

Mori Hills REIT Investment Corporation
Summary of Q&A Session at Financial Results Briefing
for 38th Fiscal Period (held on September 12, 2025)

Q. Regarding the revision to the fixed master lease, some properties were revised downward. Was consideration given to the introduction of pass-through or rent revisions during the contract period that are linked to the CPI?

A. The fixed master lease is renewed every five years. For the ARK Mori Building, however, the rent at the time of the last renewal was at a high level before the impact of the COVID-19 pandemic became apparent, and also as a result of the current appraisal, the rent has not recovered to the level of five years ago and a reduction is appropriate.

Although we considered the introduction of pass-through, rent levels have not recovered, and it was decided that renewal as a fixed lease was appropriate based on a comparison of earnings with continuing as a fixed lease.

On the other hand, for properties other than ARK Mori Building, there is no concern about a downward revision, and in fact, we believe there is the possibility of an increase.

We will consider the details of the contract at the time of renewal as a fixed lease in order to capture the trend of market conditions.

Specifically, the contract term is five years, which means that it takes time to benefit from higher rents, which is an issue, and we will first work to shorten the contract term to improve this point.

Moreover, we recognize that the time has come to consider the introduction of a mechanism to link indicators such as the CPI to rents, and we will be taking steps to address this issue in the future.

Q. Regarding the additional acquisition of Toranomori Hills Mori Tower, the NOI yield is 3.0%. Is this acquisition yield appropriate in light of the cost of capital?

A. Although the yield of the acquired property is 0.1% lower than the previous acquisition, the NOI yield after depreciation is 2.5%, which exceeds the 2.4% of Laforet Harajuku that is being transferred in the same period, and given the larger acquisition amount, we believe this acquisition to be effective.

Q. Is it correct to understand that the existing contract is not covered by the shortened term of the fixed master lease?

A. For now, we would like to proceed with discussions while targeting application to the next contract to reach its expiration.

Q. Regarding Mori Building's acquisition of investment units, since they already hold just under 20%, could you explain the background behind the additional acquisition?

A. This acquisition is based on the sponsor's judgment, and like the property acquisitions in two consecutive periods, we recognize it as part of strengthening the relationship with Mori Hills REIT Investment Corporation.