

## Financial Report for the Fiscal Year Ended March 2020

Mori Trust Group recently announced its consolidated business performance for the year ended March 31, 2020(FY 2020).

The Group consists of 30 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, 2019 – March 31, 2020)

- In the term ended March 2020, we achieved the final targets of “Advance 2027,” our medium- to long-term vision, seven years ahead of schedule. Operating revenue was 233.6 billion yen (up 33.6% compared to the previous term) and operating income was 58.7 billion yen (up 70.7% compared to the previous term). Also, in addition to robust office business, the operation of newly acquired properties and real estate sales made contributions and both operating revenue and operating income increased for three consecutive terms.
- Because each business segment performed steadily, income increased for the third consecutive term, with ordinary income at 60.1 billion yen (up 66.2% compared to the previous term), and net income attributable to owners of the parent at 40.3 billion yen (up 0.3% compared to the previous term).
- For the fiscal year ending March 2021, we expect operating revenue of 220 billion yen (down 5.8% compared to the previous term), operating income of 47 billion yen (down 20.0% compared to the previous term), and net income attributable to owners of the parent of 30 billion yen (down 25.6% compared to the previous term).

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

	FY2019	FY2020	FY2021 (Projection)
Operating revenue	174,868	<b>233,638</b>	220,000
Operating income	34,436	<b>58,791</b>	47,000
Ordinary income	36,196	<b>60,188</b>	45,000
Net income attributable to parent company's shareholders.	40,227	<b>40,357</b>	30,000

#### Operating revenue breakdown

Rental related business	67,974	<b>73,256</b>
Hotel related business	37,212	<b>38,536</b>
Real estate sales business	55,130	<b>104,615</b>
Other business (contract work, etc)	14,551	<b>17,230</b>

#### Total assets and net assets

Total assets	1,076,523	<b>1,171,365</b>
Net assets	435,002	<b>466,202</b>

## Highlights of FY 2020 business performance

- In “leasing-related business,” the operation of the office buildings in San Jose, which we acquired in March 2019 contributed for about nine months and the maintenance of high occupancy rates at existing properties such as “Shiroyama Trust Tower” and “Marunouchi Trust Tower” as well as an increase in unit prices due to factors such as rent revisions contributed, and we recorded operating revenue of 73.2 billion yen, an increase of 5.2 billion yen compared to the previous term.
- In “hotel-related business,” although the spread of COVID-19 infections impacted operation rates in the fourth quarter, unit prices increased because of increased demand for accommodation due to the holding of the Rugby World Cup from September 20, 2019 and the operation of the “Hilton Odawara Resort & Spa” acquired in September 2019 also contributed for four months, resulting in an increase in sales for the eighth consecutive term. We recorded operating revenue of 38.5 billion yen, an increase of 1.3 billion yen compared to the previous term, and a record high.
- “Real estate sales business” recorded operating revenue of 104.6 billion yen, an increase of 49.5 billion yen compared to the previous term, with condominium sales performing strongly and office sales contributing, while “other business” recorded operating revenue of 17.2 billion yen, an increase of 2.7 billion yen compared to the previous term.

As a result of the above, operating revenue finished at 233.6 billion yen, operating income at 58.7 billion yen and net income attributable to owners of the parent at 40.3 billion yen. In addition, we also achieved the numerical targets established for the final year of “Advance 2027,” our medium- to long-term vision, of operating revenue of 230 billion yen and operating income of 55 billion yen seven years ahead of schedule.

## Business Performance Projections for FY 2021

As our results for the term ending March 2021, we expect operating revenue of 220 billion yen, operating income of 47 billion yen and net income attributable to owners of the parent of 30 billion yen.

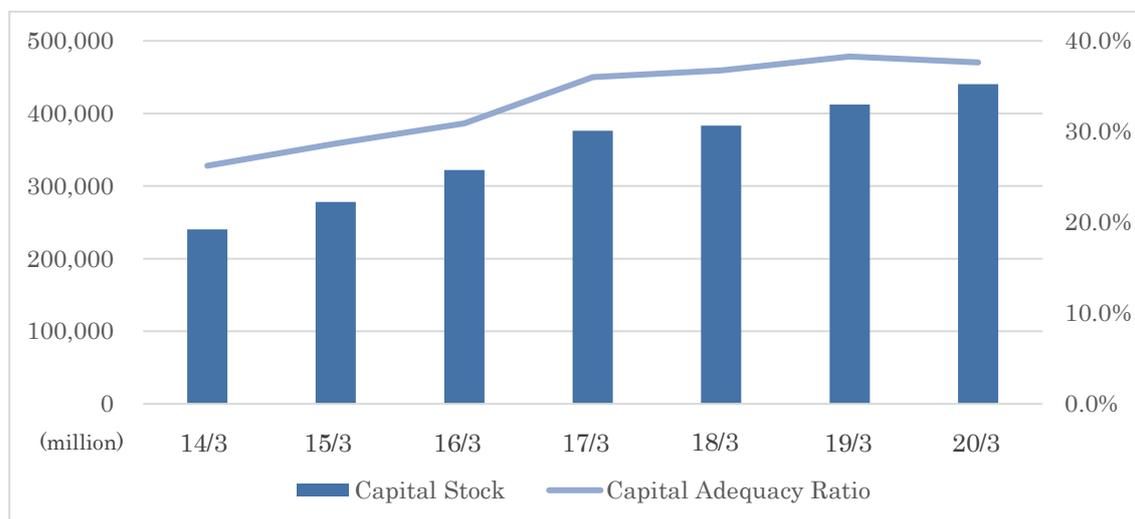
The above forecasts have been calculated to the extent possible at this point in time given the difficulty in predicting the state of containment of COVID-19 infections and the associated resumption of economic activities. Please note that actual results may vary depending on the timing of containment of COVID-19 infections.

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

The capital stock and capital adequacy ratio for the fiscal year ended March 2020 were 440.5 billion yen and 37.6% respectively.



## (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.)

	FY2019	FY2020
Operating revenue	12,737	14,198
Operating income	12,447	13,905
Ordinary income	15,856	15,003
Net income	13,904	13,422
<b>Total assets and net assets</b>		
Total assets	754,533	748,167
Net assets	176,939	189,422

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

## FY 2020 Key Business Topics

### ■ REAL ESTATE

Under our office business vision “Creative First,” we are promoting the supply of office buildings that meet diversifying office needs.

As for new property, the construction of “Kamiyacho Trust Tower,” the large complex that forms the core of “Tokyo World Gate,” in Toranomon, Minato Ward, Tokyo, was completed on March 16, 2020. Following the completion of construction, we opened up the exterior of the site, including about 5,000 m<sup>2</sup> of green space, to the public. In addition, a new ward road connecting Edomizaka and Sakurada-dori and a natural-feeling subway passageway were opened aimed at easing congestion on surrounding roads.

As for existing properties, we opened “Cozy Works Gotenyama” at “Gotenyama Trust Tower,” small offices that provide private space where people can work as if they were living there, and we opened “Nursery Room Miraiz” at “Shiroyama Trust Tower,” a corporate-led daycare center that supports recent needs of workers returning to work after maternity and childcare leave.

#### Tokyo World Gate/ Kamiyacho Trust Tower (completed on March 16, 2020)



The Toranomon-Kamiyacho area is being developed as an international business base, and this is a project combining various business and exchange functions aimed at serving as a gate between Japan and the world. Following the completion of construction of the core “Kamiyacho Trust Tower” in March 2020, we are planning to open a variety of facilities in succession, including “The Tokyo Edition, Toranomon,” Japan’s first luxury lifestyle hotel.

Site area	16,210.61 m <sup>2</sup>	Location	4-1-1, Toranomon, Minato-ku, Tokyo
Total floor area	198,774.23 m <sup>2</sup>	Primary use	Offices, shared office, residence, luxury hotel and serviced apartments, medical facility for foreign patients, shop & restaurant, shrine
Number of floors	38 floors above ground 3 floors below ground		

## Small offices “Cozy Works Gotenyama”



Cozy Works Gotenyama are small offices that opened on February 3, 2020 at Gotenyama Trust Tower. Based on the concept of “at living,” we provide a private space where you can relax like you are at home even while you are in an office.

Starting date	February 3, 2020	Location	3F, Gotenyama Trust Tower, 4-7-35, Kitashinagawa, Shinagawa-ku, Tokyo
Area	622.83 m <sup>2</sup>	contents	Small offices, exclusive residents' lounges Exclusive resident meeting rooms
Room	11 rooms		

## Corporate-led daycare center “Nursery Room Miraiz”



Nursery Room Miraiz is a corporate-led daycare center that opened on November 1, 2019 against the backdrop in recent years of a growing need for daycare services to support workers returning to work after maternity and childcare leave. We provide a variety of childcare programs that reflect the needs of users while utilizing the hotel management knowhow of our group.

Starting date	November 1, 2019	Location	4F, Shiroyama Trust Tower, 4-3-1, Toranomom, Minato-ku, Tokyo
Area	182.73 m <sup>2</sup>	contents	Corporate-led daycare center
The maximum number	21 people (0 year old : 6 people, 1 year old : 8 people, 2 years old : 7 people)	Opening hours	Mon.-Fri. : 7:30~20:30 * Except for Holiday and New Year holidays

## ■ HOTELS & RESORTS

Apart from having 24 hotel facilities across Japan as of March 2020, we are also promoting new hotel plans for three hotels in central Tokyo and 16 hotels in regional areas. In June 2019, construction began on “The Tokyo Edition, Ginza” in Ginza, Chuo Ward, Tokyo. This hotel is scheduled to open from spring to summer 2021.

Under the “luxury destination network” concept, \* we provide comfortable stays to tourists from Japan and overseas utilizing the attractive tourism resources of various areas of Japan, such as promoting initiatives aimed at increasing inbound demand and increasing consumption per traveler.

### 24 既存ホテル BRANDED HOTELS

**コンラッド東京**  
 CONRAD TOKYO  
**翠嵐 ラグジュアリーコレクションホテル 京都**  
 SUIRAN, A LUXURY COLLECTION HOTEL, KYOTO  
**イラフ SUI ラグジュアリーコレクションホテル 沖縄宮古**  
 IRAPH SUI, A LUXURY COLLECTION HOTEL, MIYAKO OKINAWA  
**ウェスティンホテル 仙台**  
 THE WESTIN SENDAI  
**東京マリオットホテル**  
 TOKYO MARRIOTT HOTEL  
**伊豆マリオットホテル 修善寺**  
 IZU MARRIOTT HOTEL SHUZENJI  
**富士マリオットホテル 山中湖**  
 FUJI MARRIOTT HOTEL LAKE YAMANAKA  
**軽井沢マリオットホテル**  
 KARUIZAWA MARRIOTT HOTEL  
**琵琶湖マリオットホテル**  
 LAKE BIWA MARRIOTT HOTEL  
**南紀白浜マリオットホテル**  
 NANKI-SHIRAHAMA MARRIOTT HOTEL  
**シェラトン 沖縄サンマリーナリゾート**  
 SHERATON OKINAWA SUNMARINA RESORT  
**ヒルトン 小田原リゾート&スパ**  
 HILTON ODAWARA RESORT & SPA  
**コートヤード・バイ・マリオット 東京ステーション**  
 COURTYARD BY MARRIOTT TOKYO STATION  
**コートヤード・バイ・マリオット 新大阪ステーション**  
 COURTYARD BY MARRIOTT SHIN-OSAKA STATION  
**コートヤード・バイ・マリオット 白馬**  
 COURTYARD BY MARRIOTT HAKUBA  
**リゾートホテル ラフォーレ 那須**  
 RESORT HOTEL LAFORET NASU  
**ラフォーレ 倶楽部 箱根強羅 湯の楼**  
 LAFORET CLUB HAKONE GORA YU NO SUMIKA  
**ラフォーレ 倶楽部 伊東温泉 湯の庭**  
 LAFORET CLUB ITO OONSEN YU NO NIWA  
**ホテルラフォーレ 修善寺**  
 HOTEL LAFORET SHUZENJI  
**ラフォーレ 蔵王リゾート&スパ**  
 LAFORET ZAO RESORT AND SPA  
**万平ホテル**  
 MAMPEI HOTEL  
**強羅環翠楼**  
 GORA-KANSUIRO  
**シャングリ・ラ ホテル 東京 (リース)**  
 SHANGRI-LA HOTEL, TOKYO  
**ラフォーレ & 松尾ゴルフ倶楽部**  
 LAFORET & MATSUO GOLF CLUB

### 19 新規プロジェクト NEW DEVELOPMENTS

**札幌大通公園**  
 SAPPORO ODORI PARK  
**軽井沢塩沢**  
 KARUIZAWA SHIOZAWA  
**軽井沢長倉**  
 KARUIZAWA NAGAKURA  
**軽井沢東雲**  
 KARUIZAWA SHINONOME  
**金沢広岡**  
 KANAZAWA HIROOKA  
**飛騨高山**  
 HIDA TAKAYAMA  
**白馬咲花**  
 HAKUBA SAKKA  
**東京エディション 虎ノ門**  
 THE TOKYO EDITION, TORANOMON  
**赤坂二丁目**  
 AKASAKA 2-CHOME  
**東京エディション 銀座**  
 THE TOKYO EDITION, GINZA  
**箱根中強羅**  
 HAKONE NAKAGORA  
**箱根強羅**  
 HAKONE GORA  
**熱海来宮**  
 ATAMI KINOMIYA  
**奈良吉城園**  
 NARA YOSHIKIEN  
**JWマリオット・ホテル 奈良**  
 JW MARRIOTT HOTEL NARA  
**長崎南山手**  
 NAGASAKI MINAMIYAMATE  
**ヒルトン・グランド・バケーションズ 瀬底島 (仮称)**  
 HILTON GRAND VACATIONS ON SESOKOJIMA ISLAND (TENTATIVE)  
**ヒルトン 沖縄瀬底リゾート**  
 HILTON OKINAWA SESOKO RESORT  
**沖縄 富着**  
 OKINAWA FUCHAKU

\* “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.

**THE TOKYO EDITION, GINZA** (construction begins in June 2019)

We invited the luxury lifestyle hotel brand “EDITION” to the heart of Ginza, a commercial district representative of Japan. Affinity with surrounding global high-brand customer segments is high and we aim to contribute to the sustainable development of the Ginza area by attracting international travelers including trendsetters and the wealthy.



Site area	663.91 m <sup>2</sup>	Location	Ginza, Chuo-ku, Tokyo
Total floor area	About 7,323 m <sup>2</sup>	Number of floor	14 floors above ground 1 floor below ground
Guest room	about 80 rooms (Including Suite Room)	Facilities	Restaurant, Lobby bar, Rooftop bar, Fitness room

**(Reference) Hotel scheduled to open**

■THE TOKYO EDITION, TORANOMON



We will open “EDITION” luxury lifestyle hotel brand hotels in two locations in Toranomom and Ginza, and provide the new trends and sophisticated lifestyles of Tokyo.

Location	Toranomon, Minato-ku, Tokyo
Guest room	about 200 rooms (Including Suite Room)

■JW Marriott Hotel NARA



We attracted the “JW Marriott Hotel” Marriott International luxury hotel brand to Japan for the first time. This hotel has good access to historic sites representative of Japan and is aiming to become a new tourist base.

Location	Sanjooji, Nara-shi, Nara
Guest room	about 158 rooms

■HILTON OKINAWA SESOKO RESORT

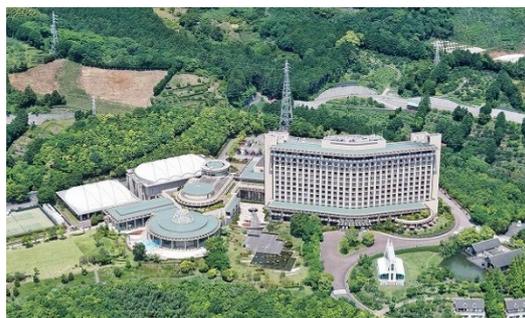


This is the first beach resort hotel in Japan opened by Hilton. Facing Sesoko Beach, which boasts the clearest water in Japan, the hotel provides a memorable stay where you can feel beautiful nature with your five senses.

Location	Sesoko, Motobu-cho, kunigami-gun, Okinawa
Guest room	about 298 rooms

**We jointly acquired the “Hilton Odawara Resort & Spa” with Mori Trust Hotel Reit, Inc.**

We acquired the hotel jointly with Mori Trust Hotel Reit, Inc. on September 2, 2019. This hotel is located in a hilly area facing Sagami Bay and all rooms have an ocean view. Adjacent to the hotel is a time-share resort developed by Hilton Grand Vacations, which is expected to be used for various purposes such as medium- to long-term stays.



Site area	174,566.00 m <sup>2</sup>	Location	583-1, Nebukawa, Odawara, Kanagawa
Total floor area	50,605.67 m <sup>2</sup>	Facilities	Restaurant, Banquet hall, Conference room, Amusement facility, Pool, Fitness room, Natural hot springs, Tennis courts, Gymnasium, Driving range
Guest room	163 rooms		

**■ INVESTMENT**

Under the “new innovation investment strategy” raised in 2017 and for which we set a total investment limit of 20 billion yen, we are promoting investment in startup companies that have a high affinity with our company’s business and collaboration and cooperation with the companies we invest in, as well as the establishment of community spaces, etc., aimed at the creation of new business looking to the future. We are aiming to create new value by combining our company’s resources with the services of start-up companies.

**Investment in and collaboration and cooperation with start-up**

**[Introduction of bitreception]**

We introduced “bitreception”, a smart reception system developed using the smart lock technology of Bitkey Inc. (hereinafter referred to as Bitkey) at the company’s head office reception. We tried to improve the marketability of the product by providing Bitkey with our knowledge as office building managers and providing feedback from the twin perspectives of service user and reception manager.



bit reception



bitreception

## Participation in the “Task Force for Promotion of the Building of Robot Implementation Models”

We participated in the “Task Force for Promotion of the Building of Robot Implementation Models” established by the Ministry of Economy, Trade and Industry, and the New Energy and Industrial Technology Development Organization (NEDO) in October 2019.

Our company has been conducting demonstration experiments using the “Relay” delivery robot developed by Savioke Inc., a company we have invested in, and promoting other initiatives aimed at the social implementation of robots.



“Relay” autonomous driving transport robot



Demonstration experiment using “Relay” at facilities managed by the company

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

### ■ Number of rental / managed facilities (as of March 31, 2020)

- Rental buildings : Approx. 1,730,000 m<sup>2</sup> (83 buildings)
- Hotel & Resort facilities : 24 facilities (Number of rooms : Approx. 3,700)

## 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

#### GOURAKANSUIROU CO., LTD.

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

#### 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.

#### 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

#### 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

#### 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

#### MAMPEI HOTEL CO., LTD.

Location Toranomon, Minato-ku, Tokyo  
 Chairman Miwako Date  
 President Shigeru Sakai  
 Established 1894  
 Capital 100 million yen  
 Business sectors operation of the Mampei Hotel

#### 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 Shin Takahashi  
 Established October 22, 2004  
 Capital 20 million yen  
 Business sectors Management of the Conrad Tokyo, Hilton Odawara Resort & Spa and Hilton Okinawa Sesoko Resort

#### ESLEAD CHINTAI CORPORATION

Location Oyodominami, Kita-ku, Osaka-shi  
 President Tsuneyuki Matsushita  
 Established May 20, 1996  
 Capital 10 million yen  
 Business sectors Condominium Management and Rental Management Businesses

#### MT&M Hotel Management Co., Ltd.

Location Toranomon, Minato-ku, Tokyo  
 President Shin Takahashi  
 Established May 13, 2019  
 Capital 20 million yen  
 Business sectors Management of JW Marriott Hotel NARA, The Tokyo EDITION, Ginza and The Tokyo EDITION, Toranomon

#### Souden CORPORATION

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

#### 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

#### 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

**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.

**ESLEAD HOTEL MANAGEMENT CORPORATION**

Location Umeda, Kita-ku, Osaka-shi  
 President Ryosuke Kamine  
 Established January 29, 2019  
 Capital 4 million yen  
 Business sectors Management, operation and consulting services for Ryokan, hotel and budget hotel etc.

**E CLEANUP CORPORATION**

Location Oyodominami, Kita-ku, Osaka-shi  
 President Hiroshi Nakazawa  
 Established November 1, 2019  
 Capital 10 million yen  
 Business sectors House cleaning business and cleaning business for buildings, condominiums, hotels, etc.

**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.

**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

**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

**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

**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

**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

**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

**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 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

**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

(as of March 31, 2020)

## Mori Trust Group : Summary of Equity – Method

**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, 2020 and 2019)

MORI TRUST CO., LTD. and its consolidated subsidiaries

(¥ millions)

	2020	2019
<b>Assets</b>		
<b>I . Current assets</b>		
1 Cash and deposits	55,186	86,795
2 Notes and accounts receivable-trade	14,478	6,849
3 Short-term investment securities	2,451	25,507
4 Real estate for sale	238,970	25,217
5 Real estate for sale in process	48,821	229,649
6 Real estate for development	618	618
7 Other inventories	2,176	2,308
8 Other	29,205	16,981
Allowance for doubtful accounts	(22)	(20)
<b>Total current assets</b>	<b>391,887</b>	<b>393,906</b>
<b>II . Noncurrent assets</b>		
<b>1 Property, plant and equipment</b>		
(1) Buildings and structures, net	245,219	180,712
(2) Machinery, equipment and vehicles, net	6,664	4,632
(3) Tools, furniture and fixtures, net	2,091	1,682
(4) Land	468,036	443,210
(5) Construction in progress	4,958	10,535
(6) Other, net	1,661	1,678
<b>Total property, plant and equipment</b>	<b>728,631</b>	<b>642,452</b>
<b>2 Intangible assets</b>		
(1) Leasehold right	3,378	3,378
(2) Goodwill	112	168
(3) Other	5,603	4,410
<b>Total intangible assets</b>	<b>9,094</b>	<b>7,957</b>
<b>3 Investments and other assets</b>		
(1) Investment securities	26,712	21,255
(2) Long-term loans receivable	42	78
(3) Deferred tax assets	950	712
(4) Net Defined Benefit Asset	852	-
(5) Guarantee deposits	6,506	6,504
(6) Other	6,707	3,683
Allowance for doubtful accounts	(18)	(26)
<b>Total Investments and other assets</b>	<b>41,752</b>	<b>32,207</b>
<b>Total noncurrent assets</b>	<b>779,478</b>	<b>682,617</b>
<b>Total assets</b>	<b>1,171,365</b>	<b>1,076,523</b>

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

(¥ millions)

	2020	2019
<b>Liabilities</b>		
<b>I . Current liabilities</b>		
1 Notes and accounts payable-trade	18,526	11,107
2 Short-term loans payable	23,619	60,084
3 Current portion of long-term loans payable	15,714	6,509
4 Accounts payable-other	81,882	4,554
5 Income taxes payable	14,775	7,919
6 Accrued expenses	964	1,094
7 Advances received	11,266	19,098
8 Deposits received	2,394	1,066
9 Provision for bonuses	886	816
10 Other	424	399
<b>Total current liabilities</b>	<b>170,455</b>	<b>112,650</b>
<b>II . Noncurrent liabilities</b>		
1 Long-term loans payable	394,695	396,709
2 Long-term lease deposited	62,870	53,055
3 Long-term guarantee deposited	49,451	50,852
4 Long-term deposits received	423	288
5 Deferred tax liabilities	18,385	17,954
6 Net defined benefit liability	2,453	2,668
7 Asset Retirement Obligation	5,744	6,249
8 Other	684	1,091
<b>Total noncurrent liabilities</b>	<b>534,707</b>	<b>528,871</b>
<b>Total liabilities</b>	<b>705,163</b>	<b>641,521</b>
<b>Net assets</b>		
<b>I . Shareholders' equity</b>		
1 Capital stock	30,000	30,000
2 Capital surplus	9,755	9,996
3 Retained earnings	404,203	374,346
<b>Total shareholders' equity</b>	<b>443,959</b>	<b>414,343</b>
<b>II . Valuation and translation adjustments</b>		
1 Valuation difference on available-for-sale securities	272	387
2 Deferred hedge gains and losses	(1)	(1)
3 Foreign currency translation adjustment	(3,916)	(2,774)
4 Remeasurements of defined benefit plans	259	(53)
<b>Total valuation and translation adjustments</b>	<b>(3,416)</b>	<b>(2,442)</b>
<b>III . Non-controlling interests</b>	<b>25,659</b>	<b>23,101</b>
<b>Total net assets</b>	<b>466,202</b>	<b>435,002</b>
<b>Total liabilities and net assets</b>	<b>1,171,365</b>	<b>1,076,523</b>

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

Consolidated Statements of Income (For the years ended March 31, 2020 and 2019)

(¥ millions)

	2020	2019
<b>I . Operating revenue</b>	<b>233,638</b>	<b>174,868</b>
<b>II . Operating cost</b>	<b>156,914</b>	<b>123,493</b>
<b>Operating gross profit</b>	<b>76,724</b>	<b>51,374</b>
<b>III . Selling, general and administrative expenses</b>	<b>17,932</b>	<b>16,938</b>
<b>Operating income</b>	<b>58,791</b>	<b>34,436</b>
<b>IV . Non-operating income</b>		
1 Interest and dividends income	512	708
2 Gain on sales of securities	2,273	1,369
3 Investment gain on equity method	241	1,231
4 Gain on investments in partnership etc.	1,327	1,499
5 Other	1,473	986
<b>Total non-operating income</b>	<b>5,828</b>	<b>5,795</b>
<b>V . Non-operating expenses</b>		
1 Interest expenses	2,938	3,457
2 Loss on valuation of securities	1,065	262
3 Other	428	316
<b>Total non-operating expenses</b>	<b>4,431</b>	<b>4,035</b>
<b>Ordinary income</b>	<b>60,188</b>	<b>36,196</b>
<b>VI . Extraordinary income</b>		
1 Gain on sales of noncurrent assets	125	3,683
2 Gain on sales of investment securities	2,615	25,519
3 Other	81	154
<b>Total extraordinary income</b>	<b>2,822</b>	<b>29,357</b>
<b>VII . Extraordinary loss</b>		
1 Loss on retirement of noncurrent assets	-	375
2 Loss on sales of investment securities	134	-
3 Impairment loss	-	850
4 Loss on valuation of investment securities	176	-
5 Other	5	231
<b>Total extraordinary losses</b>	<b>316</b>	<b>1,458</b>
<b>Income before income taxes and minority interests</b>	<b>62,695</b>	<b>64,096</b>
Income taxes-current	20,357	13,306
Income taxes-deferred	(640)	7,167
Income taxes	19,716	20,473
<b>Net income</b>	<b>42,978</b>	<b>43,622</b>
<b>Net income attributable to non-controlling interests</b>	<b>2,620</b>	<b>3,394</b>
<b>Net income attributable to parent company's shareholders</b>	<b>40,357</b>	<b>40,227</b>

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