Total assets	332,575,995	327,438,163
Liabilities		
Current liabilities		
Operating accounts payable	218,194	566,765
Short-term loans payable	6,000,000	5,500,000
Current portion of investment corporation bonds	4,000,000	4,000,000
Current portion of long-term loans payable	38,000,000	33,000,000
Accounts payable – other	102,262	237,354
Accrued expenses	507,244	555,704
Dividends payable	9,731	10,318
Income taxes payable	852	999
Accrued consumption taxes	171,197	359,769
Advances received	1,477,868	1,431,504
Deposits received	4,964	3,377
Total current liabilities	50,492,316	45,665,793
Non-current liabilities		
Investment corporation bonds	9,000,077	9,000,064
Long-term loans payable	102,500,000	100,500,000
Tenant leasehold and security deposits	10,101,531	9,265,115
Tenant leasehold and security deposits in trust	831,828	833,453
Deferred tax liabilities	285,650	515,301
Total non-current liabilities	122,719,087	120,113,934
Total liabilities	173,211,403	165,779,728
Net assets		
Unitholders' equity		
Unitholders' capital	153,990,040	153,990,040
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	652,218	618,592
Total voluntary retained earnings	652,218	618,592
Unappropriated retained earnings	4,722,333	7,049,802
Total surplus	5,374,552	7,668,395
Total unitholders' equity	159,364,592	161,658,435
Total net assets	159,364,592	161,658,435
Total liabilities and net assets	332,575,995	327,438,163

Statements of Income and Retained Earnings

Statements of Income

(Unit: thousand yen)

	Period ended March 2017 (October 1, 2016 to March 31, 2017)	Period ended September 2017 (April 1, 2017 to September 30, 2017)
Operating revenue		
Lease business revenue	8,590,929	8,504,468
Other lease business revenue	278,455	289,014
Gain on sale of investment property	—	2,813,198
Total operating revenue	8,869,384	11,606,680
Operating expenses		
Expenses related to rent business	3,195,970	3,285,231
Asset management fee	324,579	364,288
Asset custody fee	15,243	16,557
Administrative service fees	49,762	59,152
Directors' compensations	9,180	7,590
Other operating expenses	41,373	79,592
Total operating expenses	3,636,109	3,812,411
Operating income	5,233,274	7,794,268
Non-operating income		
Interest income	220	372
Reversal of dividends payable	1,153	1,112
Insurance income	1,448	286
Co-sponsor fees	1,000	—
Other	1,133	—
Total non-operating income	4,955	1,771
Non-operating expenses		
Interest expenses	504,325	490,019
Interest expenses on investment corporation bonds	16,474	16,115
Amortization of investment corporation bond issuance costs	9,737	9,402
Total non-operating expenses	530,538	515,538
Ordinary income	4,707,691	7,280,501
Profit before income taxes	4,707,691	7,280,501
Income taxes - current	885	1,056
Income taxes - deferred	-15,527	229,642
Total income taxes	-14,642	230,698
Profit	4,722,333	7,049,802
Unappropriated retained earnings	4,722,333	7,049,802

(Breakdown of Real Estate Leasing Business Income)

(Unit: thousand yen)

	Period ended March 2017 (October 1, 2016 to March 31, 2017)	Period ended September 2017 (April 1, 2017 to September 30, 2017)
A. Rental revenues		
Lease business revenue		
Rent	8,147,683	8,102,436
Common charges	319,637	278,422
Land leasing revenues	123,609	123,609
Other lease business revenue	278,455	289,014
Total rental revenues	8,869,384	8,793,482
B. Property-related expenses		
Property management expenses		
Property management fees	428,580	415,345
Utilities	212,647	223,390
Property and other taxes	920,669	928,904
Casualty insurance	20,539	20,650
Repair expenses	193,425	298,669
Depreciation and amortization	1,394,351	1,373,930
Other expenses	25,756	24,340
Total property-related expenses	3,195,970	3,285,231
C. Profit and losses from real estate business (A-B)	5,673,414	5,508,250

Statement of Cash Distributions / Statements of Cash Flows

Statement of Cash Distributions

(Unit: yen)

	Period ended March 2017 (October 1, 2016 to March 31, 2017)	Period ended September 2017 (April 1, 2017 to September 30, 2017)
I. Unappropriated retained earnings	4,722,333,845	7,049,802,986
II. Reversal of voluntary retained earnings		
Reversal of reserve for reduction entry	33,626,155	—
III. Distribution amount	4,755,960,000	6,552,480,000
(Distribution amount per unit)	(3,603)	(4,964)
IV. Voluntary retained earnings		
Provision for reserve for reduction entry	—	497,322,986
V. Retained earnings carried forward	0	0

Statements of Cash Flows

(Unit: thousand yen)

	Period ended March 2017 (October 1, 2016 to March 31, 2017)	Period ended September 2017 (April 1, 2017 to September 30, 2017)
Cash flows from operating activities		
Profit before income taxes	4,707,691	7,280,501
Depreciation	1,394,351	1,373,930
Amortization of investment corporation bond issuance costs	9,737	9,402
Interest income	-220	-372
Interest expenses	520,800	506,135
Increase in operating accounts receivable	9,152	11,296
Increase (decrease) in operating accounts payable	-15,781	345,032
Decrease in accrued consumption taxes	11,664	188,571
Increase (decrease) in advances received	6,186	-46,363
Decrease due to sale of property, plant and equipment	—	11,213,671
Other, net	115,426	67,582
Subtotal	6,759,009	20,949,389
Interest income received	220	372
Interest expenses paid	-522,653	-516,897
Income taxes paid	-880	-908
Net cash provided by operating activities	6,235,695	20,431,955
Cash flows from investing activities		
Purchase of property, plant and equipment	-67,110	-233,430
Purchase of property, plant and equipment in trust	-152,188	-102,244
Repayments of tenant leasehold and security deposits	-46,171	-909,448
Proceeds from tenant leasehold and security deposits	117,198	73,032
Repayments of tenant leasehold and security deposits in trust	-32,758	-30,546
Proceeds from tenant leasehold and security deposits in trust	14,771	32,172
Net cash used in investing activities	-166,258	-1,170,465
Cash flows from financing activities		
Net increase in short-term loans payable	500,000	-500,000
Proceeds from long-term loans payable	6,500,000	12,500,000
Repayments of long-term loans payable	-7,500,000	-19,500,000
Proceeds from issuance of investment corporation bonds	5,000,080	—
Redemption of investment corporation bonds	-5,000,000	—
Payments for investment corporation bond issuance costs	-28,185	—
Dividends paid	-4,712,867	-4,755,373
Net cash used in financing activities	-5,240,973	-12,255,373
Net increase (decrease) in cash and cash equivalents	828,463	7,006,117
Cash and cash equivalents at beginning of period	15,954,238	16,782,701
Cash and cash equivalents at end of period	16,782,701	23,788,819

(Million yen)

	Period ended September 2015 (27th fiscal period)	Period ended March 2016 (28th fiscal period)	Period ended September 2016 (29th fiscal period)	Period ended March 2017 (30th fiscal period)	Period ended September 2017 (31st fiscal period)	Formula
Operating revenues	12,975	8,558	8,658	8,869	11,606	
Gain on sale of real estate	3,865	—	—	—	2,813	
Operating expenses	5,717	3,586	3,630	3,636	3,812	
Loss on sale of real estate	1,620	—	—	—	—	
Operating income	7,258	4,971	5,028	5,233	7,794	
Ordinary income	6,643	4,385	4,477	4,707	7,280	
Profit	6,428	4,477	4,596	4,722	7,049	
Total distribution	5,979	4,646	4,712	4,755	6,552	
Total assets	339,402	333,771	333,092	332,575	327,438	
Interest-bearing liabilities	165,000	161,000	160,000	159,500	152,000	
Total net assets	160,907	159,405	159,354	159,364	161,658	
Unrealized gain/loss	12,974	20,336	19,493	22,195	33,072	
NAV	173,881	179,741	178,847	181,560	194,731	NAV = Total net assets + Unrealized gain/loss
Profits from real estate rental business	5,535	5,406	5,467	5,673	5,508	
Depreciation and amortization	1,550	1,429	1,402	1,394	1,373	
NOI	7,086	6,836	6,869	7,067	6,882	NOI = Profits from real estate rental business + Depreciation and amortization
FFO	5,734	5,907	5,998	6,116	5,610	FFO = Profit + Depreciation and amortization – Gain/loss on sale of real estate
Capital improvements	289	315	235	151	470	
Net cash flows	6,796	6,521	6,633	6,916	6,411	NCF = NOI – Capital improvements
ROA (annualized)	3.9%	2.6%	2.7%	2.8%	4.4%	ROA = (Ordinary income / Total assets) / 6 × 12 * Annualized
ROE (annualized)	8.0%	5.6%	5.8%	5.9%	8.7%	ROE = (Profit / Total net assets) / 6 × 12 * Annualized
LTV ratio	48.6%	48.2%	48.0%	48.0%	46.4%	LTV = Interest-bearing liabilities / Total assets
Total number of outstanding investment units	1,320,000 units	1,320,000 units	1,320,000 units	1,320,000 units	1,320,000 units	
Distribution per unit	4,530 yen	3,520 yen	3,570 yen	3,603 yen	4,964 yen	
Total net assets per unit	121,899 yen	120,761 yen	120,723 yen	120,730 yen	122,468 yen	
NAV per unit	131,728 yen	136,167 yen	135,490 yen	137,545 yen	147,523 yen	
FFO per unit	4,344 yen	4,475 yen	4,544 yen	4,633 yen	4,250 yen	

Changes in Occupancy Rate

Monthly Occupancy Rates for Each Use Category (from end of previous period to end of current period)

Use		(Period ended March 2017) March 31, 2017	Apr. 30, 2017	May 31, 2017	Jun. 30, 2017	Jul. 31, 2017	Aug. 31, 2017	(Period ended September 2017) Sep. 30, 2017
Office Buildings	Master lease basis	99.9%	99.9%	99.9%	99.8%	99.2%	99.2%	99.3%
	(Sublease basis)	(98.8%)	(98.7%)	(98.7%)	(98.8%)	(98.1%)	(98.2%)	(98.2%)
Retail Facilities		100%	100%	100%	100%	100%	100%	100%
Other		100%	100%	100%	100%	99.8%	100%	100%
Total	Master lease basis	99.9%	99.9%	99.9%	99.9%	99.6%	99.6%	99.7%
	(Sublease basis)	(99.5%)	(99.5%)	(99.5%)	(99.5%)	(99.1%)	(99.2%)	(99.2%)

Property-Related Occupancy Rate (Most Recent 5 Fiscal Periods)

Use	Name	September 30, 2015 (End of 27th fiscal period)	March 31, 2016 (End of 28th fiscal period)	September 30, 2016 (End of 29th fiscal period)	March 31, 2017 (End of 30th fiscal period)	September 30, 2017 (End of 31st fiscal period)
Office Buildings	Tokyo Shiodome Building	100%	100%	100%	100%	100%
	ON Building	100%	100%	100%	100%	100%
	Kioicho Building (Note 2)	60.6% (60.0%)	66.1% (65.5%)	96.7% (94.8%)	99.9% (98.1%)	99.9% (98.1%)
	Osaki MT Building (Note 3)	100% (100%)	100% (98.2%)	100% (96.7%)	100% (92.7%)	100% (92.7%)
	Midosuji MTR Building (Note 4)	100% (90.2%)	100% (92.9%)	100% (96.7%)	100% (95.0%)	100% (95.5%)
	Tenjin Prime (Note 5)	100%	100%	94.6%	100%	100%
	Shin-Yokohama TECH Building	90.5%	90.5%	97.8%	98.8%	92.6%
Retail Facilities	SHIBUYA FLAG (Note 5)	100%	100%	100%	100%	100%
	Shinbashi Ekimae MTR Building	100%	100%	100%	100%	100%
	Ito-Yokado Shonandai	100%	100%	100%	100%	100%
	Kohnan Sagami-hara-Nishihashimoto	100%	100%	100%	100%	100%
	Frespo Inage	100%	100%	100%	100%	100%
Hotel	Hotel Okura Kobe	100%	100%	100%	100%	100%
Residential	Park Lane Plaza	96.7%	92.7%	93.5%	100%	100%
Total (Note 6)		97.6% (97.3%)	97.9% (97.5%)	99.6% (99.3%)	99.9% (99.5%)	99.7% (99.2%)

(Note 1) The occupancy rate for each asset, such as real estate, is the percentage of the total rented area out of the total rentable area. The total occupancy rate is based on assets, such as real estate, held by MTR as of the end of each fiscal period.

(Note 2) Regarding the office portion of the Kioicho Building, MTR leases the building portion of the Kioicho Building from a fiduciary trust company under a master lease agreement and subleases it to tenants. For the residential section, MTR enters into a pass-through master lease agreement. The occupancy rates stated above are those under the sublease agreement for the office portion and the master lease agreement for the residential portion. The figure in brackets for the occupancy rate of the building is the occupancy rate based on the sublease agreements of the office and residential portions of the building.

(Note 3) A master lease agreement under which rent income is linked to rents under a sublease agreement has been concluded for Osaki MT Building, and the figure in brackets for the occupancy rate of the building is the occupancy rate based on the sublease agreement.

(Note 4) The agreement used for the Midosuji MTR Building is the master lease pass-through model, and the occupancy rate in brackets for the building is that based on the sublease agreement.

(Note 5) MTR leases the land and building of 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 for those under the sublease agreements.

(Note 6) The occupancy rate in brackets is the total that was calculated based on occupancy rates in the sublease agreements for Kioicho Building, Osaki MT Building and the Midosuji MTR Building.

Portfolio Summary and Breakdown of Property-Related Revenues/Expenses (1)

Office Buildings												
	Tokyo Shiodome Building		ON Building		Kioicho Building		Osaki MT Building		Midosuji MTR Building		Tenjin Prime	
Location	Minato Ward, Tokyo		Shinagawa Ward, Tokyo		Chiyoda Ward, Tokyo		Shinagawa Ward, Tokyo		Chuo Ward, Osaka City		Chuo Ward, Fukuoka City	
Construction completion	January 2005		November 1990		November 1989		July 1994 (Renovated in 2008)		March 1999		October 2008	
Acquisition date	April 2010		August 2008		October 2014		March 2005, and other		April 2015		July 2012	
Acquisition price	110,000 million yen		39,900 million yen		34,300 million yen		14,386 million yen		10,170 million yen		6,940 million yen	
Book value	103,825 million yen		39,528 million yen		33,925 million yen		13,324 million yen		10,213 million yen		6,723 million yen	
Appraisal value	128,000 million yen		30,700 million yen		36,600 million yen		13,000 million yen		10,200 million yen		8,810 million yen	
Total floor space	191,394.06 m ² (Note 1)		32,812.27 m ²		63,535.55 m ² (Note 2)		26,980.68 m ² (Note 3)		15,129.16m ²		7,722.04 m ²	
PML (Note 4)	6.0%		8.0%		11.3%		11.5%		2.1%		6.4%	
Rental revenues (thousand yen)	Period ended March 2017	Period ended September 2017	Period ended March 2017	Period ended September 2017	Period ended March 2017	Period ended September 2017	Period ended March 2017	Period ended September 2017	Period ended March 2017	Period ended September 2017	Period ended March 2017	Period ended September 2017
Rental revenues	2,795,000	2,795,000			921,610	1,051,349	307,492	302,502	292,623	286,388	270,128	279,222
Rent	2,795,000	2,795,000			819,542	934,607	306,513	301,381	233,762	226,845	233,216	239,918
Common charges	—	—			10,968	10,648	—	—	23,797	21,478	20,560	20,560
Land leasing revenues	—	—			—	—	—	—	—	—	—	—
Other rental revenues	—	—			91,099	106,093	979	1,120	35,063	38,064	16,351	18,743
Property-related expenses	895,210	894,988			606,038	599,923	104,814	102,579	158,405	181,335	85,131	82,762
Property and other taxes	382,911	382,520			86,789	86,705	36,316	36,283	37,617	37,617	22,495	22,445
Property taxes	382,911	382,520	Undisclosed (Note 5)	Undisclosed (Note 5)	85,464	85,380	36,316	36,283	37,617	37,617	22,495	22,445
Other taxes	—	—			1,325	1,325	—	—	—	—	—	—
Overhead expenses	3,231	3,390			326,705	322,893	11,688	9,567	68,965	90,773	34,138	31,978
Property management fees	—	—			241,475	235,098	—	—	27,716	28,553	8,641	7,315
Utilities	—	—			64,905	72,603	—	—	24,174	27,561	13,121	13,841
Casualty insurance	3,231	3,250			1,208	1,215	675	680	472	476	176	177
Trust fees	—	—			800	800	—	—	500	500	750	750
Other expenses	—	140			18,317	13,176	11,012	8,886	16,101	33,682	11,449	9,893
Depreciation and amortization	509,067	509,077			192,543	190,324	56,810	56,728	51,822	52,944	28,497	28,337
Profits and losses from real estate business	1,899,789	1,900,011	535,475	534,469	315,571	451,426	202,677	199,922	134,218	105,052	184,997	196,460
Earnings before depreciation and amortization (NOI)	2,408,856	2,409,089	622,066	619,642	508,115	641,751	259,488	256,651	186,040	157,997	213,494	224,797
NOI yield (Note 6)	4.4%		3.1%		3.7%		3.6%		3.1%		6.5%	

(Note 1) The Tokyo Shiodome Building is a co-owned building and the floor area of 95,697.03m² is calculated by multiplying MTR's co-owned interest (ratio of 50/100) with the total floor space.

(Note 2) MTR has acquired sectional ownership of the Kioicho Building. The total floor space stated is the total floor space for the portion of one building that represents the sectional ownership. The exclusive portion of the floor space owned by a fiduciary of the trust in which MTR is the sole beneficiary is 24,598.85 m².

(Note 3) The 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) with the total floor space.

(Note 4) Probable Maximum Loss (PML) refers to the expected maximum loss ratio caused by an earthquake based on a loss confidence value of 90%. The expected maximum-level earthquake refers to an earthquake that occurs once every 50 years with a 10% excess-probability. This means that an earthquake of this magnitude statistically occurs once every 475 years.

(Note 5) The rental revenues and property-related expenses of ON Building are not disclosed because tenants' consent to disclosure has not been obtained.

(Note 6) NOI earnings yield is calculated by converting NOI in the fiscal period ended September 2017 to an annual basis.



Portfolio Summary and Breakdown of Property-Related Revenues/Expenses (2)

	Office Buildings		Retail Facilities									
	Shin-Yokohama TECH Building		SHIBUYA FLAG		Shinbashi Ekimae MTR Building		Ito-Yokado Shin-Urayasu (Note 8)		Ito-Yokado Shonandai		Kohnan Sagami-hara-Nishihashimoto	
Location	Kohoku Ward, Yokohama City		Shibuya Ward, Tokyo		Minato Ward, Tokyo		Urayasu City, Chiba Prefecture		Fujisawa City, Kanagawa Prefecture		Midori Ward, Sagami-hara City	
Construction completion	Building A: February 1986 Building B: February 1988		August 2009		April 1999		September 2000		November 2002		August 2005	
Acquisition date	November 2003		April 2013		April 2007		July 2004		March 2003		October 2012	
Acquisition price	6,900 million yen		32,040 million yen		18,000 million yen		-		11,600 million yen		7,460 million yen	
Book value	6,777 million yen		32,614 million yen		17,411 million yen		-		9,923 million yen		7,418 million yen	
Appraisal value	5,500 million yen		39,200 million yen		20,900 million yen		-		12,400 million yen		8,470 million yen	
Total floor space	25,187.22m ²		7,766.49 m ²		7,820.45 m ²		-		53,393.66 m ²		40,283.77 m ²	
PML	8.7%		11.9%		12.2%		-		14.0%		13.5%	
Rental revenues (thousand yen)	Period ended March 2017	Period ended September 2017	Period ended March 2017	Period ended September 2017	Period ended March 2017	Period ended September 2017	Period ended March 2017	Period ended September 2017	Period ended March 2017	Period ended September 2017	Period ended March 2017	Period ended September 2017
Rental revenues	393,196	288,147			459,000	459,000	378,165	250,076	395,050	395,045		
Rent	255,966	202,864			459,000	459,000	378,165	250,076	395,000	395,000		
Common charges	81,768	43,192			-	-	-	-	-	-		
Land leasing revenues	-	-			-	-	-	-	-	-		
Other rental revenues	55,460	42,089			-	-	-	-	49	45		
Property-related expenses	246,080	286,703			53,922	53,919	104,616	90,532	138,753	163,135		
Property and other taxes	29,502	29,490			30,598	30,593	43,264	50,003	39,628	39,750		
Property taxes	29,502	29,490	Undisclosed (Note 7)	Undisclosed (Note 7)	30,598	30,593	43,264	50,003	39,628	39,750	Undisclosed (Note 7)	Undisclosed (Note 7)
Other taxes	-	-			-	-	-	-	-	-		
Overhead expenses	166,579	205,749			1,378	1,380	9,466	6,064	14,042	36,343		
Property management fees	66,384	62,670			1,200	1,200	1,620	1,080	1,620	1,620		
Utilities	44,513	40,131			-	-	-	-	-	-		
Casualty insurance	684	689			178	180	3,118	3,121	849	857		
Trust fees	-	-			-	-	-	-	-	-		
Other expenses	54,996	102,258			-	-	4,727	1,862	11,572	33,865		
Depreciation and amortization	49,999	51,462			21,945	21,945	51,886	34,465	85,083	87,041		
Profits and losses from real estate business	147,115	1,444	662,596	671,356	405,077	405,080	273,548	159,544	256,296	231,910	187,268	188,057
Earnings before depreciation and amortization (NOI)	197,114	52,906	686,105	694,873	427,023	427,026	325,434	194,009	341,379	318,952	226,475	225,461
NOI yield	1.5%		4.3%		4.7%		4.8%		5.5%		6.0%	

(Note 7) The rental revenues and property-related expenses of SHIBUYA FLAG and Kohnan Sagami-hara-Nishihashimoto are not disclosed because tenants' consent to disclosure has not been obtained.

(Note 8) MTR sold the Ito-Yokado Shin-Urayasu store on July 31, 2017.

Portfolio Summary and Breakdown of Property-Related Revenues/Expenses (3)

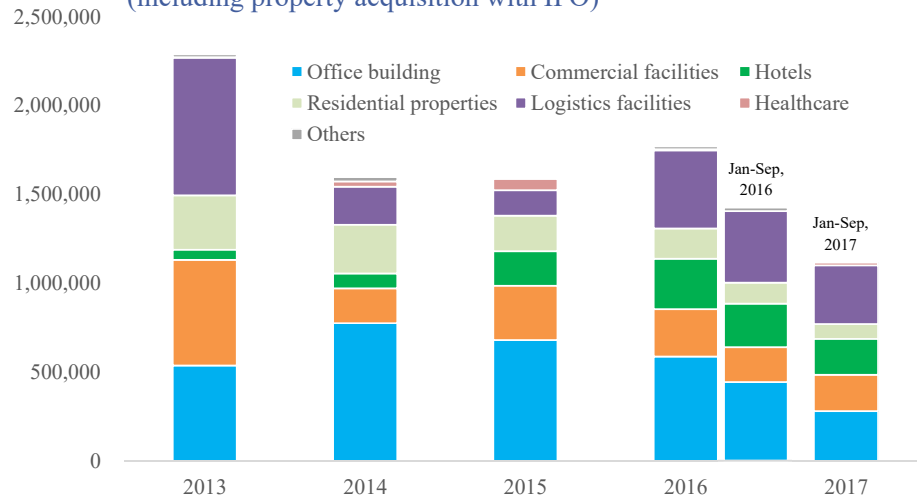
	Retail Facilities Frespo Inage		Hotel Hotel Okura Kobe		Residential Park Lane Plaza		Total	
								
Location	Inage Ward, Chiba City		Chuo Ward, Kobe City		Shibuya Ward, Tokyo		—	
Construction completion	—		March 1989 (Expanded March 1995)		June 1988		—	
Acquisition date	March 2002		September 2006		December 2004		—	
Acquisition price	2,100 million yen		19,000 million yen		3,200 million yen		315,996 million yen	
Book value	2,193 million yen		16,427 million yen		3,189 million yen		303,497 million yen	
Appraisal value	2,650 million yen		16,700 million yen		3,440 million yen		336,570 million yen	
Total floor space	(39,556.71 m ²) (Note 9)		72,246.86 m ²		5,246.78 m ²		—	
PML	—		17.8%		14.9%		5.4% (Note 10)	
Rental revenues (thousand yen)	Period ended March 2017	Period ended September 2017	Period ended March 2017	Period ended September 2017	Period ended March 2017	Period ended September 2017	Period ended March 2017	Period ended September 2017
Rental revenues	123,609	123,609	628,441	640,584	95,428	102,820	8,869,384	8,793,482
Rent	—	—	628,441	640,584	85,490	92,923	8,147,683	8,102,436
Common charges	—	—	—	—	9,043	9,043	319,637	278,422
Land leasing revenues	123,609	123,609	—	—	—	—	123,609	123,609
Other rental revenues	—	—	—	—	895	853	278,455	289,014
Property-related expenses	8,269	8,497	333,344	360,078	37,084	34,922	3,195,970	3,285,231
Property and other taxes	7,269	7,270	88,445	88,516	6,892	6,907	920,669	928,904
Property taxes	7,269	7,270	88,445	88,516	6,892	6,907	919,341	925,627
Other taxes	—	—	—	—	—	—	1,328	3,276
Overhead expenses	1,000	1,227	59,158	87,798	18,543	16,271	880,949	982,396
Property management fees	—	—	—	—	10,064	8,321	428,580	415,345
Utilities	—	—	—	—	2,876	2,438	212,647	223,390
Casualty insurance	—	—	8,250	8,294	137	138	20,539	20,650
Trust fees	1,000	1,175	2,000	2,000	—	—	6,700	6,875
Other expenses	—	52	48,907	77,503	5,465	5,373	212,482	316,135
Depreciation and amortization	—	—	185,740	183,764	11,648	11,743	1,394,351	1,373,930
Profits and losses from real estate business	115,339	115,111	295,097	280,505	58,344	67,898	5,673,414	5,508,250
Earnings before depreciation and amortization (NOI)	115,339	115,111	480,837	464,269	69,993	79,641	7,067,765	6,882,181
NOI yield	11.0%		4.9%		5.0%		4.3%	

(Note 9) The floor area of Frespo Inage is the area of the real estate trust associated with the real estate trust's beneficiary rights.

(Note 10) Portfolio PML is calculated by assuming an earthquake with an epicenter close to Tokyo's Minato Ward out of multiple earthquake scenarios.

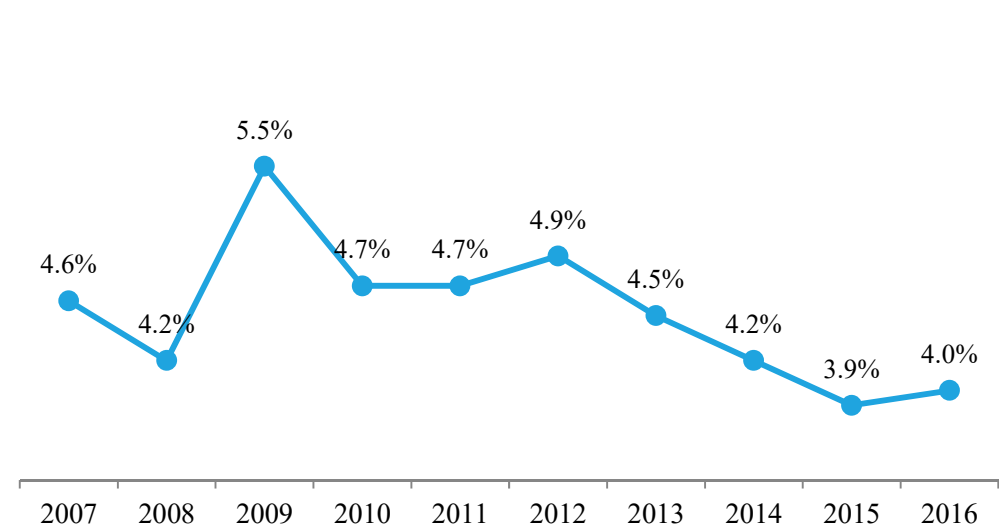
Real Estate Investment Market and Real Estate Leasing Market

Amount of REIT property acquisition (including property acquisition with IPO)



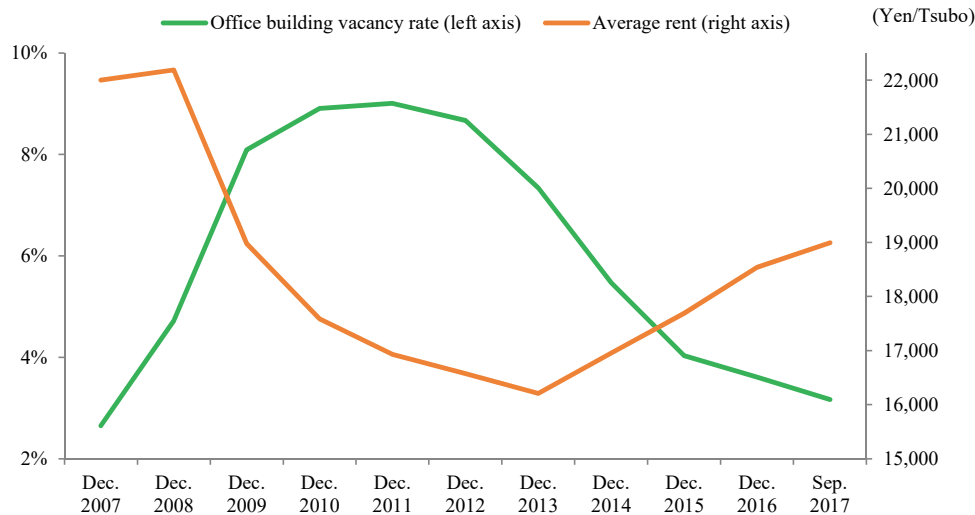
Source: Association for Real Estate Securitization

Estimated NOI yield of office buildings in Tokyo central 5 wards



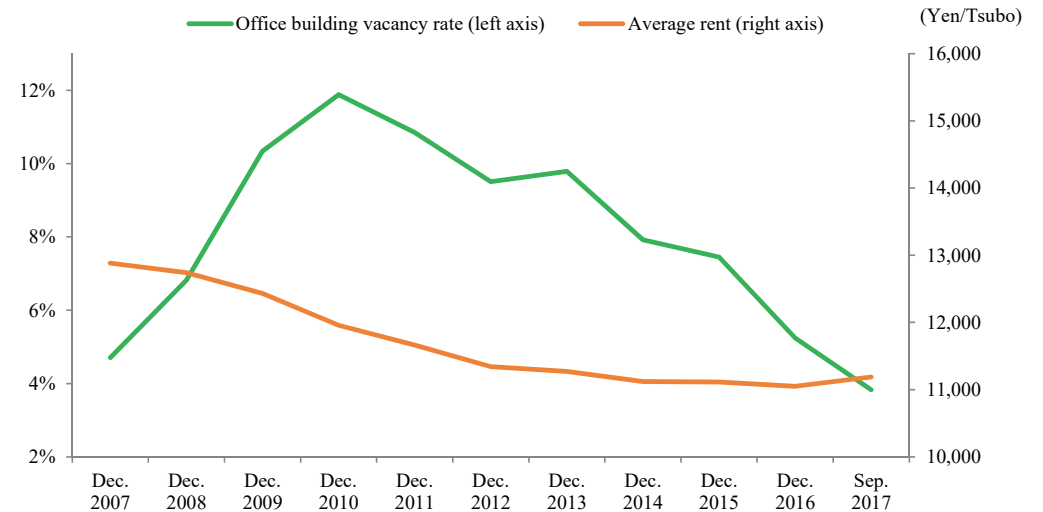
Source: Nikkei Real Estate Market Report "Analysis of Transactions in 2016"
Tokyo central 5 wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards)

Real estate leasing market in Tokyo Metropolitan CBD area



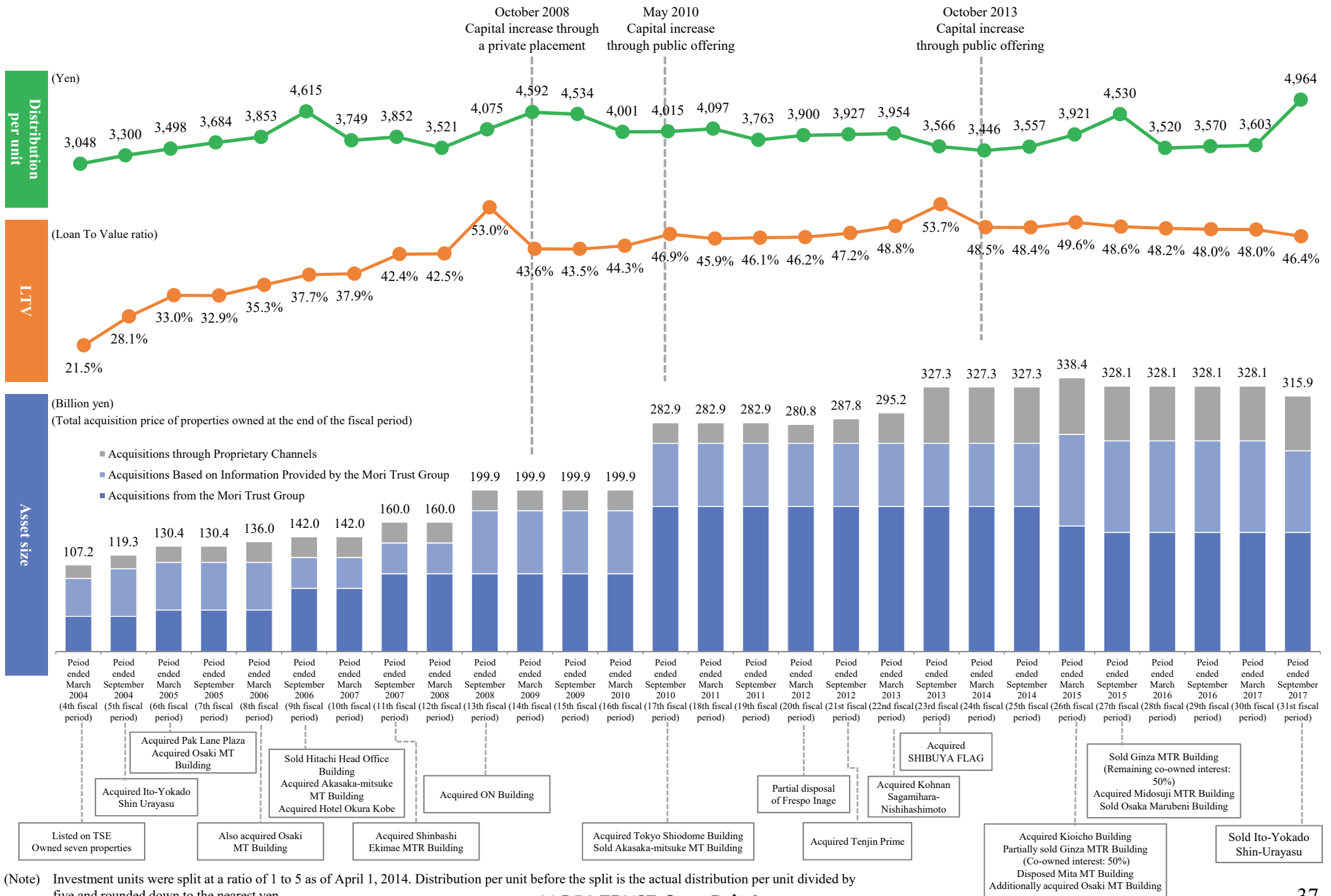
Source: Prepared by the Company based on published data of Miki Shoji Co., Ltd.
Tokyo CBDs: central 5 wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards)

Real estate leasing market in Osaka Metropolitan CBD area



Source: Prepared by the Company based on published data of Miki Shoji Co., Ltd.
Osaka CBDs: 6 main districts (Umeda, Minami Morimachi, Yodoyabashi, Honmachi, Semba, Shinsaibashi and Namba, and Shin-Osaka districts)

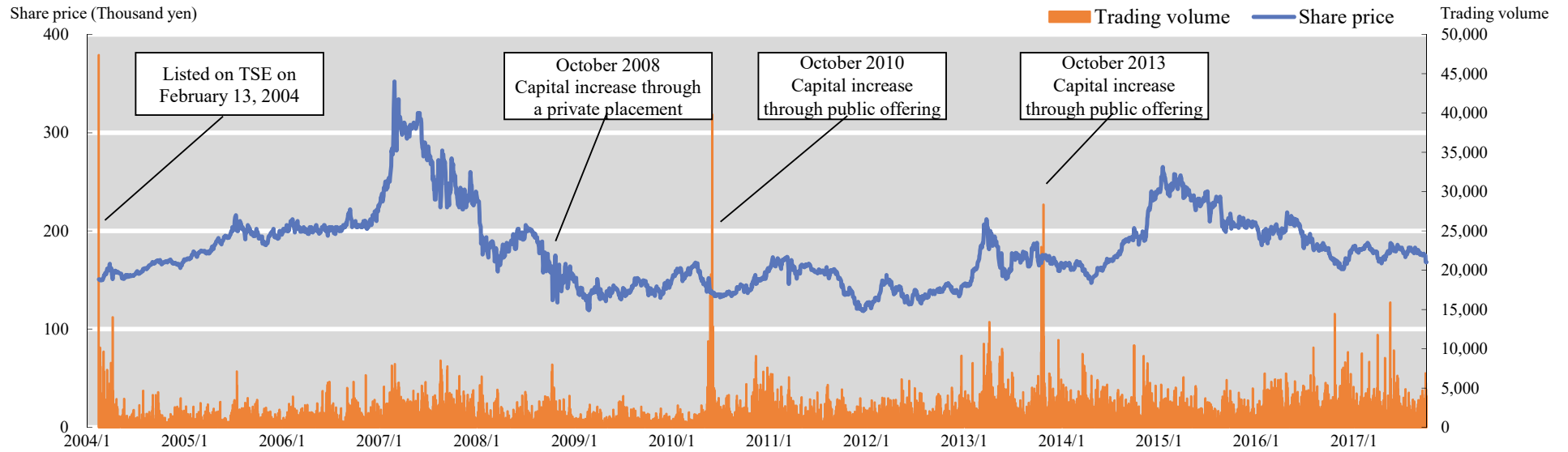
Changes in Asset Size, LTV and Distribution Per Unit



(Note) Investment units were split at a ratio of 1 to 5 as of April 1, 2014. Distribution per unit before the split is the actual distribution per unit divided by five and rounded down to the nearest yen.

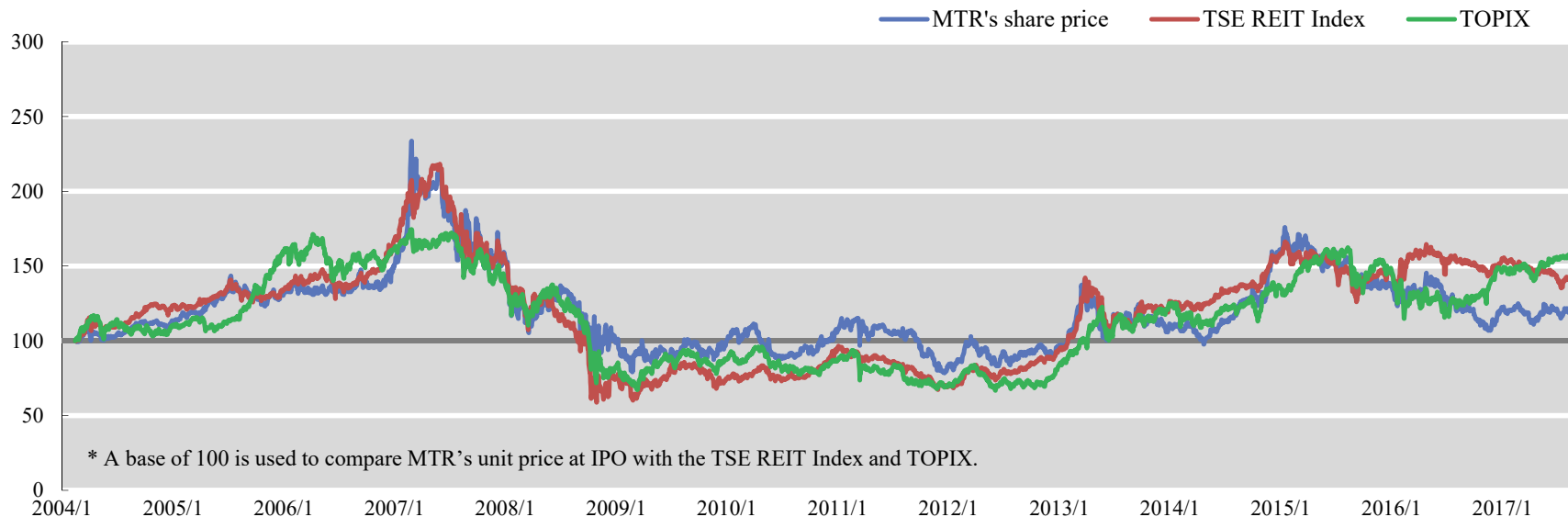
Changes in Unit Prices

Closing share price and trading volume February 13, 2004 to September 30, 2017



(Note) Unit price and trading volume take into account the split of investment units (at the ratio of 1 to 5 units) on April 1, 2014, and figures prior to April 1, 2014 are revised accordingly.

Comparative performance of closing share price February 13, 2004 to September 30, 2017



Asset Management Company Remuneration Methods

(The end of the fiscal period ended September 2017)

Agreement		Calculation rate for remuneration	Calculation method
Remuneration Method 1	For each operation period, the average amount of the total appraisal value of assets at the end of the settlement period under review and the total appraisal value of assets at the end of the previous settlement period shall be multiplied by up to 0.2%, being the percentage determined by the Board of Management meeting, multiplied by one half.	0.15% (Note 1)	(Total appraisal value of assets at relevant fiscal period-end + Total appraisal value of assets at prior fiscal period-end) ÷ 2 x 0.15% x 1/2
Remuneration Method 2	As determined at the Board of Management meeting, the amount of remuneration shall equal a maximum rate of 3% of distributable income for the relevant fiscal period. Based on standard accounting principles generally accepted in Japan, distributable income is determined as the sum of profit before income taxes and losses carried forward.	1.5% (Note 2)	Distributable income x 1.5%
Remuneration Method 3	In the event MTR acquires specified assets of securities backed by assets for investment primarily in real estate or other real estate, the rate of remuneration shall be a set percentage of the acquisition price of each property acquisition (excluding consumption tax, local consumption tax and transaction-related expenses), as listed below. The percentages listed below may be reduced depending upon surrounding circumstances. - For acquisitions up to ¥15 billion, remuneration is 0.4% of the amount - For acquisitions from ¥15 billion to ¥30 billion, remuneration is 0.1% of the amount - For acquisitions above ¥30 billion, remuneration is 0.05% of the amount	Refer to left column	Total amount of the acquisition price percentage listed in the left column
Remuneration Method 4	In the event MTR transfers specified assets of securities backed by assets for investment primarily in real estate or other real estate, the rate of remuneration shall be 0.05% of the transfer amount of each asset transfer (excluding consumption tax, local consumption tax and transaction-related expenses).	Refer to left column	Transfer amount x 0.05%

(Note 1) At a Board of Management meeting held on September 29, 2003, it was decided that the calculation rate for remuneration in the rate stated above will be reduced.

(Note 2) At a Board of Management meeting held on November 27, 2003, it was decided that the calculation rate for remuneration in the rate stated above will be reduced.

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