

Issuer of Real Estate Investment Trust Securities

MORI TRUST Sogo Reit, Inc.

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## MTR Announces Financial Results for the Fiscal Period Ended March 31, 2021

**Tokyo, May 21, 2021** – Mori Trust Sogo Reit, Inc. (MTR) has announced financial results for the fiscal period ended March 31, 2021 (from October 1, 2020 to March 31, 2021).

### 1. Operational/Asset Conditions for the fiscal period ended March 31, 2021 (from October 1, 2020 to March 31, 2021)

(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, 2021	8,789	(1.0)	5,464	0.5	5,116	1.1	5,115	1.1
Fiscal period ended September 30, 2020	8,882	0.1	5,437	0.7	5,059	1.3	5,058	1.3

	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, 2021	3,875	3.2	1.6	58.2
Fiscal period ended September 30, 2020	3,832	3.2	1.5	57.0

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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, 2021	3,875	5,115	—	—	100.0	3.2
Fiscal period ended September 30, 2020	3,832	5,058	—	—	100.0	3.2

(Note) 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, 2021	330,301	160,180	48.5	121,348
Fiscal period ended September 30, 2020	328,915	160,123	48.7	121,305

## (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, 2021	5,969	(582)	(3,089)	24,579
Fiscal period ended September 30, 2020	6,082	(584)	(4,996)	22,281

## 2. Forecast for the September 2021 period (April 1, 2021 to September 30, 2021) and the March 2022 period (October 1, 2021 to March 31, 2022)

(% 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 ending September 30, 2021	9,180	4.4	5,350	(2.1)	4,976	(2.7)	4,819	(5.8)	3,392	0
Fiscal period ending March 31, 2022	8,277	(9.8)	4,707	(12.0)	4,328	(13.0)	4,211	(12.7)	3,000	0

(Reference) The profit per unit forecast is ¥3,650 for the fiscal period ending September 30, 2021 and ¥3,190 for the fiscal period ending March 31, 2022.

(Note1) The distribution per unit for the fiscal period ending September 30, 2021 is calculated based on the assumption that the remainder from the subtraction of the provision for reserve for reduction entry (¥475 million) for a gain on the sale of real estate, etc. expected in the said fiscal period from the sum of the profit for the said period and the reversal of reserve for reduction entry (¥134 million) will be distributed.

(Note2) The distribution per unit for the fiscal period ending March 31, 2022 is calculated based on the assumption that the remainder from the subtraction of the provision for reserve for reduction entry (¥386 million) for a gain on the sale of real estate, etc. expected in the said fiscal period from the sum of the profit for the said period and the reversal of reserve for reduction entry (¥134 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 Frespo 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, 2021, numbered 15 properties, with a total assets price of ¥330,301 million.

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

During the fiscal period under review, the Japanese economy first continued to recover from the previous decline; however, a state of emergency was declared again in response to a resurgence in COVID-19 cases from the end of 2020, causing severe conditions particularly in the service industry and uncertainties in economic trends.

In the real estate investment market, while transaction volume decreased due to COVID-19, transaction prices remained high thanks to continued strength in investor confidence linked to monetary easing.

In the real estate leasing market, the vacancy rate of office buildings continued an upward trend as a result of concerns over business prospects and an increase in tenants shifting to telecommuting, causing a downward trend in contracted rents.

In the market for retail facilities, net sales at retail stores and restaurants decreased year on year due to a fall in the number of visitors in response to the declaration of a state of emergency.

In the market for luxury rental housing in Tokyo, both the occupancy rate and the rent level remained high thanks to a limited impact of COVID-19 despite an outflow of some residents from Tokyo to suburban and regional areas.

In the hotel market, while the government's Go To Travel promotional program temporarily facilitated a recovery of tourism, both domestic travelers and foreign visitors continued to decrease due to the cancellation of the program and concerns over the aggravation of the pandemic as a result of travel, which continued to affect the hotel business performance.

Under these investment conditions, MTR continued to conduct investment management by maintaining and improving the occupancy rate of portfolio properties and promoting upward rent revisions, with the aim of securing stable revenues by, for instance, signing a sales agreement for beneficial interests in trust dated March 25, 2021, concerning the purchase and sale of assets.

As a result, as of March 31, 2021, the Investment Corporation owned 15 properties with a total book value of ¥305,544 million. The occupancy rate for the properties owned by the Investment Corporation was 99.3% (98.6% (Note)) as of March 31, 2021.

(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 ¥16,500 million for the repayment of existing borrowings that have matured. MTR issued the thirteenth, fourteenth, and fifteenth series unsecured investment corporation bonds as outlined below to secure funds needed for the redemption of the tenth series unsecured investment corporation bonds due in February 2021 and for the repayment of existing loans, which reach maturity by end of December 2021.

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

Issue amount: ¥3,000 million

Interest rate: 0.170% per annum

Date of issue: February 25, 2021

Redemption date: February 22, 2024

Collateral: Unsecured and unguaranteed

Name: MORI TRUST Sogo Reit, Inc. Fourteenth 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 25, 2021

Redemption date: February 25, 2031

Collateral: Unsecured and unguaranteed

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

Issue amount: ¥1,000 million

Interest rate: 0.750% per annum

Date of issue: February 25, 2021

Redemption date: February 25, 2036

Collateral: Unsecured and unguaranteed

As a result, interest-bearing debt as of March 31, 2021 amounted to ¥157,000 million, of which long-term loans payable amounted to ¥133,000 million (including long-term loans payable of ¥26,500 million due for repayment within 1 year) and investment corporation bonds amounted to ¥14,000 million (including investment corporation bonds of ¥3,000 million due for redemption within 1 year). The ratio of interest-bearing debt to total assets as of March 31, 2021 was 47.5% (compared with 47.1% as of September 30, 2020).

As of March 31, 2021, 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 ¥8,789 million, operating income came to ¥5,464 million, ordinary income after the deduction of loan-related interest expenses from operating income came to ¥5,116 million, and profit came to ¥5,115 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), the Investment Corporation decided to distribute all of the undistributed profit at the end of the fiscal period, with the exception of a fraction of less than ¥1 of distributions per unit. Consequently, the distribution per investment unit amounted to ¥3,875.

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**(b) Outlook for the next fiscal period****(i) Outlook for overall performance**

Going forward, while the Japanese economy is expected to remain sluggish due to the impact of COVID-19, various measures taken at the national level should facilitate gradual recovery.

In the real estate investment market, expected cap rates will likely remain low for the time being, given the continued strength in demand particularly of foreign investors. Meanwhile, investor trends affected by the pandemic and changes in the economic environment will need to be monitored.

In the real estate leasing market, the upward trend in the vacancy rate and the downward trend in rents for office buildings are projected to continue as a result of ongoing concerns over future corporate performance and a significant shift to telecommuting.

In the markets for retail facilities and hotels, while conditions will likely remain challenging due to the continued request to reduce business hours and a decrease in foreign visitors to Japan, a gradual recovery is expected as a result of government measures.

In the market for luxury rental housing in Tokyo, both the occupancy rate and rent levels are backed by a stable supply and demand environment and 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 information, to expand the size of its assets under management (AUM) and acquire new investment 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.

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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.

**(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

(Reference Information)

Transfer of property

MTR concluded a sales agreement for beneficial interests in trust on the transfer of the property below on March 25, 2021.

Tokyo Shiodome Building

(i) Outline of the transfer

Property to be transferred: Real estate trust's beneficiary interest (co-owned interest 124,822 of 1,000,000)

Transfer price: 27,960 million yen (the first: 13,980 million yen, the second: 13,980 million yen)

(Excluding transfer cost, property taxes, city planning taxes and consumption taxes)

Gain on transfer: We are to record gain on sales of real estate of approximately 1.4 billion yen in the fiscal period ending September 2021 and approximately 1.4 billion yen in fiscal period ending March 2022 as operating revenues.

Scheduled date of transfer: First scheduled date: July 1, 2021, second scheduled date: October 1, 2021

Buyer: MORI TRUST CO., LTD.

Remarks: MTR plans to split the transfer into two parts, creating a trust for a co-ownership interest of 6.2411% on July 1, 2021 to complete the first part of the transfer, and creating an additional trust for a co-ownership interest of 6.2411% on October 1, 2021 to complete the second part of the transfer.

Others: The sales agreement falls under forward commitments, etc., as defined in the Financial Services Agency's Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. Only when there is willful or gross negligence on the part of the seller or the buyer in the Transfer, shall the counterparty be able to cancel the sales agreement on the grounds of a serious breach of obligations under the sales agreement pertaining to the Transfer involving the counterparty. When the Transfer is cancelled due to a breach of obligations, the breaching party shall pay an amount equivalent to 20% of purchase/sales price as a penalty fee to the counterparty.

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(ii) Outline of the property to be transferred

Location:	9-1 Higashi Shimbashi 1-chome, Minato Ward, Tokyo (displayed address)
Usage:	Office building (Type of registry entry: office, hotel, store, parking lot)
Acreage:	17,847.73 m <sup>2</sup> ( including co-owned interest of other co-owners)
Total floor space:	One building : 191,394.06 m <sup>2</sup> Exclusive portion owned by MTR: Half of co-owned interest of 191,394.06 m <sup>2</sup>
Structure:	Steel-framed reinforced concrete, reinforced concrete, Steel construction, flat roofed/37 stories with 4 basement levels
Construction completion:	January, 2005

Acquisition of property

MTR concluded a sales agreement for beneficial interests in trust on the acquisition of the property below on March 25, 2021.

Kamiyacho Trust Tower

(i) Outline of the acquisition

Property to be acquired:	Real estate trust's beneficiary interest Land Ownership and land lease rights (site ownership ratio: 6.67257234%) Building Sectionally owned
Acquisition price:	27,960 million yen (No. 901: 13,980 million yen, No. 801: 13,980 million yen) (Excluding acquisition cost, property taxes, city planning taxes and consumption taxes)
Scheduled date of acquisition:	First scheduled date (No. 901): July 1, 2021, second scheduled date (No. 801): October 1, 2021
Seller:	MORI TRUST CO., LTD.
Remarks:	MTR plans to split the acquisition into two parts, creating a trust on July 1, 2021 to complete the first part of the acquisition and creating an additional trust on October 1, 2021 to complete the second part of the acquisition.
Others:	The sales agreement falls under forward commitments, etc., as defined in the Financial Services Agency's Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. Only when there is willful or gross negligence on the part of the seller or the buyer in the Acquisition, shall the counterparty be able to cancel the sales agreement on the grounds of a serious breach of obligations under the sales agreement pertaining to the Acquisition with the counterparty. When the Acquisition is cancelled due to a breach of obligations, the breaching party shall pay an amount equivalent to 20% of purchase/sales price as a penalty fee to the counterparty.

(ii) Outline of property to be acquired

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

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

(Note 2) Area is the total area of the exclusively owned space on the 8th and 9th floors of the office section (No. 801 (3,797.72 m<sup>2</sup>) and No. 901 (3,797.72 m<sup>2</sup>)).

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**(vi) Forecasts of performance**

The Investment Corporation forecasts that performance in the next fiscal period the fiscal period ending September 30, 2021(from April 1, 2021 to September 30, 2021) will be as follows. Assuming that the assumptions of forecasts of performance are correct, performance forecasts for the fiscal period ending March 31, 2022(from October 1, 2021 to March 31, 2022) are as follows.

Please refer to “Assumptions for Forecasts of Performance for the fiscal period ending September 30, 2021(from April 1, 2021 to September 30, 2021) and the fiscal period ending March 31, 2022(from October 1, 2021 to March 31, 2022)” below for further details of the assumptions of forecasts of performance.

	the fiscal period ending September 30, 2021	the fiscal period ending March 31, 2022
Operating revenues	¥9,180 million	¥8,277 million
Operating income	¥5,350 million	¥4,707 million
Ordinary income	¥4,976 million	¥4,328 million
Profit	¥4,819 million	¥4,211 million
Distribution per unit	¥3,392	¥3,000

(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, 2021, and fiscal period ending March 31, 2022, are based on the assumption of a partial reversal and reserving of retained earnings.

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**Assumptions for Forecasts of Performance for the Fiscal Period ending September 30, 2021 (from April 1, 2021 to September 30, 2021) and the Fiscal Period ending March 31, 2022 (from October 1, 2021 to March 31, 2022)**

Item	Assumptions
Portfolio properties	<ul style="list-style-type: none"> <li>• MTR assumes that the acquisition of Kamiyacho Trust Tower planned for July 1, 2021 as well as the partial transfer of Tokyo Shiodome Building are reflected in the 15 properties held as of May 31, 2021.</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, 2021. 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 ¥157,000 million as of March 31, 2021.</li> <li>• MTR assumes that it will use refinancing or appropriate funds on hand to repay loans of ¥19,000 million that will fall due during the fiscal period ending September 30, 2021. MTR assumes that it will appropriate funds raised through refinancing and the issuance of investment corporation bonds to repay loans of ¥17,500 million that will fall due during the fiscal period ending March 31, 2022, and redeem investment corporation bonds of ¥3,000 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>• Leasing business revenue for the offices and stores in Tokyo Shiodome Building is linked to rents based on sublease agreements for the fiscal period ending September 2021 and the fiscal period ending March 31, 2022, and MTR assumes rents based on sublease agreements already signed at present.</li> <li>• MTR estimates gains on sales of real estate, etc. of approximately ¥1,400 million for the fiscal period ending September 30, 2021, and approximately ¥1,400 million for the fiscal period ending March 31, 2022, due to the partial sale of Tokyo Shiodome Building.</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 ¥964 million for the fiscal period ending September 30, 2021 and ¥878 million for the fiscal period ending March 31, 2022 fiscal period.</li> <li>• We estimate property management fees of ¥785 million for the fiscal period ending September 30, 2021 and ¥739 million for the fiscal period ending March 31, 2022.</li> <li>• We estimate depreciation of ¥1,114 million for the fiscal period ending September 30, 2021 and ¥1,127 million for the fiscal period ending March 31, 2022.</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 ¥489 million for the fiscal period ending September 30, 2021 and ¥468 million for the fiscal period ending March 31, 2022.</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 ¥373 million for the fiscal period ending September 30, 2021 and ¥379 million for the fiscal period ending March 31, 2022.</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 calculation of the distribution for the fiscal period ending September 30, 2021, MTR assumes reversal of a portion worth ¥195 million (reserve for reduction entry of ¥134 million and relevant deferred tax liabilities of ¥61 million) of the internal reserves totaling ¥1,567 million (the total of reserve for reduction entry of ¥1,074 million and relevant deferred tax liabilities of ¥493 million) accumulated until the fiscal period ended March 31, 2021, under the application of the "Special Provisions for Taxation in the case of Advanced Acquisition of Land, etc. in 2009 and 2010" and the accumulation as internal reserves of a portion worth ¥693 million (reserve for reduction entry of ¥475 million and relevant deferred tax liabilities of ¥218 million) of gains on sales of real estate, etc. due to the partial transfer of Tokyo</li> </ul>

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	<p>Shiodome Building, which are expected to arise in the fiscal period ending September 30, 2021, under the application of "Special Provisions for Taxation in Cases of Repurchase of Specified Assets."</p> <ul style="list-style-type: none"> <li>• On calculation of the distribution for the fiscal period ending March 31, 2022, MTR assumes reversal of a portion worth ¥195 million (reserve for reduction entry of ¥134 million and relevant deferred tax liabilities of ¥61 million) of the internal reserves totaling ¥2,065 million (the total of reserve for reduction entry of ¥1,415 million and relevant deferred tax liabilities of ¥649 million) scheduled to be accumulated until the fiscal period ending September 30, 2021, under the application of the "Special Provisions for Taxation in the case of Advanced Acquisition of Land, etc. in 2009 and 2010" and the accumulation as internal reserves of a portion worth ¥563 million (reserve for reduction entry of ¥386 million and relevant deferred tax liabilities of ¥177 million) of gains on sales of real estate, etc. due to the partial transfer of Tokyo Shiodome Building, which are expected to arise in the fiscal period ending September 30, 2021, under the application of "Special Provisions for Taxation in Cases of Repurchase of Specified Assets."</li> <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, 2020	As of March 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	19,446,362	21,460,919
Cash and deposits in trust	2,835,490	3,118,666
Operating accounts receivable	249,460	48,279
Accounts receivable – other	–	2,839
Prepaid expenses	71,739	33,639
Other	685	8,160
<b>Total current assets</b>	<b>22,603,738</b>	<b>24,672,505</b>
Non-current assets		
Property, plant and equipment		
Buildings	40,393,268	40,488,240
Accumulated depreciation	(18,999,215)	(19,566,409)
<b>Buildings, net</b>	<b>21,394,053</b>	<b>20,921,830</b>
Structures	571,395	571,395
Accumulated depreciation	(531,981)	(532,617)
<b>Structures, net</b>	<b>39,414</b>	<b>38,778</b>
Machinery and equipment	152,086	153,655
Accumulated depreciation	(117,834)	(120,200)
<b>Machinery and equipment, net</b>	<b>34,251</b>	<b>33,454</b>
Tools, furniture and fixtures	104,935	107,339
Accumulated depreciation	(77,296)	(80,265)
<b>Tools, furniture and fixtures, net</b>	<b>27,639</b>	<b>27,073</b>
Land	136,672,529	136,672,529
Buildings in trust	28,087,602	28,402,864
Accumulated depreciation	(11,006,973)	(11,555,430)
<b>Buildings in trust, net</b>	<b>17,080,629</b>	<b>16,847,433</b>
Structures in trust	125,323	125,323
Accumulated depreciation	(104,090)	(105,126)
<b>Structures in trust, net</b>	<b>21,233</b>	<b>20,196</b>
Machinery and equipment in trust	7,693	7,693
Accumulated depreciation	(3,264)	(3,508)
<b>Machinery and equipment in trust, net</b>	<b>4,429</b>	<b>4,185</b>
Tools, furniture and fixtures in trust	94,007	96,617
Accumulated depreciation	(53,549)	(57,541)
<b>Tools, furniture and fixtures in trust, net</b>	<b>40,458</b>	<b>39,075</b>
Land in trust	130,939,930	130,939,930
<b>Total property, plant and equipment</b>	<b>306,254,568</b>	<b>305,544,488</b>

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Thousands of yen

	As of September 30, 2020	As of March 31, 2021
<b>Intangible assets</b>		
Other	240	240
<b>Total intangible assets</b>	<b>240</b>	<b>240</b>
<b>Investments and other assets</b>		
Guarantee deposits	10,000	10,000
Long-term prepaid expenses	6,622	12,402
Other	3,602	3,602
<b>Total investments and other assets</b>	<b>20,225</b>	<b>26,004</b>
<b>Total non-current assets</b>	<b>306,275,033</b>	<b>305,570,733</b>
<b>Deferred assets</b>		
Investment corporation bond issuance costs	36,481	57,923
<b>Total deferred assets</b>	<b>36,481</b>	<b>57,923</b>
<b>Total assets</b>	<b>328,915,253</b>	<b>330,301,163</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Operating accounts payable	174,498	363,723
Short-term loans payable	13,000,000	10,000,000
Current portion of investment corporation bonds	3,000,000	3,000,000
Current portion of long-term loans payable	22,500,000	26,500,000
Accounts payable – other	143,117	193,587
Accrued expenses	447,663	446,312
Dividends payable	8,691	7,922
Income taxes payable	947	956
Accrued consumption taxes	283,190	197,513
Advances received	1,519,814	1,010,197
Deposits received	322	322
<b>Total current liabilities</b>	<b>41,078,244</b>	<b>41,720,536</b>
<b>Non-current liabilities</b>		
Investment corporation bonds	9,000,000	11,000,000
Long-term loans payable	107,500,000	106,500,000
Tenant leasehold and security deposits	9,809,617	9,460,564
Tenant leasehold and security deposits in trust	911,177	946,890
Deferred tax liabilities	493,156	493,156
<b>Total non-current liabilities</b>	<b>127,713,950</b>	<b>128,400,610</b>
<b>Total liabilities</b>	<b>168,792,195</b>	<b>170,121,147</b>

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Thousands of yen

	As of September 30, 2020	As of March 31, 2021
Net assets		
Unitholders' equity		
Unitholders' capital	153,990,040	153,990,040
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	1,074,447	1,074,447
Total voluntary retained earnings	1,074,447	1,074,447
Unappropriated retained earnings	5,058,569	5,115,527
Total surplus	6,133,017	6,189,975
Total unitholders' equity	160,123,057	160,180,015
Total net assets	160,123,057	160,180,015
Total liabilities and net assets	328,915,253	330,301,163

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

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## (2) Statement of income

For the six-month period ended September 30, 2020 and March 31, 2021

	Thousands of yen	
	For the period from April 1, 2020 to September 30, 2020	For the period from October 1, 2020 to March 31, 2021
<b>Operating revenue</b>		
Lease business revenue	8,613,153	8,530,598
Other lease business revenue	269,397	259,331
<b>Total operating revenue</b>	<b>8,882,550</b>	<b>8,789,929</b>
<b>Operating expenses</b>		
Expenses related to rent business	2,991,735	2,880,013
Asset management fee	341,890	334,798
Asset custody fee	13,111	13,129
Administrative service fees	47,919	48,455
Directors' compensations	3,600	3,600
Other operating expenses	47,105	45,200
<b>Total operating expenses</b>	<b>3,445,361</b>	<b>3,325,198</b>
<b>Operating income</b>	<b>5,437,189</b>	<b>5,464,731</b>
<b>Non-operating income</b>		
Interest income	103	110
Reversal of dividends payable	1,264	1,034
Insurance income	221	35,405
<b>Total non-operating income</b>	<b>1,589</b>	<b>36,550</b>
<b>Non-operating expenses</b>		
Interest expenses	355,373	334,045
Interest expenses on investment corporation bonds	13,985	15,410
Amortization of investment corporation bond issuance costs	8,980	8,994
Other	1,112	26,661
<b>Total non-operating expenses</b>	<b>379,452</b>	<b>385,112</b>
<b>Ordinary income</b>	<b>5,059,326</b>	<b>5,116,169</b>
Profit before income taxes	5,059,326	5,116,169
Income taxes - current	962	973
Income taxes - deferred	(16)	(0)
<b>Total income taxes</b>	<b>946</b>	<b>972</b>
<b>Profit</b>	<b>5,058,379</b>	<b>5,115,197</b>
Retained earnings at beginning of period	190	329
<b>Unappropriated retained earnings</b>	<b>5,058,569</b>	<b>5,115,527</b>

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

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

For the six-month period from April 1, 2020 to September 30, 2020

Thousands of yen

	Unitholders' equity						Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	
		Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total surplus		
		Reserve for reduction entry	Total voluntary retained earnings				
Balance at beginning of current period	153,990,040	1,074,447	1,074,447	4,996,390	6,070,837	160,060,877	160,060,877
Changes of items during period							
Dividends of surplus				(4,996,200)	(4,996,200)	(4,996,200)	(4,996,200)
Profit				5,058,379	5,058,379	5,058,379	5,058,379
Total changes of items during period	—	—	—	62,179	62,179	62,179	62,179
Balance at end of current period	153,990,040	1,074,447	1,074,447	5,058,569	6,133,017	160,123,057	160,123,057

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

For the six-month period from October 1, 2020 to March 31, 2021

Thousands of yen

	Unitholders' equity						Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	
		Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total surplus		
		Reserve for reduction entry	Total voluntary retained earnings				
Balance at beginning of current period	153,990,040	1,074,447	1,074,447	5,058,569	6,133,017	160,123,057	160,123,057
Changes of items during period							
Dividends of surplus				(5,058,240)	(5,058,240)	(5,058,240)	(5,058,240)
Profit				5,115,197	5,115,197	5,115,197	5,115,197
Total changes of items during period	—	—	—	56,957	56,957	56,957	56,957
Balance at end of current period	153,990,040	1,074,447	1,074,447	5,115,527	6,189,975	160,180,015	160,180,015

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#### (4) Statement of Cash Distributions

For the six-month period ended September 30, 2020 and March 31, 2021

Unit: yen

	The Fiscal Period ended September 30, 2020 (April 1, 2020 to September 30, 2020)	The Fiscal Period ended March 31, 2021 (October 1, 2020 to March 31, 2021)
I. Unappropriated retained earnings	5,058,569,966	5,115,527,248
II. Distribution amount	5,058,240,000	5,115,000,000
(Distribution amount per unit)	(3,832)	(3,875)
III. Retained earnings carried forward	329,966	527,248
Calculation method of distribution amount	In accordance with Paragraph 1, Article 29 of the Investment Corporation's Articles of Incorporation, MTR decided to distribute 5,058,240,000 yen, which is the maximum value of the integral multiple of the total number of units issued and outstanding (1,320,000 units), not exceeding unappropriated retained earnings. 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 5,115,000,000 yen, which is the maximum value of the integral multiple of the total number of units issued and outstanding (1,320,000 units), not exceeding unappropriated retained earnings. 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, 2020 and March 31, 2021

	Thousands of yen	
	For the period from April 1, 2020 to September 30, 2020	For the period from October 1, 2020 to March 31, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	5,059,326	5,116,169
Depreciation	1,308,619	1,126,895
Amortization of investment corporation bond issuance costs	8,980	8,994
Interest income	(103)	(110)
Interest expenses	369,359	349,456
Decrease (Increase) in operating accounts receivable	(199,394)	209,847
Increase (Decrease) in operating accounts payable	(42,915)	83,620
Increase (Decrease) in accrued consumption taxes	(41,156)	(85,676)
Increase (Decrease) in advances received	14,597	(509,616)
Other, net	(20,148)	24,911
Subtotal	6,457,165	6,324,491
Interest income received	103	110
Interest expenses paid	(373,925)	(353,711)
Income taxes paid	(621)	(964)
Net cash provided by operating activities	6,082,720	5,969,926
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(157,457)	(69,997)
Purchase of property, plant and equipment in trust	(467,146)	(296,347)
Repayments of tenant leasehold and security deposits	(52,452)	(405,972)
Proceeds from tenant leasehold and security deposits	81,467	161,616
Repayments of tenant leasehold and security deposits in trust	(6,462)	(17,528)
Proceeds from tenant leasehold and security deposits in trust	17,860	45,481
Net cash used in investing activities	(584,189)	(582,747)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	2,500,000	(3,000,000)
Proceeds from long-term loans payable	10,000,000	13,500,000
Repayments of long-term loans payable	(12,500,000)	(10,500,000)
Proceeds from issuance of investment corporation bonds	—	5,000,000
Redemption of investment corporation bonds	—	(3,000,000)
Payments for investment corporation bond issuance costs	—	(30,437)
Dividends paid	(4,996,715)	(5,059,009)
Net cash used in financing activities	(4,996,715)	(3,089,446)
Net increase (decrease) in cash and cash equivalents	501,816	2,297,733
Cash and cash equivalents at beginning of period	21,780,036	22,281,852
Cash and cash equivalents at end of period	22,281,852	24,579,586

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

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## 5. Reference Information

### (1) Composition of assets

type	Region	As of September 30, 2020		As of March 31, 2021	
		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)	134,246	40.8	133,892	40.5
	Other (Note 4)	23,921	7.3	23,801	7.2
Trust	Central Tokyo (Note 3)	113,262	34.4	113,135	34.3
	Other (Note 4)	34,824	10.6	34,715	10.5
Subtotal		306,254	93.1	305,544	92.5
Other assets		22,660	6.9	24,756	7.5
Total		328,915	100.0	330,301	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, 2021 was 15, 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, 2021 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
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) (Note 7)	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 Sagamihara-Nishihashimoto	5-4-4 Nishihashimoto, Midori-ku, Sagamihara City	19,878.57	40,283.77	S 5F	Owned	Owned
Frespo Inage (Note 5)	731-17 Naganumaracho, Inage-ku, Chiba City	39,556.71	—	—	Owned	—
Hotel Okura Kobe (Note 5)	48-1 Hatobacho, Chuo-ku, Kobe City, etc.	30,944.44	72,246.86	SRC・S B2/35F	Owned	Owned
Park Lane Plaza	2-30-6 Jingumae, Shibuya-ku, Tokyo	1,702.95	5,246.78	RC B1/7F	Owned	Owned

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

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

(Note 3) The land area of 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 50/100. Moreover, the Tokyo Shiodome Building is a co-owned building, and the floor area of 95,697.03m<sup>2</sup> is calculated by multiplying MTR's co-owned interest (ratio of 50/100) 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 of 907,880/1,000,000) by the total floor space.

(Note 5) Of the 15 properties listed above, the ON Building, the Kioicho Building, 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.

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- (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 Tenjin Prime is the total area of the 7 sections of land, the site of the relevant building, and part of the land in question includes leased land. Of the 7 sections of land in question, 6 sections of land (total area of 1,081.75m<sup>2</sup>) are solely owned by a trust fiduciary for whom MTR is the sole trust beneficiary, and a trust fiduciary for whom MTR is the sole trust beneficiary has the land lease right over the remaining section of land (area of 28.98m<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-p eriod 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			
Central Tokyo	Office building	Tokyo Shiodome Building	110,000	100,459	112,000	3.3%	3.2%	3.3%	Rich Appraisal Institute K.K.	33.9%	
		ON Building	39,900	39,058	33,700	3.5%	3.2%	3.7%	Japan Real Estate Institute	12.3%	
		Kioicho Building	34,300	33,254	38,000	3.2%	3.0%	3.4%	Daiwa Real Estate Appraisal Co., Ltd.	10.6%	
		Osaki MT Building	14,386 (Note 5)	13,007	16,900	3.4%	3.1%	3.6%	Japan Real Estate Institute	4.4%	
		Hiroo MTR Building	8,100	8,360	8,440	3.6%	3.4%	3.8%	Daiwa Real Estate Appraisal Co., Ltd.	2.5%	
	Subtotal		206,686	194,141	209,040	—				63.8%	
	Retail facility	SHIBUYA FLAG	32,040	32,460	40,300	3.2%	3.0%	3.4%	Japan Real Estate Institute	9.9%	
		Shinbashi Ekimae MTR Building	18,000	17,291	22,200	3.6%	3.4%	3.8%	Chuo-Nittochi Solutions Co., Ltd.	5.6%	
	Subtotal		50,040	49,752	62,500	—				15.4%	
	Other	Park Lane Plaza	3,200	3,133	4,030	3.4%	4.1%	3.1%	Chuo-Nittochi Solutions Co., Ltd.	1.0%	
	Subtotal		3,200	3,133	4,030	—				1.0%	
Subtotal		259,926	247,027	275,570	—				80.2%		
Other	Office building	Midosuji MTR Building	10,170	9,984	10,600	3.6%	3.4%	3.8%	Daiwa Real Estate Appraisal Co., Ltd.	3.1%	
		Tenjin Prime	6,940	6,636	9,040	3.9%	3.6%	4.1%	Japan Real Estate Institute	2.1%	
		Shin-Yokohama TECH Building	6,900	6,837	7,620	4.6%	4.4%	4.9%	Chuo-Nittochi Solutions Co., Ltd.	2.1%	
	Subtotal		24,010	23,458	27,260	—				7.4%	
	Retail facility	Ito-Yokado Shonandai	11,600	9,795	11,700	5.3%	5.0%	5.5%	Japan Real Estate Institute	3.6%	
		Kohnan Sagamihara- Nishihashimoto	7,460	7,168	8,500	5.2%	4.9%	5.4%	Japan Real Estate Institute	2.3%	
		Frespo Inage	2,100 (Note 6)	2,193	2,620	— (Note 7)	7.9%	— (Note 8)	Japan Real Estate Institute	0.6%	
	Subtotal		21,160	19,157	22,820	—				6.5%	
Other	Hotel Okura Kobe	19,000	15,900	16,900	4.9%	4.7%	5.0%	Rich Appraisal Institute K.K.	5.9%		
Subtotal		19,000	15,900	16,900	—				5.9%		
Subtotal		64,170	58,516	66,980	—				19.8%		
Total		324,096	305,544	342,550	—				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 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.

(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, 2021)

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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 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 6) 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 7) The direct capitalization method is not adopted for Frespo Inage.
- (Note 8) 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, 2021 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, 2021 (six months from October 1, 2020 to March 31, 2021) is 2 properties, Tokyo Shiodome Building and Kioicho Building.

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)(㎡)	Rent area (Note 4)(㎡)	Total number of tenants
Central Tokyo	Office building	Tokyo Shiodome Building	2,795	31.8%	95,697.03	95,697.03	1
		ON Building	(Note 5)	(Note 5)	20,654.60	20,654.60	1
		Kioicho Building (Note 6)	1,043	11.9%	24,748.48	22,474.09	32 (65)
		Osaki MT Building (Note 7)	365	4.2%	24,495.21	24,495.21	1 (14)
		Hiroo MTR Building (Note 8)	204	2.3%	4,946.36	4,946.36	8
	Retail Facility	SHIBUYA FLAG (Note 8)	(Note 5)	(Note 5)	5,983.86	5,514.88	2
		Shinbashi Ekimae MTR Building	460	5.2%	8,055.00	8,055.00	1
Other	Park Lane Plaza (Note 9)	104	1.2%	4,443.03	4,259.97	17	
Other	Office building	Midosuji MTR Building (Note 10)	309	3.5%	15,129.16	15,129.16	1 (31)
		Tenjin Prime (Note 8)	253	2.9%	5,990.40	5,990.40	15
		Shin-Yokohama TECH Building	349	4.0%	18,238.86	18,238.86	11
	Retail facility	Ito-Yokado Shonandai	375	4.3%	53,393.66	53,393.66	1
		Kohnan Sagamihara-Nishihashimoto	(Note 5)	(Note 5)	40,283.77	40,283.77	1
		Frespo Inage	123	1.4%	39,556.71	39,556.71	1
	Other	Hotel Okura Kobe	625	7.1%	72,246.86	72,246.86	1
Total (Note 11)			8,789	100.0%	433,862.99	430,936.56	94 (170)

(Note 1) "Rental revenues" stated are rental revenues (rent, common charges, other rental revenues, etc.) for the fiscal period ended March 31, 2021 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 (50/100) 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 (50/100) 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) 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 6) Regarding the office portion of the Kioicho Building, MTR leases the office portion of the Kioicho Building from a fiduciary trust company under a master lease agreement and subleases it to tenants. Regarding the residential portion, the agreement used is the master lease pass-through model. The total number of tenants of the relevant properties stated above is that under the sublease agreement for the office portion and the master lease agreement for the residential portion. The figure in brackets for the total number of tenants is the total number of tenants based on the sublease agreements of the office and residential portions of the building.

(Note 7) 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.

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(Note 8) 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 9) 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 10) 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 11) The total number of tenants in brackets is the total number of tenants calculated based on the total number of tenants under the sublease agreements for the Osaki MT Building, the Kioicho Building and the Midosuji MTR Building.

#### Occupancy rate of the Portfolio

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Region	Use	Property name	2021	2020		2019		2018		2017		2016
			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 Mar.
Central Tokyo	Office building	Tokyo Shiodome Building	100.0	100.0	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 2)	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)	99.9 (98.1)	96.7 (94.8)
		Osaki MT Building(Note 3)	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)	100.0 (92.7)	100.0 (96.7)
		Hiroo MTR Building (Note 4)	100.0	100.0	100.0	100.0	100.0	84.2	99.5	—	—	—
	Subtotal (Note 5)		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)	99.9 (99.0)	99.5 (98.9)
	Retail facility	SHIBUYA FLAG (Note 4)	92.2	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Shinbashi Ekimae MTR Building	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Subtotal		96.7	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Other	Park Lane Plaza	95.9	100.0	92.9	95.9	100.0	100.0	96.8	100.0	100.0	93.5
Subtotal		95.9	100.0	92.9	95.9	100.0	100.0	96.8	100.0	100.0	93.5	
Subtotal (Note 5)			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)	99.9 (99.1)	99.4 (98.8)
Other	Office building	Midosuji MTR Building (Note 6)	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)	100.0 (95.0)	100.0 (96.7)
		Tenjin Prime (Note 4)	100.0	100.0	100.0	100.0	100.0	89.1	100.0	100.0	100.0	94.6
		Shin-Yokohama TECH Building	100.0	100.0	100.0	100.0	98.7	98.7	95.7	92.6	98.8	97.8
	Subtotal (Note 5)		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)	99.5 (97.9)	98.2 (96.9)
	Retail facility	Ito-Yokado Shonandai	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Kohnan Sagamihara-Nishihashimoto	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Frespo Inage	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Subtotal		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Other	Hotel Okura Kobe	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Subtotal		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Subtotal (Note 5)			100.0 (99.8)	100.0 (99.9)	100.0 (100.0)	100.0 (100.0)	99.9 (99.9)	99.6 (99.5)	99.7 (99.7)	99.4 (99.2)	99.9 (99.8)	99.8 (99.6)
Total (Note 5)			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)	99.9 (99.5)	99.6 (99.3)

(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) 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 3) 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 4) 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 5) The subtotals and the total occupancy rates in brackets are the rates calculated based on the occupancy rates under the sublease agreements for the Kioicho Building, the Osaki MT Building and the Midosuji MTR Building.

(Note 6) 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, 2021 from October 1, 2020 to March 31, 2021, of MORI TRUST Sogo Reit, Inc. (MTR), prepared pursuant to the Law Concerning Investment Trusts and Investment Corporations of Japan.

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

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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.

MTR does not intend and is under no obligation to update any particular forward-looking statement included in this document. The forward-looking statements contained in this press release speak only as of the date of release, May 21, 2021, and MTR does not undertake to update those forward-looking statements to reflect events or circumstances occurring after the date of this release.

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