

都市を託される責任。



May 15, 2014

MORI TRUST CO., LTD.

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PRESS RELEASE

Financial Report for the Fiscal Year Ended March 2014

Mori Trust Group recently announced its consolidated business performance for the year ended March 31, 2014(FY 2014).

The Group consists of 21 consolidated companies, including MORI TRUST CO., LTD., MORI TRUST BUILDING MANAGEMENT CO., LTD., and MORI TRUST HOTELS & RESORTS CO., LTD., and two equity-method affiliates.

[Mori Trust Group Consolidated Financial Report] (April 1, 2013 – March 31, 2014)

In the fiscal year ended March 31, 2014, operating revenue was 149.7 billion yen, with operating income of 33.7 billion yen and ordinary income of 37.0 billion yen. Both sales and profit increased year on year thanks to strong performance in the core real estate business mainly from leasing and real estate sales, as well as in the hotel business, along with the inclusion of the full-year results of Nihon Eslead Corporation.

		FY2013	FY2014	FY2015 (Projection)
1	Operating revenue	92,080	149,779	133,000
	Leasing	58,045	62,154	61,000
	Hotel	19,563	19,803	25,000
	Real estate sales	1,882	55,533	36,000
	Other (Subsidiaries' construction subcontracting, etc.)	12,589	12,288	11,000
2	Operating income	25,265	33,769	33,000
3	Ordinary income	24,920	37,037	30,000
4	Net income	19,256	15,145	20,000

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

Overview of FY 2014 business performance

- Leasing business accounted for 62.1 billion yen of operating revenue. The full-year operation of Kyobashi OM Building, completed in September 2012, the improved occupancy rates of existing buildings, and the increase in revenue from condominium leasing were key contributors.
- Hotel business revenue increased to 19.8 billion yen, despite some existing hotels having been closed for renewal during the year, as improved occupancy rates and stronger room prices resulted from a recovery in business demand and in-bound tourism demand by both Japanese and international visitors.
- Real estate sales business revenue increased sharply to 55.5 billion yen thanks to strong condominium sales and the sale of office buildings.
- Revenue from other business was 12.2 billion yen, reflecting lower revenue from construction subcontracting due to continued high occupancy in existing office buildings.
- For the year ended March 31, 2014, the focus was shifted to growth, now that the measures instituted starting in 2009 to strengthen the financial position have achieved their targets. As a result of aggressive investments particularly in real estate and hotels, the financial position for Mori Trust Group as of March 31, 2014 comprised consolidated total assets of 915.4 billion yen and net assets of 257.1 billion yen.

Business Performance Projections for FY 2015

Leasing business revenue is projected to be 61.0 billion yen. The main positive factors include the start of operation of Kyobashi Trust Tower, maintaining of high occupancy rates in existing office buildings, and prospects for higher rents as the office building market recovers. These will be offset somewhat by the end of operation of the Akasaka Twin Tower Main and East Tower for rebuilding, and by the sale of Kojimachi Millennium Garden during the year ended March 31, 2014.

Hotel business revenue is forecast to increase to 25.0 billion yen, helped by increased revenue from existing hotels due to continued demand growth from domestic and international tourists, along with the start of operation of Courtyard by Marriott Tokyo Station, and expected rises in occupancy rates and room prices in the renovated Laforet properties including Tokyo Marriott Hotel.

Revenue from real estate sales business is projected to be 36.0 billion yen, much of it from condominium sales. Revenue from other business including construction subcontracting is forecast at 11.0 billion yen.

Operating revenue is projected to be 133.0 billion, with 33.0 billion yen in operating income, 30.0 billion yen in ordinary income, and 20.0 billion yen in net income expected.

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.

■ Investment and Rental Properties

The consolidated balance sheet amount and fair value of investment and rental properties owned by Mori Trust Group are set out below.

Consolidated balance sheet amount: 501.3 billion yen

Fair value: 977.0 billion yen

Unrealized profit: 475.6 billion yen

FY 2014 Key Business Topics

Real Estate Business

Management strategy for the year ended March 31, 2014 saw a shift toward growth after recent years of emphasizing stability. Aggressive investments in the real estate business were therefore carried out with an eye to securing future-oriented management resources. In addition to the completion of a large-scale complex in the Kyobashi area, Mori Trust Group is carrying out on-going development projects, while keeping watch on the business climate, to take advantage of large underused assets and properties located in the Toranomon-Akasaka area and the Shinagawa-Mita area which have been targeted by the national government and Tokyo Metropolitan Government for key strategic development.

In these and other areas we are also offering area management activities that highlight the special flavor of each area, raising their value by turning them into international and thriving urban centers.

◇Completion of Kyobashi Trust Tower

February 2014 saw the completion of Kyobashi Trust Tower in the Kyobashi area near Tokyo Station. Redevelopment of this large complex provides international urban functions, combining advanced offices designed to international standards and an international hotel. It also boasts the industry's highest levels of disaster resistance and environmental performance. Based on next-generation standards, it provides support from the stage of protection of human life and property to the stage of prompt resumption of business and restoration of normal operations.

Features of Kyobashi Trust Tower

- A prime location just minutes from the Shinkansen trains crisscrossing Japan and close to the world-famous Ginza commercial district.
- The latest in office functions to support head office operations of global companies, combined with a worldwide hotel brand in Courtyard by Marriott Tokyo Station.
- Approximately 1.5 times the earthquake resistance required for super high-rise buildings along with emergency generators that can supply up to around 80% of regular power demand and large fuel tanks, providing for up to a week's needs in case of power outages.
- Environmental performance earning the highest AAA rating in the Tokyo Metropolitan Government's Energy Performance Certification Program.
- Blends the best of functionally oriented office design and style-oriented hotel design aspects.



Name	KYOBASHI TRUST TOWER
Address	1-3 Kyobashi 2-chome, Chuo-ku, Tokyo
Site area	4,403.86m ²
Total floor area	52,470.87m ²
Number of floors	21 stories above ground, 3 stories below ground, 2-story rooftop structure
Primary use	office, hotel, rental meeting rooms, shops, parking
Building completion	February 2014

◇Rebranding as Gotenyama Trust City

In December 2013, Gotenyama Garden was rebranded as Gotenyama Trust City as the international urban center functions of Shinagawa are being upgraded. This move comes as Shinagawa is rising in importance as a domestic and international transportation hub, a terminal for the Tokaido Shinkansen, a neighbor to Haneda Airport with its growing international role, and the starting point for the Linear Chuo Shinkansen maglev train.

As part of the rebranding, area management activities are being carried out actively in order to enhance the attractiveness of the area further. With the 6,800 m² Gotenyama Teien Garden as a place that carries on the history and natural beauty of Gotenyama, the aim is to create an urban center for enjoyment both by international visitors and local residents, and from which new encounters and life styles can emerge.

Features of the Gotenyama Trust City Rebranding

- A large-scale urban renewal project with total investment of 6 to 7 billion yen.
- Global hospitality functions enhanced by attracting Tokyo Marriott Hotel, an international brand.
- Area management functions drawing on Gotenyama Teien Garden to create a more appealing urban center. The concept is “Wellness through garden living: A new dimension of personal and community well-being.”



Area name	GOTENYAMA TRUST CITY		
Address	7-35 Kita-Shinagawa 4-chome, Shinagawa-ku, Tokyo		
Site area	33,044.71m ² [Japanese Garden 6,800 m ²]		
Total floor area	118,425.00m ²		
Primary use	office, residence, hotel, shops, parking		
Building completion	July 1990		
Facilities name	Primary use	Above ground	Below ground
GOTENYAMA TRUST TOWER	office ,shops	21stories	3stories
TOKYO MARRIOTT HOTEL	hotel	25stories	3stories
GOTENYAMA TRUST COURT	leased residences	25stories	3stories
GOTENYAMA TEIEN GARDEN	japanese garden	-	-
UJI-AN	Teahouse	-	-

◇Construction started on Akasaka Hinokizaka Project (tentative name)

In December 2013, work began on a high-end condominium residence in the center of the Akasaka-Roppongi area, provisionally known as the Akasaka Hinokizaka Project. With a planned completion date of spring 2016, it draws on the hard and soft expertise built up by Mori Trust in large urban development projects, mainly in central Tokyo, that combine luxury international hotels and high-end leased residences.



Name (tentative name)	AKASAKA HINOKIZAKA PROJECT
Address(parcel number)	1918-1 Akasaka 6-chome, Minato-ku, Tokyo
Site area	2,645.20m ²
Total floor area	Approx. 12,000m ²
Number of floors	7 stories above ground, 2 stories below ground,
Total units	54
Start of construction	December 2013
Building completion(schedule)	March 2016

◇ **Demolition of Akasaka Twin Tower Main and East Tower begun**

Akasaka Twin Tower Main and East Tower, completed in March 1983, ceased operations in March 2014, in order to be reborn as a complex more suited to the needs of today, given the ever-changing office market. The first steps toward demolition were begun in April.

◇ **Aggressive real estate investment**

Investment in real estate properties was carried out aggressively in the year ended March 31, 2014. A property on the former site of the Toranomom Pastoral Hotel became our sole possession when we bought out a partner’s share of the joint holdings. As a new property, we purchased the Meiji Yasuda Seimei Mita Building (now Mita 3-chome MT Building), adjacent to our Mita 43 MT Building.

Taking advantage of the upswing in the economic environment, we plan to invest aggressively in the year ending March 31, 2015 as well.

■ **Area management activities in each area**

◇ **Toranomon area**

- Area management activities in Mori Trust Garden Tora4

Long involved in the Toranomom area, we have a vision for renewing its vitality and attraction. As a start, we created a limited-time outdoor park on the concept of a community garden, on the former site of the Toranomom Pastoral Hotel now earmarked for the Toranomom 4-chome Project (tentative name). Hosting a variety of events suggestive of new life styles across generations and nations, we are seeking to create a brand new and thriving Toranomom.



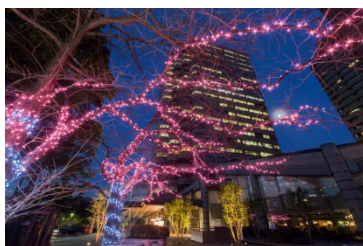
Name	MORI TRUST GARDEN TORA4
Address	Toranomon 4-chome, Minato-ku, Tokyo
Site area	Approx. 10,000㎡
Basic design	kihisa hirata architecture office
Attractions	Human-shaped herb garden, beer garden, café, futsal court, rental vegetable plots, mobile cinema
Duration	April 2013 ~ January 2014

◇ **Shinagawa area**

- Area management activities in Gotenyama Trust City

In Gotenyama Trust City, our area management activities, occasioned by the rebranding in December 2013, are drawing on urban development expertise built up over 23 years and on the natural beauty of Gotenyama depicted by the ukiyo-e artist Katsushika Hokusai. Among the events held to date were the “Sakura” Illumination and Gotenyama Cherry Blossom Festival.

Examples of area management activities in Gotenyama Trust City



”Sakura” Illumination



Gotenyama Cherry Blossom Festival

◇Sendai area

• Area management activities in Sendai Trust City

Since its grand opening in August 2010, we have been engaged in area management activities at Sendai Trust City toward reenergizing and raising the value of the surrounding urban area.

These continued in the year ended March 31, 2014, with the hosting of a Trust City Garden Café Tohoku-Thailand Festival and, in collaboration with local creative talent, creation of a cover for *The Trust City Times* (the PR magazine of Sendai Trust City) and opening of The Westin Art Showcase, a room displaying the works of artists located in Sendai. Through projects like these, we are supporting creative artists in the area.

Examples of area management activities in Sendai Trust City



Holding of Tohoku-Thailand Festival



Collaboration with Sendai artists

Hotel and Resort Business

Having accumulated expertise over more than 40 years of operating Laforet Club as Japan's first corporate membership club, the Hotels and Resorts Division of Mori Trust Group is today entering the fourth stage, that is, taking on strategic challenges.

Anticipating an increase in number of visitors to Japan now that Tokyo has been chosen to host the 2020 Olympics, during the year ended March 31, 2014 the division attracted international hotels to Tokyo and actively engaged in new hotel projects and renovation of existing hotels.

■New international hotel projects

◇Grand opening of Tokyo Marriott Hotel

In Gotenyama, located in the Shinagawa area that is developing into a hub of domestic and international transportation, Tokyo Marriott Hotel had its grand opening in December 2013 as a full-service international hotel. A facility of one of the world's leading hotel brands, Marriott Hotels, with more than 500 hotels in 60 countries worldwide, it is equipped with large halls for international conferences and events and is able to meet diverse needs of domestic and international guests.

Then in February 2014, a detached chapel, The Forest, was completed in Gotenyama Teien Garden with its rich expressions of the four seasons, surrounded by water and greenery.



Hotel Name	TOKYO MARRIOTT HOTEL
Address	7-36 Kitashinagawa 4-chome, Shinagawa-ku, Tokyo
Guest room	249 rooms
Starting date	December 2013

◇Grand opening of Courtyard by Marriott Tokyo Station

Courtyard by Marriott Tokyo Station had its grand opening in April 2014. It is located just four minutes from Tokyo Station and within walking distance of the Ginza commercial area. Guest rooms, designed on the concept of “Ginza-Kyobashi Luxury Apartments,” feature a diversity of individual interiors, are well equipped with Wi-Fi and smartphone-operated locks, and provide comfortable and flexible spaces.



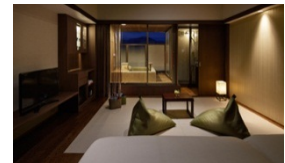
Hotel Name	COURTYARD BY MARRIOTT TOKYO STATION
Address	1-3 Kyobashi 2-chome Chuo-ku, Tokyo (KYOBASHI TRUST TOWER 1-4F)
Guest room	150 rooms
Starting date	April 2014

■ Existing hotel projects

◇Renovation of Laforet Hotels & Resorts facilities

• Opening of renovated Laforet Club Hakone Gora Yunosumika

Resort Hotel Laforet Gora underwent a total renovation including guest rooms, lobby, and restaurants, along with a redesign blending traditional Japanese elements into a more modern look. It reopened in April 2014 as Laforet Club Hakone Gora Yunosumika.



• Opening of renovated Laforet Club Ito Onsen Yunoniwa

Resort Hotel Laforet Ito reopened in July 2013 as Laforet Club Ito Onsen Yunoniwa. The entranceway and first floor have been totally renovated, a new footbath terrace and after-spa lounge have been built, and the entrance is graced with a hearth, as traditional Japanese design is incorporated.



• Renovation of barbecue garden at Resort Hotel Laforet Shuzenji

The barbecue garden at Resort Hotel Laforet Shuzenji was extensively renovated and opened in July 2013. Guests are able to enjoy the relaxing experience of a barbecue unique to a highlands resort, away from the big city, in a modern space with lovely views of nature.



◇120th anniversary of Mampei Hotel

Founded in 1894 as one of Japan’s earliest Western-style hotels, Mampei Hotel marked its 120th anniversary in 2014 by renovating the Alps building that is the hotel’s hallmark. Other plans for celebrating the anniversary include offering of a commemorative dinner course.



■New hotel projects

◇Construction started on Kyoto Arashiyama Project (tentative name)

In January 2014, work began on the Kyoto Arashiyama Project (tentative name), an initiative to create a high-end hotel. Located nearby the World Heritage temple Tenryuji in the historical setting of Kyoto’s Saga district, the site offers spectacular views of Arashiyama across the Hozu River. This will be a new type of hotel-building project for Mori Trust Group, further advancing the expertise gained with Mampei Hotel and other projects for leveraging the history and tradition of a site. While retaining the grand architecture of the Meiji period and incorporating traditional Japanese taste for which Kyoto is famous, all the comforts of a luxury hotel will be provided, with the aim of creating a place that attracts travelers from near and far, meeting a wide range of needs including long-term stays.



Artist's impression

Name (tentative name)	KYOTO ARASHIYAMA PROJECT
Address(parcel number)	12-1 Sagatenryuji Susukinobaba-cho Ukyo-ku, Kyoto-shi, Kyoto
Guest room	Approx. 40 rooms
Starting date (schedule)	Spring 2015

■MICE (Meeting, Incentive Travel, Convention and Exhibition/Event) and tourism promotion projects

◇New Trust City Conferences started

Operated by Mori Trust Hotels & Resorts Co., Ltd., new rental meeting rooms were opened with central urban locations and excellent access. Trust City Conference Shin-Osaka was opened in Shin-Osaka Trust Tower in January 2014, and Trust City Conference Kyobashi in Kyobashi Trust Tower in April 2014.

◇Tourist information projects at TIC TOKYO

Tourist Information Center TIC TOKYO operated by Mori Trust Hotels & Resorts Co., Ltd., located in Marunouchi Trust City in front of Tokyo Station, has begun renting mobile Wi-Fi routers and selling SIM cards for data communication, aimed at visitors to Japan. This is the only foreign tourist information center in the Tokyo Station area and one of the few such centers anywhere in Japan to offer such services.

Investment Business

Mori Trust Group carries out investment activities flexibly and in tune with the times, targeting all kinds of assets as well as corporate and business systems that are beneficial to society and bring value to urban centers.

In the year ended March 31, 2014, we invested aggressively in real estate and hotels above all, from the standpoint of optimizing our portfolio based on the management environment. We will continue taking advantage of an improving economy by stepping up our investments, with an eye also on overseas markets, aimed at building up a portfolio of assets and corporations, not limited to real estate and hotels, which is optimal to the Group.

◇Nihon Eslead Corporation acquired as consolidated subsidiary

Mori Trust Co., Ltd. acquired Nihon Eslead Corporation in March 2013 by means of a tender offer, making it a consolidated subsidiary. The company's performance was incorporated in Mori Trust Group full-year profit and loss statement starting in the year ended March 31, 2014.

Disaster readiness and environmental initiatives

Based on our management philosophy, "A Responsibility for Shaping the City," Mori Trust Group is actively involved in disaster readiness and environmental initiatives, taking both "hard" approaches, developing properties equipped with the latest technologies, and "soft" approaches, working with the surrounding areas and tenants.

Through ongoing initiatives helping to shape cities that are safe, secure, and sustainable, we are aiming to develop urban areas that are internationally competitive.

■Disaster readiness initiatives

◇ At Kyobashi Trust Tower, tenant-participatory demonstration of emergency generator operation

At Kyobashi Trust Tower, for the first time our company carried out a tenant-participatory demonstration of emergency generator operation, the aim being to share with prospective tenant companies and the building owner the importance of disaster readiness and business continuity planning (BCP).



◇ Agreement with Chiyoda City on accommodating persons stranded by a disaster

Mori Trust Co., Ltd. and Chiyoda City, Tokyo, signed an agreement on accommodating persons who are unable to return to their homes due to a disaster. Under the agreement, our Marunouchi Trust City near Tokyo Station was designated officially by Chiyoda City as a facility for temporary accommodation of stranded persons.



■ **Environmental initiatives**

◇ **First certification by CASBEE for Market Promotion**

Five office buildings owned by Mori Trust Co., Ltd. have been awarded their first certification by the Institute for Building Environment and Energy Conservation using the CASBEE for Market Promotion, a new tool to rate environmental performance.

Buildings earning certification				
“S” rating★★★★★				“A” rating★★★★
SHIROYAMA TRUST TOWER	TORANOMON 2-CHOME TOWER	KAMIYACHO MT BUILDING	SENDAI MT BUILDING	SHIN-OSAKA TRUST TOWER
				

Note: A five-level rating system is used for certification, with “S” as the highest followed by “A,” “B+,” “B-,” and “C.”

◇ **Mori Trust Energy Park Izumizaki first phase completed and in operation**

As the first mega solar project of Mori Trust Group, the first phase of construction was completed in August 2013 of Mori Trust Energy Park Izumizaki (peak output approx. 2 MW) on the grounds of the former Laforet Shirakawa Golf Course. Built by drawing on the know-how and management resources of Group companies, the facility is now in operation. In the second phase, the scope will be expanded further for a total peak output of 8 MW.



Mori Trust Group: Total Floor Area Leased or Managed

Number of rental/managed facilities (as of April 2, 2014)

- Rental buildings: Approx. 1,270,000m² (88 buildings)
- Hotel & Resort facilities: 30hotels (Number of rooms: Approx. 7,100)

(Laforet Hotels & Resorts (12, including Tokyo Marriott Hotel); Laforet & Matsuo Golf Club;
 Courtyard by Marriotto Tokyo Station; The Westin Sendai; MAMPEI HOTEL; CONRAD TOKYO;
 RIHGA ROYAL HOTELS & ASSOCIATE HOTELS (11, Capital & business tie-up partner);
 Shangri-La Hotel, Tokyo (lease); Hotel Sunroute Plaza Shinjuku (lease))

Mori Trust Group: Summary of Consolidated Companies

MORI TRUST CO., LTD.

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

Toyo Green Building Co., Ltd.

Location Toranomon, Minato-ku, Tokyo
 President Nobuo Konomi
 Established March 1, 1978
 Capital 90 million yen
 Business sectors Condominium management service

MORI TRUST BUILDING MANAGEMENT CO., LTD.

Location Toranomon, Minato-ku, Tokyo
 President Yasutsugu Sakai
 Established April 1, 2002
 Capital 100 million yen
 Business sectors Comprehensive building services for property management, interior decorating, and technical consulting, etc.

URBAN LIFE Co., Ltd. (Code: 8851)

Location Motoyaminamimachi, Higashinada-ku, Kobe-shi, Hyogo
 President Nobuo Konomi
 Established July 31, 1970
 Capital 3,405 billion yen
 Business sectors Development, planning, sales, and rental of condominiums, office buildings and stores

MORI TRUST HOTELS & RESORTS CO., LTD.

Location Kitashinagawa, Shinagawa-ku, Tokyo
 Chair Nobuyuki Endo
 President Miwako Date
 Established February 7, 1973
 Capital 2 billion yen
 Business sectors Operation of hotel chains & golf courses, Management of tourism information center, Meeting room lease, Innovative R&D

URBAN LIFE JUUTAKUHANBAI Co., Ltd.

Location Motoyaminamimachi, Higashinada-ku, Kobe-shi, Hyogo
 President Kenkichi Takatsu
 Established July 29, 1982
 Capital 300 million yen
 Business sectors Planning and sales of condominiums, dealing brokerage of leasing and operations of real estate

MAMPEI HOTEL CO., LTD.

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

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

MT&Hilton Hotel Co., Ltd.

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

ESLEAD KANRI CORPORATION

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

MT GOLF DEVELOPMENT CO., LTD.

Location Toranomon, Minato-ku, Tokyo
 President Toshio Komatsu
 Established November 19, 2004
 Capital 100 million yen
 Business sectors Ownership and operation of Laforet & Matsuo Golf Club

SOUDEN CORPORATION

Location Fukushima, Fukushima-ku, Osaka-shi
 President Sugio Aramaki
 Established May 17, 2006
 Capital 90 million yen
 Business sectors Electricity Management Business

FORETSEINE CO., LTD.

Location Toranomon, Minato-ku, Tokyo
 President Nobuo Konomi
 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

E·L CONSTRUCTION CORPORATION

Location Fukushima, Fukushima-ku, Osaka-shi
 President Sugio Aramaki
 Established June 14, 2006
 Capital 55 million yen
 Business sectors General Contract and Renovation Businesses

ESLEAD JYUTAKU RYUTU CO. LTD
 Location Fukushima, Fukushima-ku, Osaka-shi
 President Yasuyuki Okumura
 Established May 8, 2007
 Capital 10 million yen
 Business sectors Real Estate Transaction, Asset Management
 and Real Estate Rental Businesses

MORI TRUST Asset Management Co., Ltd.
 Location Akasaka, Minato-ku, Tokyo
 President Satoshi Horino
 Established February 28, 2000
 Capital 400 million yen
 Business sectors Operation of real estate investment trusts

MTL Fund No.1 Investment Limited Partnership
 General Partner MT Labo Capital Co., Ltd.
 Established August 31, 2007

Shiroyama Heating & Cooling Supply Co., Ltd.
 Location Toranomon, Minato-ku, Tokyo
 President Masahide Kasahara
 Established November 6, 1989
 Capital 300 million yen
 Business sectors Local heating and cooling services
 in the Shiroyama Garden and adjacent area

MT GENEX CORPORATION (Code: 9820)
 Location Toranomon, Minato-ku, Tokyo
 President Hitoshi Suzuki
 Established October 1945
 Capital Approx. 1,072 million yen
 Business sectors Facelift of building and housing, and
 parking operation management, 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

Toyo Housing Management, Inc.
 Location Roppongi, Minato-ku, Tokyo
 President Nobuo Konomi
 Established November 27, 1979
 Capital 10 million yen
 Business sectors Leasing management and operations of real estate

(as of March 31, 2014)

Mori Trust Group: Summary of Equity-Method Affiliates

THE ROYAL HOTEL, LIMITED (Code: 9713)
 Location Nakanoshima, kita-ku, Osaka-shi, Osaka
 Established February 10, 1932
 Business sectors Hotel management centered on lodgment,
 banquet and restaurant, and hotel
 incidental business

MORI TRUST Sogo Reit, Inc. (Code: 8961)
 Location Akasaka, Minato-ku, Tokyo
 Established October 2, 2001
 Business sectors Investment in real estate and asset-backed
 securities investing primarily in real estate

(as of March 31, 2014)

Consolidated Financial Statements

Consolidated Balance Sheets (as of March 31, 2014 and 2013)

MORI TRUST CO., LTD. and its consolidated subsidiaries

(¥ millions)

	2014	2013
Assets		
I . Current assets		
1 Cash and deposits	25,136	39,517
2 Notes and accounts receivable-trade	14,073	3,513
3 Short-term investment securities	55,028	58,522
4 Real estate for sale	61,740	17,068
5 Real estate for sale in process	148,278	127,613
6 Real estate for development	618	4,665
7 Other inventories	1,734	2,012
8 Deferred tax assets	21,128	2,218
9 Other	3,035	14,215
Allowance for doubtful accounts	(117)	(147)
Total current assets	330,657	269,199
II . Noncurrent assets		
1 Property, plant and equipment		
(1) Buildings and structures, net	133,477	148,158
(2) Machinery, equipment and vehicles, net	2,585	2,225
(3) Tools, furniture and fixtures, net	1,104	1,006
(4) Land	402,061	413,461
(5) Golf courses	1,489	1,489
(6) Construction in progress	1,516	1,136
(7) Other, net	342	231
Total property, plant and equipment	542,576	567,710
2 Intangible assets		
(1) Leasehold right	3,258	3,258
(2) Goodwill	251	334
(3) Other	282	318
Total intangible assets	3,791	3,911
3 Investments and other assets		
(1) Investment securities	30,971	21,871
(2) Investments in unconsolidated subsidiaries and affiliates	277	277
(3) Long-term loans receivable	211	275
(4) Deferred tax assets	376	432
(5) Guarantee deposits	4,230	3,368
(6) Other	2,486	2,229
Allowance for doubtful accounts	(135)	(155)
Total investments and other assets	38,419	28,299
Total noncurrent assets	584,787	599,921
Total assets	915,445	869,120

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

(¥ millions)

	2014	2013
Liabilities		
I . Current liabilities		
1 Notes and accounts payable-trade	9,263	9,514
2 Short-term loans payable	64,220	83,058
3 Current portion of long-term loans payable	88,640	99,079
4 Accounts payable-other	6,631	2,489
5 Income taxes payable	12,502	6,413
6 Accrued expenses	811	737
7 Advances received	5,522	6,144
8 Deposits received	2,398	739
9 Provision for bonuses	503	510
10 Other	1,335	542
Total current liabilities	191,829	209,229
II . Noncurrent liabilities		
1 Long-term loans payable	350,544	286,856
2 Long-term lease deposited	48,780	52,565
3 Long-term guarantee deposited	53,171	56,606
4 Long-term deposits received	311	324
5 Deferred tax liabilities	10,086	8,550
6 Provision for retirement benefits	-	2,627
7 Net defined benefit liability	2,557	-
8 Other	1,031	946
Total noncurrent liabilities	466,484	408,478
Total liabilities	658,313	617,707
Net assets		
I . Shareholders' equity		
1 Capital stock	10,000	10,000
2 Retained earnings	227,799	222,668
Total shareholders' equity	237,799	232,668
II . Valuation and translation adjustments		
1 Valuation difference on available-for-sale securities	2,470	2,725
2 Remeasurements of defined benefit plans	37	-
3 Revaluation reserve for land, net of taxes	(130)	37
Total valuation and translation adjustments	2,377	2,762
III . Minority interests	16,954	15,980
Total net assets	257,132	251,412
Total liabilities and net assets	915,445	869,120

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

Consolidated Statements of Income (For the years ended March 31, 2014 and 2013)

	(¥ millions)	
	2014	2013
I . Operating revenue	149,779	92,080
II . Operating cost	103,003	58,522
Operating gross profit	46,776	33,558
III . Selling, general and administrative expenses	13,006	8,293
Operating income	33,769	25,265
IV . Non-operating income		
1 Interest and dividends income	1,294	1,333
2 Gain on valuation of securities	1,776	1,901
3 Foreign exchange gain	2,835	-
4 Other	1,630	975
Total non-operating income	7,536	4,210
V . Non-operating expenses		
1 Interest expenses	4,104	3,851
2 Other	164	703
Total non-operating expenses	4,268	4,555
Ordinary income	37,037	24,920
VI . Extraordinary income		
1 Gain on sales of noncurrent assets	8,202	4,796
2 Gain on bargain purchase	-	5,885
3 Other	14	833
Total extraordinary income	8,217	11,515
VII . Extraordinary loss		
1 Loss on retirement of noncurrent assets	5,687	-
2 Loss on step acquisitions	-	3,343
3 Business restructuring expenses	-	3,584
4 Other	1,041	97
Total extraordinary losses	6,728	7,025
Income before income taxes and minority interests	38,525	29,410
income taxes	22,219	10,047
Minority interests in income (loss)	1,160	105
Net income	15,145	19,256

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

Note: This translation may be used only for reference purposes. This English version is not an official translation of the original Japanese document. In cases where any differences occur between the English version and the original Japanese version, the Japanese version shall prevail.