

# PRESS RELEASE

## Financial Report for the Fiscal Year Ended March 2019

Mori Trust Group recently announced its consolidated business performance for the year ended March 31, 2019(FY 2019).

The Group consists of 28 consolidated companies, including MORI TRUST CO., LTD., MORI TRUST BUILDING MANAGEMENT CO., LTD., and MORI TRUST HOTELS & RESORTS CO., LTD., and three equity-method affiliates.

### **[Mori Trust Group Consolidated Financial Report]** (April 1, 2018 – March 31, 2019)

- In the term ended March 2019, Operating revenue was 174.8 billion yen (up 8.0% compared to the previous term) and operating income was 34.4 billion yen (up 7.9% compared to the previous term), with hotel-related business recording its record high revenue. Operating revenue and operating income both increased for the second consecutive fiscal year.
- Each business segment performed steadily, leading to good final results, with ordinary income at 36.1 billion yen (up 8.7% compared to the previous term), and net income attributable to owners of the parent at 40.2 billion yen (up 33.1% compared to the previous term).
- For the fiscal year ending March 2020, we expect operating revenue of 238 billion yen (up 36.1% compared to the previous term), operating income of 55 billion yen (up 59.7% compared to the previous term), and net income attributable to owners of the parent of 40 billion yen.

(Figures in millions of yen; figures less than one million yen are rounded down.)

	FY2018	FY2019	FY2020 (Projection)
Operating revenue	161,911	174,868	238,000
Operating income	31,923	34,436	55,000
Ordinary income	33,309	36,196	53,000
Net income attributable to parent company's shareholders. *	30,229	40,227	40,000

\* From the fiscal year ended March 2016, the account title "Net income" is changed to "Net income attributable to parent company's shareholders."

### Operating revenue breakdown

Rental related business	68,023	67,974	73,000
Hotel related business	33,704	37,212	40,000
Real estate sales business	45,769	55,130	110,000
Other business (contract work, etc)	14,414	14,551	15,000

### Total assets and net assets

Total assets	1,042,032	1,076,523	—
Net assets	406,433	435,002	—

## Highlights of FY 2019 business performance

- In “leasing-related business,” although rental income fell away in association with the sale of shares in Urban Life Co., Ltd., high occupancy rates at existing properties in Japan and overseas, including Marunouchi, Sendai and Boston, and an increase in unit prices due to factors such as rent revisions and new contracts contributed, and we recorded operating revenue of 67.9 billion yen.
- “Hotel-related business” recorded record high results, with operating revenue of 37.2 billion yen, an increase for the seventh consecutive year. This was due to the continued maintenance from last year of high occupancy rates and high unit prices in both inner city and regional areas, as well as the contribution of the full-year operation of rebranded Marriott hotels throughout Japan against the backdrop of vigorous domestic and overseas demand for accommodation, which continues to boom.
- “Real estate sales business” recorded operating revenue of 55.1 billion yen as a result of strong sales of condominiums, while “other business” recorded operating revenue of 14.5 billion yen.

As a result of the above, operating revenue finished at 174.8 billion yen, operating income at 34.4 billion yen and net income attributable to owners of the parent at 40.2 billion yen.

## Business Performance Projections for FY 2020

- In “leasing-related business,” we expect operating revenues of 73 billion yen because we anticipate the maintenance of high occupancy rates and increased unit prices for existing properties in Japan and overseas due to the strong transition of office market conditions and renovations to increase added value, and there will be contributions by the office buildings in San Jose, California, U.S., which we acquired in March 2019.
- In “hotel-related business,” we expect operating revenue of 40 billion yen because we anticipate an increase in the ADR (average room unit price) of existing hotels due to an expected further increase in demand for accommodation, centered on inbound demand in the run-up to the Olympics, and because of the full-year operation of “Iraph SUI, a Luxury Collection Hotel, Miyako Okinawa” (opened in December 2018) and “Courtyard by Marriott Hakuba” (rebranded opening in December 2018), etc.
- In “real estate sales business,” we expect operating revenue of 110 billion yen due to factors such as housing sales business performing strongly and office sales, and in “other business,” we expect operating revenue of 15 billion yen due to increased move-in related construction work, etc.

As a result of the above, we expect operating revenue of 238 billion yen, operating income

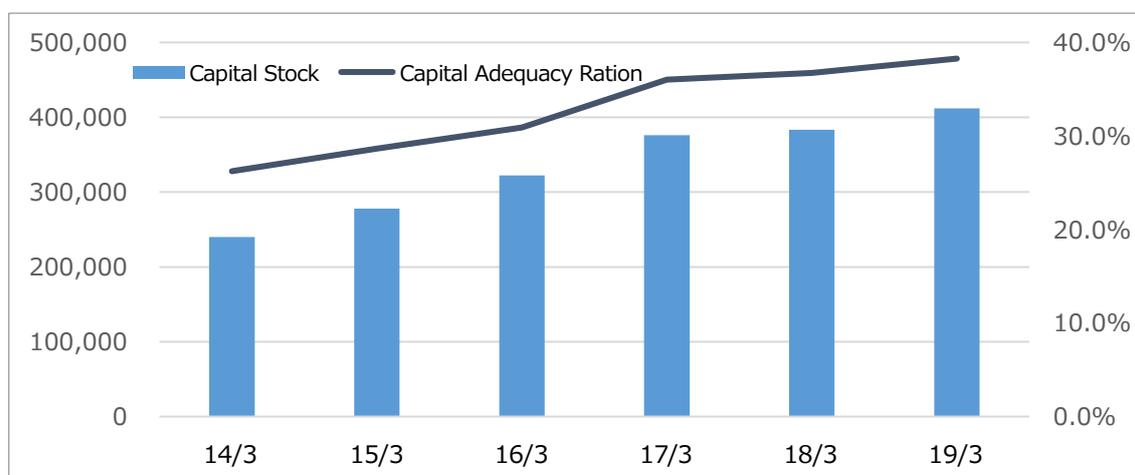
of 55 billion yen and net income attributable to owners of the parent of 40 billion yen.

Projections contained in this document have been made on the basis of information available when it was released. Due to various unforeseeable factors, actual performance may differ from such projections.

## Financial Conditions of Mori Trust Group

### ■ Trends of Capital Stock and Capital Adequacy Ratio

In the term ended March 2019, equity capital ended at 411.9 billion and the capital adequacy ratio at 38.3%.



### ■ Fair Value of the Group's Real Estate

The total market value of our group's real estate holdings was 1,924.6 billion yen, with unrealized gains of 986.4 billion yen.

(Figures in millions of yen; figures less than one million yen are rounded down.)

	Fair value	Carrying value	Unrealized gains
<b>Entire real estate</b>	<b>1,924,608</b>	<b>938,200</b>	<b>986,408</b>
Business real estate	1,490,195	684,373	805,822
Real estate for Sale	434,413	253,827	180,586

## (Reference) Mori Trust Holdings Inc.

### Mori Trust Holdings Inc. Non-consolidated Financial Report

(Figures in millions of yen; figures less than one million yen are rounded down.)

	FY2018	FY2019
Operating revenue	26,087	12,737
Operating income	25,794	12,447
Ordinary income	24,733	15,856
Net income	24,134	13,904
<b>Total assets and net assets</b>		
Total assets	732,007	754,533
Net assets	163,657	176,939

\*Mori Trust Holdings Inc. is the parent company which owns all the issued shares of MORI TRUST Co., Ltd.

## FY 2019 Key Business Topics

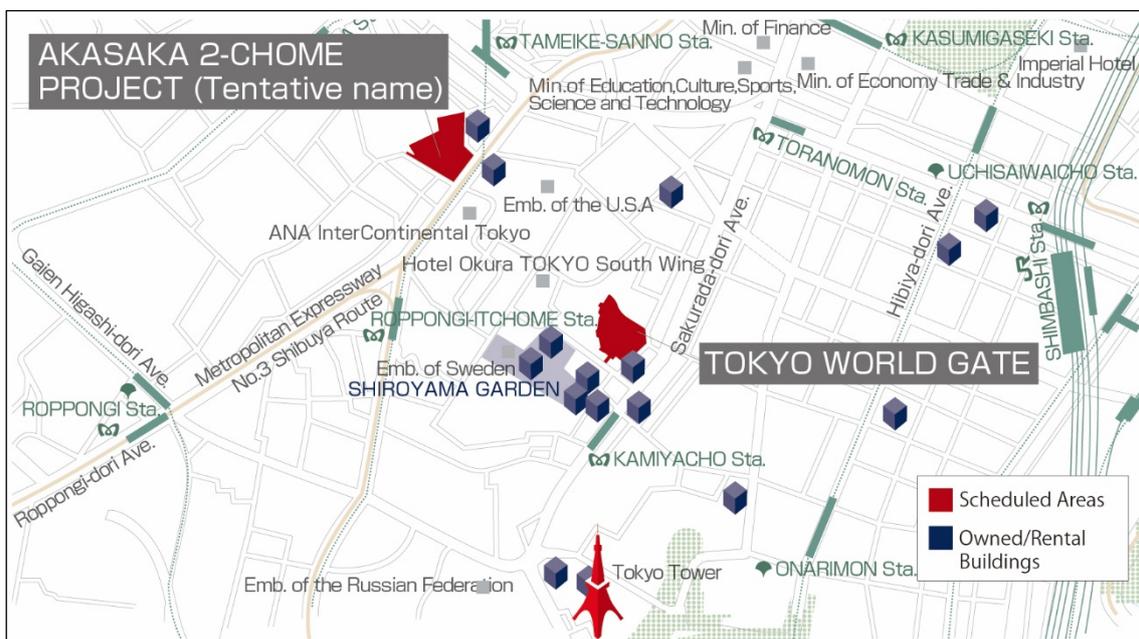
### REAL ESTATE

In new development in central Tokyo, we are progressing steadily towards the completion of “Tokyo World Gate” in 2020. We are also giving shape to plans for the “Akasaka 2-Chome Project (provisional name)” (scheduled for completion in fiscal year 2024), in an area that has been designated a National Strategic Special Zone. Minato Ward is expected to have the most large-scale office building supply in Tokyo over the next five years\* and our company will also contribute to the further revitalization of this ward.

Furthermore, we are also rolling out overseas investments of up to 200 billion yen, a priority strategy raised in “Advance 2027,” our medium- to long-term vision, and have newly acquired properties in Silicon Valley in the U.S.. As a result, following on from our acquisition in Boston in 2017, our total investment in real estate in the U.S. is now over 100 billion yen.

In addition, based on the themes “historical inheritance” and “creation of the future,” the Mori Trust Group is promoting area management overflowing with originality for joint creation and co-prosperity, in cooperation with companies and groups associated with each area. Following on from Shinagawa and the Gotenyama area, Minato Ward and the Kamiyacho area have formulated the “Kamiyacho God Valley Vision” as their town planning vision. Along with promoting the building of diverse spaces that enhance creativity, we will also continue to promote sustainable town planning for mutual creation and co-prosperity through community activities and area events.

\*(Source) Mori Trust “Survey of Large-Scale Office Building Supply in Tokyo’s 23 Wards”



## Development in central Tokyo

[Toranomon area]

### (1) Completion of the structure of “Kamiyacho Trust Tower”



We completed the structure of “Kamiyacho Trust Tower” (name changed from the former building name “Toranomon Trust Tower”), the complex made up of offices, hotels, residences, medical facilities, commercial facilities, etc., that will be at the core of “Tokyo World Gate” (city block name), on February 2, 2019.

“Tokyo World Gate” Plan summary (Scheduled to be completed in March 2020)			
Location	Toranomon, Minato-ku, Tokyo	Primary use	Offices, conference center, industry training center, subdivided residence, luxury hotel, serviced apartments, medical facility for foreign patients, shop & restaurant, shrine
Site area	16,210 m <sup>2</sup>		
Total floor area	195,190 m <sup>2</sup>		
Number of floors / Height	38 floors above ground, 3 floors below ground / About 180m		

### (2) Development of “Creative Floors”



\*The photograph is an image

As part of our measures to promote open innovation, we will establish “Creative Floors” on the third to sixteenth floors of “Kamiyacho Trust Tower,” roughly half of the office floors in the building. By providing “unique interior specifications” that realize cost reductions, “exclusive common area designs” that increase creativity on the floor as a whole, and “flexible and optimal security plans” that assume open innovation, we will provide strong support for the creation of innovative office space.

[Akasaka area]

- National Strategic Special Zone plan certification



The “Akasaka 2-Chome Project (provisional name),” which we are promoting on a site centered on the former site of the Akasaka Twin Towers, has been certified as a National Strategic City Planning Building Development Project in the Tokyo Area National Strategic Special Zone. Based on this certification, it will be deemed that the city planning decision for a special urban renaissance district has been made. We will give shape to plans aiming to complete construction in fiscal year 2024.

“Akasaka 2-Chome Project (provisional name)” Plan summary (Scheduled to be completed in March 2024)			
Location	Akasaka, Minato-ku, Tokyo	Primary use	Offices, hotel, serviced apartments, shop & restaurant, Tourism support facility, History and culture transmission facility, Clinic
Site area	15,750 m <sup>2</sup>		
Total floor area	210,000 m <sup>2</sup>		
Number of floors / Height	43 floors above ground, 3 floors below ground / About 210m		

## Overseas investment

[USA]

- Acquisition of real estate in San Jose City (Silicon Valley).



In March 2019, MORI America LLC, a U.S. subsidiary, acquired three office buildings in San Jose City in the Silicon Valley area of California in the U.S.. Following on from Boston, we will strengthen our asset portfolio by investing in some of the leading innovation centers of the U.S., and connect that to innovation in domestic business using the information and networks obtained from overseas operations.

Property Description			
Property Name	(1) 110 Holger Way	(2) 120 Holger Way	(3) 130 Holger Way
Location	110 Holger Way, San Jose, CA	120 Holger Way, San Jose, CA	130 Holger Way, San Jose, CA
Site area	About 9.7 acres		
Rentable area	140,043 sq. ft	227,583 sq. ft	236,040 sq. ft
	603,666 sq. ft in total		
Number of floors	4 floors above ground	7 floors above ground	7 floors above ground
Use	Office, Parking lot (1,687 cars)		

## Area management

### [Kamiyacho area]

The “Kamiyacho God Valley Council” was established in August 2018 in cooperation with companies and groups associated with the area and the first area event sponsored by the council was held in December. The council will aim for sustainable town planning for mutual creation and co-prosperity, with assembled people and groups creating a future of development together around the core “SDGs,” “open innovation,” “smart technology” and “wellness,” the four pillars of the “Kamiyacho God Valley Vision” for the Kamiyacho area’s town planning.

[Kamiyacho God Valley Council]

\*As of May 2019



## Kamiyacho God Valley Vision



In the “Kamiyacho” (former town name) area of Toranamon, Minato Ward, which is being developed as an international hub, we formulated a vision for town planning aiming for future development into a “global and creative area that the world pays attention to and where new value is created,” and established four pillars that will realize that vision.



(1) SDGs  
~ The realization of a sustainable society ~



(2) Open Innovation  
~ The creation of new value ~



(3) Smart Technology  
~ The creation of future work lifestyles ~



(4) Wellness  
~ The creation of vitality in the area ~

[Gotenyama area]

The “Gotenyama Area Management Executive Committee” was established by companies and groups based in Shinagawa and Gotenyama in October 2017. In addition to its location as an international gateway to Tokyo, the Shinagawa-Gotenyama area is home to a gathering of companies including global IT companies and manufacturing companies that are driving the Fourth Industrial Revolution.

The Executive Committee aims to spread the potential and value of the area both in Japan and overseas, to make the people who work, live and gather there proud, to revitalize culture, education and economic activities through exchange, and to create new value.

[Gotenyama Area Management Executive Committee]

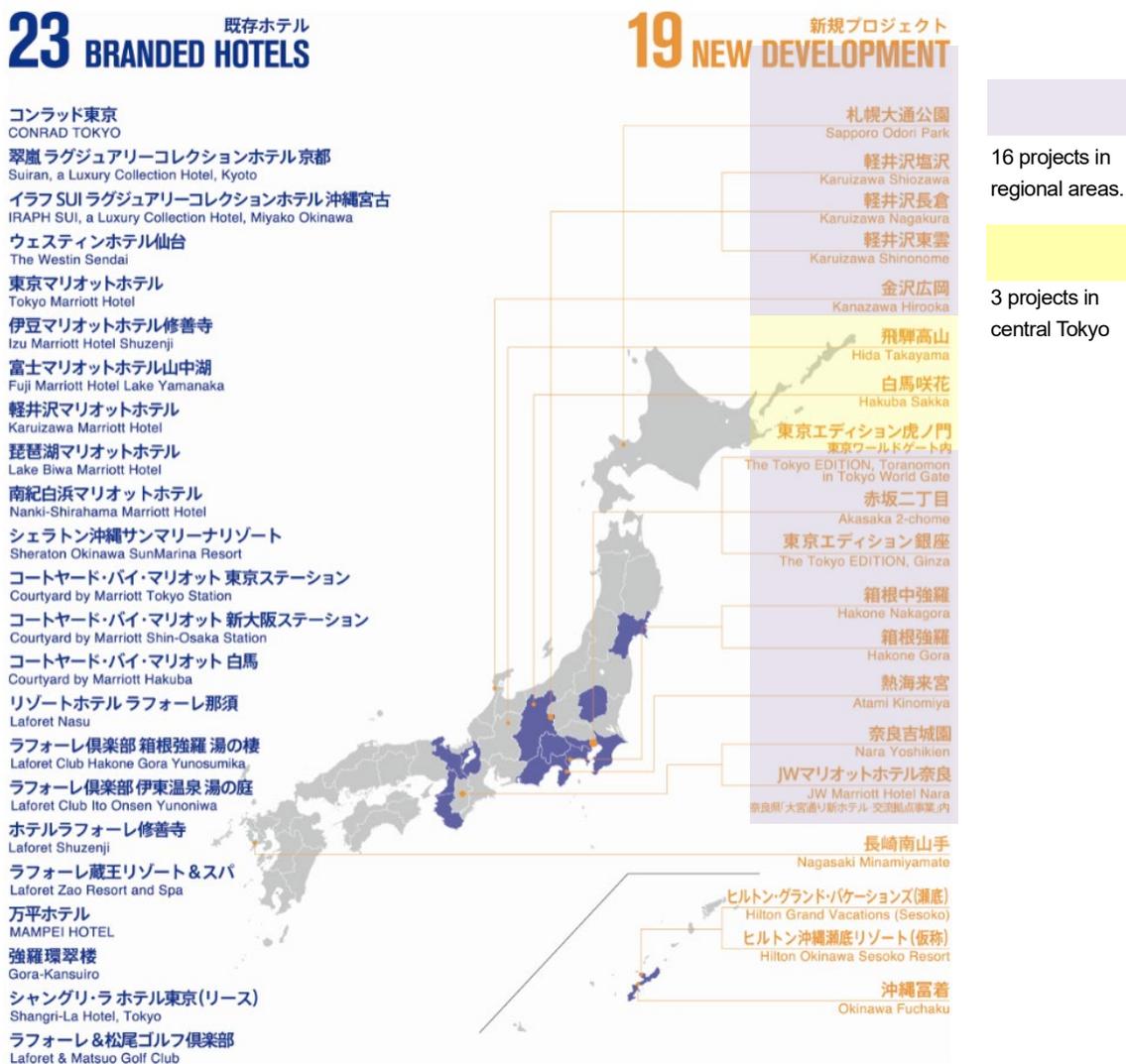
\*As of May 2019



## HOTELS & RESORTS

In hotel and resort business, we opened international brand hotels on Irabu Island, Okinawa Prefecture, and in Hakuba Village, Nagano Prefecture, making use of high potential tourism resources. We have also started new development plans for regional cities, and are currently promoting a total of 19 new hotel projects, three in central Tokyo and 16 in regional areas.

Under the “luxury destination network” concept,\*1 we will contribute to the further development of Japan as a leading tourism country\*2 through initiatives aimed at increasing inbound demand and increasing consumption per traveler.



\*1 “Luxury destination network” concept: The Mori Trust Group’s business vision of creating a “luxury destination network” in Japan through the development of luxury hotels in attractive cities and resorts throughout Japan to contribute to making Japan a leading tourism country.

\*2 Government policies aimed at the realization of Japan as a leading tourism country

[Okinawa Sesoko Project (provisional name) construction started]



Construction began on the “Okinawa Sesoko Project (provisional name)” currently being promoted on Sesoko Island, Okinawa Prefecture in June 2018. Mori Trust will manage the development of this project, Hilton will manage the roughly 300-room hotel, and Hilton Grand Vacations will own and manage a 132-room time-share resort. The hotel is scheduled to open in 2020 and the time-share resort in 2021. These facilities will provide comfortable stays for various people from Japan and overseas, and contribute to the further development of Okinawa’s tourism industry.

Plan summary		
	Hilton Grand Vacations	Hilton Okinawa Sesoko Resort (provisional name)
Location	Motobu-cho, Kunigami-gun, Okinawa	
Site area	133,791 m <sup>2</sup> (Total site area including adjacent land:335,131 m <sup>2</sup> )	
Total floor area	approx. 15,000 m <sup>2</sup>	approx. 21,000 m <sup>2</sup>
Guest room / Number of floors	132 rooms / 10 floors above ground	about 300 rooms / 9 floors above ground
Facilities	Lounge, Outdoor pool, etc.	Restaurant, Fitness gym, Spa, Indoor pool, Outdoor pool, Chapel, etc.
Starting date	2021 (Schedule)	2020 (Schedule)

[Iraph SUI, a Luxury Collection Hotel, Miyako Okinawa opened]



The “Iraph SUI, a Luxury Collection Hotel, Miyako Okinawa,” constructed on Irabu Island of the Miyako Islands of Okinawa Prefecture, opened in December 2018.

This hotel is double-branded with “SUI,” the new hotel brand that the company announced in 2017, and “Luxury Collection,” Marriott International’s premium category brand. It is the second hotel double-branded like this following “Suiran, a Luxury Collection Hotel, Kyoto” in Kyoto. It aims to be a place where you can truly enjoy glamorous experiences and refreshment in an extraordinary space.

[Courtyard by Marriott Hakuba opened]



The “Laforet Club Hotel Hakuba Happo” in Hakuba Village, Nagano Prefecture was rebranded and opened as “Courtyard by Marriott Hakuba” in December 2018. This hotel will be the first foreign-brand hotel in Hakuba Village.

[Kanazawa Hirooka Project (provisional name)]



We acquired land in Hirooka 3-chome, Kanazawa City, Ishikawa Prefecture in June 2018. Kanazawa City combines both historical and advanced features, and is expected to further develop as a leading tourist destination representative of Japan. In order to contribute to the promotion of tourism and increased inbound tourism promoted by Kanazawa City, we aim to open a hotel in the city that provides services based on international standards.

Property Description			
Location	Hirooka, Kanazawa-shi, Ishikawa	Site area	3,910.52 m <sup>2</sup>

[Received awards in “Condé Nast Traveler” magazine’s “Readers’ Choice Awards 2018”]



“Suiran, a Luxury Collection Hotel, Kyoto,” “Conrad Tokyo” and “Tokyo Marriott Hotel” received high marks for their hospitality from travelers from around the world, and were ranked first, fifth and tenth respectively in the Japanese hotel category of the “Readers’ Choice Awards 2018” held by the prestigious American travel magazine “Condé Nast Traveler.” “Suiran, a Luxury Collection Hotel, Kyoto” also ranked sixth in the global hotel category of the same awards.

## INVESTMENT

In investment business, under the “new innovation investment strategy,” for which we set a total investment limit of 20 billion yen, we are promoting the creation of new value with an eye on the future, including investing in companies engaged in innovative business and conducting joint creation and demonstration experiments with startup companies based on the three pillars of: [1] the development of community spaces that will be bases for the activities of startup companies; [2] the promotion of CVC\* activities; and [3] VC investment.

### [Development of community spaces]

At “Shiroyama Trust Tower” (address: Toranomom, Minato Ward), we will develop a variety of office spaces and support functions that can respond precisely to the changing needs of entrepreneurs, venture companies and large corporations in accordance with their stage of development, and contribute to the promotion of exchanges in the area.

Facilities in Shiroyama Trust Tower			
Name	dock-Toranomon	Café & Deli GGCo.	WeWork
			
Starting date	October 2017	November 2018	February 2019
Function	Coworking space	Socializing Lounge Cafe	Community-based workspace from NY

### [Promotion of CVC activities]

We will promote support for start-up companies in a variety of ways, such as investment in companies conducting innovative business, aiming for the creation of new business that looks ahead to the future.

- New investee companies in 2018



Name	Liquid,inc.	Established	December 2013
Business sectors	Research and development of image recognition engines; planning, development and manufacture of biometric terminals; planning, development and sale of tablet-made cash registers		



Name	Scentee inc.	Established	August 2011
Business sectors	Planning, development, manufacture and sale of scented hardware and software Planning, development, manufacture and sale of electronic and electrical machinery and equipment Planning, manufacture, development and sale of various IoT services and software		



Name	Savioko Inc.	Established	2013
Business sectors	Service robot planning, development, sales		

• Major companies that we have invested in to this point



\*In general, this means “funds that business companies invest in external venture companies,” but in a broad sense, it means “business companies investing in external venture companies” and our company’s activities are of the latter kind.

• Start of demonstration experiments with start-up companies

■ We started a demonstration test of a cafe delivery service in an office building using the autonomous driving transport robot “Relay” developed by Savioko Inc., and the mobile order service “O:der” provided by Showcase Gig Co., Ltd., companies that we have invested in. (From January 7, 2019)



■ Together with Nurve, Inc., which promotes the use of virtual reality (VR) in the business field, we have begun demonstration tests of domestic tourist information using VR technology at the Tourist Information Center “TIC TOKYO” which is managed by our group and located next to the Nihonbashi exit of Tokyo Station. (From January 21, 2019)



[Future Acceleration Program]

We started the “Future Accelerate Program” as a new initiative aimed at creating innovation through joint creation with startup companies.



Under the theme of realizing a next-generation resort, “Creative Resort,” we accepted business plans and in March 2019, held a meeting for the presentation of results by six companies selected from about 50 applications (demo day). We chose the three companies below with whom we will consider specific cooperation.

[Overview of selected companies]



Name	Aquabit Spirals Inc.
Business sectors	Based on the concept of “not making people Google,” we provide the last inch that connects products and information through a next generation information distribution platform.



Name	div Inc.
Business sectors	Under the philosophy "surprise your life," we develop human resources who can acquire technological skills and play an active role in the world through programming training.



Name	Unirobot Corp.
Business sectors	We develop manufacture and sell next-generation social robots capable of communication such as natural language processing, information analysis and recommendations.

[VC investment]

We invest in venture capital aimed at expanding the pipeline of startup companies with potential for cooperation and accelerating CVC activities by widespread information gathering.

[New investment destination companies in fiscal year 2018]

[Investment destination companies to this point]

Fund name	SBI AI & Blockchain	Spiral Ventures Japan Fund 1
Established	January 2018	January 2016
Composition amount	60 billion yen (target)	7 billion yen
Investment area	Promising venture companies centered on the AI and blockchain areas	Domestic internet and X-Tech areas
Operating company	SBI Investment Co., Ltd.	Spiral Ventures Japan LLP
		

## Mori Trust Group : Total Floor Area Leased or Managed

### ■Number of rental / managed facilities (as of March 31, 2019)

- Rental buildings : Approx. 1,410,000 m<sup>2</sup> (79 buildings)
- Hotel & Resort facilities : 23 facilities (Number of rooms : Approx. 3,500)

## Mori Trust Group : Summary of Consolidated Companies

#### MORI TRUST CO., LTD.

Location Toranomon, Minato-ku, Tokyo  
 Chairman Akira Mori  
 President Miwako Date  
 Established June 10, 1970  
 Capital 30 billion yen  
 Business sectors Real estate development, hotel management and investment business

#### MORI TRUST BUILDING MANAGEMENT CO., LTD.

Location Toranomon, Minato-ku, Tokyo  
 President Kazunobu Kuwata  
 Established April 1, 2002  
 Capital 100 million yen  
 Business sectors Comprehensive building services for building management, interior design management & renovation, and planning & consulting.

#### MORI TRUST HOTELS & RESORTS CO., LTD.

Location Kitashinagawa, Shinagawa-ku, Tokyo  
 President Miwako Date  
 Established February 7, 1973  
 Capital 100 million yen  
 Business sectors Operation of hotel chains & golf courses, Management of tourism information center, Meeting room lease, Innovative R&D

#### MAMPEI HOTEL CO., LTD.

Location Toranomon, Minato-ku, Tokyo  
 Chair Miwako Date  
 President Mamoru Fukuda  
 Established 1894  
 Capital 100 million yen  
 Business sectors Ownership and operation of the Mampei Hotel

#### MT&Hilton Hotel Co., Ltd.

Location Toranomon, Minato-ku, Tokyo  
 President Shin Takahashi  
 Established October 22, 2004  
 Capital 20 million yen  
 Business sectors Management of the Conrad Tokyo

#### Sun Marina Operations Co., Ltd.

Location Onna-son, Kunigami-gun, Okinawa  
 President Shigeru Sakai  
 Established April 1, 1987  
 Capital 100 million yen  
 Business sectors Operation of the Sheraton Okinawa Sun Marina Resort

#### GOURAKANSUIROU CO.,LTD.

Location Hakone-Machi Gora, Ashigarashimo-gun, Kanagawa  
 President Shigeru Sakai  
 Established April 15, 1949  
 Capital 10 million yen  
 Business sectors Ownership and operation of Gora-Kansuirou

#### FORETSEINE CO., LTD.

Location Akasaka, Minato-ku, Tokyo  
 President Shin Takahashi  
 Established March 31, 2011  
 (date of foundation since incorporation-type company split)  
 Capital 100 million yen  
 Business sectors Planning and development of urban type condominium for sales and rental management

#### Toyo Green Building Co., Ltd.

Location Akasaka, Minato-ku, Tokyo  
 President Mamoru Hukuda  
 Established March 1, 1978  
 Capital 90 million yen  
 Business sectors Condominium management service

#### NIHON ESLEAD CORPORATION (Code: 8877)

Location Fukushima, Fukushima-ku, Osaka-shi  
 President Sugio Aramaki  
 Established May 8, 1992  
 Capital 1,983 million yen  
 Business sectors Sale of condominiums, Real estate replacement business, Real estate rental business, etc

#### ESLEAD KANRI CORPORATION

Location Fukushima, Fukushima-ku, Osaka-shi  
 President Sadami Otsuki  
 Established May 20, 1996  
 Capital 10 million yen  
 Business sectors Condominium Management and Rental Management Businesses

#### Souden CORPORATION

Location Oyodominami, Kita-ku, Osaka-shi  
 President Masaaki Fujino  
 Established May 17, 2006  
 Capital 90 million yen  
 Business sectors Electricity Management Business

#### E·L CONSTRUCTION CORPORATION

Location Oyodominami, Kita-ku, Osaka-shi  
 President Wataru Suzuki  
 Established June 14, 2006  
 Capital 100 million yen  
 Business sectors General Contract and Renovation Businesses

#### ESLEAD JYUTAKU RYUTU CO. LTD

Location Oyodominami, Kita-ku, Osaka-shi  
 President Hiroyuki Harima  
 Established May 8, 2007  
 Capital 10 million yen  
 Business sectors Real Estate Transaction, Asset Management and Real Estate Rental Businesses

**ESLEAD HOUSE CORPORATION**

Location Oyodominami, Kita-ku, Osaka-shi  
 President Koichi Arai  
 Established June 20, 2016  
 Capital 10 million yen  
 Business sectors Sale of detached houses

**Shiroyama Heating & Cooling Supply Co., Ltd.**

Location Toranomon, Minato-ku, Tokyo  
 President takashi akiba  
 Established November 6, 1989  
 Capital 300 million yen  
 Business sectors Local heating and cooling services in the Shiroyama Garden and adjacent area

**ESLEAD TATEMONOKANRI CORPORATION**

Location Fukushima, Fukushima-ku, Osaka-shi  
 President Hiroshi Nakazawa  
 Established November 22, 2018  
 Capital 10 million yen  
 Business sectors Real Estate Management Business etc.

**AZMAX CORP.**

Location Nihonbashi, Chuo-ku, Tokyo  
 President Masayoshi Takahashi  
 Established August 11, 1947  
 Capital 499 million yen  
 Business sectors Manufacturing and selling cold drawn special steel shapes

**MT GENEX CORPORATION (Code:9820)**

Location Azabudai, Minato-ku, Tokyo  
 President Hitoshi Suzuki  
 Established October 1945  
 Capital Approx. 1.072 billion yen  
 Business sectors Facelift of building and housing, and parking operation management, etc.

**MORI America LLC**

Location County of New Castle, Delaware 19808 U.S.A.  
 Established November 7, 2016  
 Business sectors Real estate business in the United States

**Toyo Housing Management, Inc.**

Location Roppongi, Minato-ku, Tokyo  
 President Hitoshi Suzuki  
 Established November 27, 1979  
 Capital 10 million yen  
 Business sectors Leasing management and operations of real estate

**MT BACK BAY ONE LLC**

Location County of New Castle, Delaware 19808 U.S.A.  
 Established November 4, 2016  
 Business sectors Ownership of 10 St. James Avenue and 75 Arlington Street in Boston

**MORI TRUST INSURANCE SERVICE CORPORATION**

Location Roppongi, Minato-ku, Tokyo  
 President Hitoshi Suzuki  
 Established January 25, 2016  
 Capital 10 million yen  
 Business sectors Nonlife insurance agent and life insurance solicitor

**MT Silicon Valley One LL**

Location County of New Castle, Delaware 19808 U.S.A.  
 Established July 11, 2018  
 Business sectors Ownership of HQ @first (110 holger Way, 120 holger Way, 130 Holger Way, 95 Headquarters) in San Jose

**MORI TRUST Asset Management Co., Ltd.**

Location Toranomon, Minato-ku, Tokyo  
 President Michio Yamamoto  
 Established February 28, 2000  
 Capital 400 million yen  
 Business sectors Operation of real estate investment trusts

**MORI America Management LLC**

Location County of New Castle, Delaware 19808 U.S.A.  
 Established December 16, 2016  
 Business sectors Real estate management service in the United States

(as of March 31, 2020)

## Mori Trust Group : Summary of Equity – Method Affiliates

**MORI TRUST Sogo Reit, Inc. (Code:8961)**

Location Toranomon, Minato-ku, Tokyo  
 Established October 2, 2001  
 Business sectors Investment in real estate and asset-backed securities investing primarily in real estate

**MORI TRUST Hotel Reit, Inc.**

Location Toranomon, Minato-ku, Tokyo  
 Established January 15, 2016  
 Business sectors Investment in real estate and asset-backed securities investing primarily in real estate

**Aichi Road Concession Co.,Ltd.**

Location Hikocho, Handa-shi, Aichi  
 Established August 3, 2016  
 Business sectors Road maintenance and management in the Aichi prefecture district and surrounding regions and associated road improvement works

(as of March 31, 2020)

Consolidated Balance Sheets (as of March 31, 2019 and 2018)

MORI TRUST CO., LTD. and its consolidated subsidiaries

(¥ millions)

	2019	2018
<b>Assets</b>		
<b>I . Current assets</b>		
1 Cash and deposits	86,795	74,644
2 Notes and accounts receivable-trade	6,849	5,825
3 Short-term investment securities	25,507	29,234
4 Real estate for sale	25,217	25,373
5 Real estate for sale in process	229,649	196,352
6 Real estate for development	618	618
7 Other inventories	2,308	1,819
8 Deferred tax assets	-	4,739
9 Other	16,981	10,984
Allowance for doubtful accounts	20	(18)
<b>Total current assets</b>	<b>393,906</b>	<b>349,573</b>
<b>II . Noncurrent assets</b>		
<b>1 Property, plant and equipment</b>		
(1) Buildings and structures, net	180,712	188,804
(2) Machinery, equipment and vehicles, net	4,632	4,919
(3) Tools, furniture and fixtures, net	1,682	1,939
(4) Land	443,210	448,935
(5) Construction in progress	10,535	5,425
(6) Other, net	1,678	1,875
<b>Total property, plant and equipment</b>	<b>642,452</b>	<b>651,899</b>
<b>2 Intangible assets</b>		
(1) Leasehold right	3,378	3,257
(2) Goodwill	168	224
(3) Other	4,410	5,212
<b>Total intangible assets</b>	<b>7,957</b>	<b>8,695</b>
<b>3 Investments and other assets</b>		
(1) Investment securities	21,255	21,394
(2) Long-term loans receivable	78	102
(3) Deferred tax assets	712	323
(4) Guarantee deposits	6,504	6,713
(5) Other	3,683	3,380
Allowance for doubtful accounts	(26)	(49)
<b>Total Investments and other assets</b>	<b>32,207</b>	<b>31,864</b>
<b>Total noncurrent assets</b>	<b>682,617</b>	<b>692,458</b>
<b>Total assets</b>	<b>1,076,523</b>	<b>1,042,032</b>

Note: Figures less than one million yen are rounded down.

(¥ millions)

	2019	2018
<b>Liabilities</b>		
<b>I . Current liabilities</b>		
1 Notes and accounts payable-trade	11,107	10,928
2 Short-term loans payable	60,084	44,570
3 Current portion of long-term loans payable	6,509	9,378
4 Accounts payable-other	4,554	6,514
5 Income taxes payable	7,919	6,028
6 Accrued expenses	1,094	1,025
7 Advances received	19,098	9,063
8 Deposits received	1,066	1,602
9 Provision for bonuses	816	770
10 Other	399	284
<b>Total current liabilities</b>	<b>112,650</b>	<b>90,167</b>
<b>II . Noncurrent liabilities</b>		
1 Long-term loans payable	396,709	422,570
2 Long-term lease deposited	53,055	48,983
3 Long-term guarantee deposited	50,852	51,311
4 Long-term deposits received	288	273
5 Deferred tax liabilities	17,954	15,200
6 Net defined benefit liability	2,668	2,563
7 Asset Retirement Obligation	6,249	1,326
8 Other	1,091	3,201
<b>Total noncurrent liabilities</b>	<b>528,871</b>	<b>545,430</b>
<b>Total liabilities</b>	<b>641,521</b>	<b>635,598</b>
<b>Net assets</b>		
<b>I . Shareholders' equity</b>		
1 Capital stock	30,000	30,000
2 Capital surplus	9,996	10,000
3 Retained earnings	374,346	344,118
<b>Total shareholders' equity</b>	<b>-</b>	<b>384,119</b>
<b>II . Valuation and translation adjustments</b>	<b>414,343</b>	
1 Valuation difference on available-for-sale securities		841
2 Deferred hedge gains and losses	387	0
3 Foreign currency translation adjustment	(2,774)	(1,197)
4 Remeasurements of defined benefit plans	(53)	(16)
<b>Total valuation and translation adjustments</b>	<b>(2,442)</b>	<b>(371)</b>
<b>III . Non-controlling interests</b>	<b>23,101</b>	<b>22,686</b>
<b>Total net assets</b>	<b>435,002</b>	<b>406,433</b>
<b>Total liabilities and net assets</b>	<b>1,076,523</b>	<b>1,042,032</b>

Note: Figures less than one million yen are rounded down.

Consolidated Statements of Income (For the years ended March 31, 2019 and 2018)

(¥ millions)

	2019	2018
<b>I . Operating revenue</b>	<b>174,868</b>	<b>161,911</b>
<b>II . Operating cost</b>	<b>123,493</b>	<b>113,747</b>
<b>Operating gross profit</b>	<b>51,374</b>	<b>48,164</b>
<b>III . Selling, general and administrative expenses</b>	<b>16,938</b>	<b>16,241</b>
<b>Operating income</b>	<b>34,436</b>	<b>31,923</b>
<b>IV . Non-operating income</b>		
1 Interest and dividends income	708	649
2 Gain on sales of securities	1,369	1,885
3 Investment gain on equity method	1,231	1,241
4 Gain on investments in partnership etc.	1,499	1,334
5 Other	2,739	866
<b>Total non-operating income</b>	<b>5,795</b>	<b>5,978</b>
<b>V . Non-operating expenses</b>		
1 Interest expenses	3,457	3,382
2 Loss on valuation of securities	262	928
3 Other	316	281
<b>Total non-operating expenses</b>	<b>4,035</b>	<b>4,592</b>
<b>Ordinary income</b>	<b>36,196</b>	<b>33,309</b>
<b>VI . Extraordinary income</b>		
1 Gain on sales of noncurrent assets	3,683	14,286
2 Gain on sales of investment securities	25,519	-
3 Other	154	182
<b>Total extraordinary income</b>	<b>29,357</b>	<b>14,468</b>
<b>VII . Extraordinary loss</b>		
1 Loss on retirement of noncurrent assets	375	-
2 Loss on sales of investment securities	-	153
3 Impairment loss	850	-
4 Other	231	11
<b>Total extraordinary losses</b>	<b>1,458</b>	<b>164</b>
<b>Income before income taxes and minority interests</b>	<b>64,096</b>	<b>47,613</b>
Income taxes-current	13,306	11,694
Income taxes-deferred	7,167	3,260
<b>Net income</b>	<b>43,622</b>	<b>32,659</b>
<b>Net income attributable to non-controlling interests</b>	<b>3,394</b>	<b>2,430</b>
<b>Net income attributable to parent company's shareholders</b>	<b>40,227</b>	<b>30,229</b>

Note: Figures less than one million yen are rounded down.