



Mori Hills REIT Investment Corporation

Results of the 39th Fiscal Period ended January 31, 2026

Presentation Material

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<https://www.mori-hills-reit.co.jp/en/>

(Asset Manager) Mori Building Investment Management Co., Ltd.

<https://www.morifund.co.jp/en/>

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Asset Management Company : Mori Building Investment Management Co., Ltd.
(Registered as a financial instruments business, an investment management business, Kanto Local Finance Bureau registration no. 408 Member of The Investment Trusts Association, Japan)

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1. Executive summary

Financial summary 39th period (Jan. 2026)

- Operating revenue: 11,381 million yen, operating income: 6,882 million yen, net income: 6,124 million yen
Increased revenue and income period-over-period
- DPU: 3,100 yen (+0.3% from 38th period)
Achieved target as planned due to contribution from gain on disposition
- NAV per unit: 165,145 yen (+1.6% from 38th period)
Increased period-over-period due to property acquisition at lower than appraisal values, etc.
- Disposed of a 7% ownership interest in Laforet Harajuku (Land) (of the 1,519 million yen from gain on the disposition, 281 million yen was recorded as reserve for reduction entry)

External growth

- Additional acquisition of Toranomon Hills Mori Tower in December 2025 (acquisition price: 9.66 billion yen, appraisal value: 11.61 billion yen).
- Premium properties in central Tokyo have maintained high occupancy rates by capturing the demand for headquarter offices of many blue-chip companies and are expected to demonstrate competitive advantages.

Internal growth

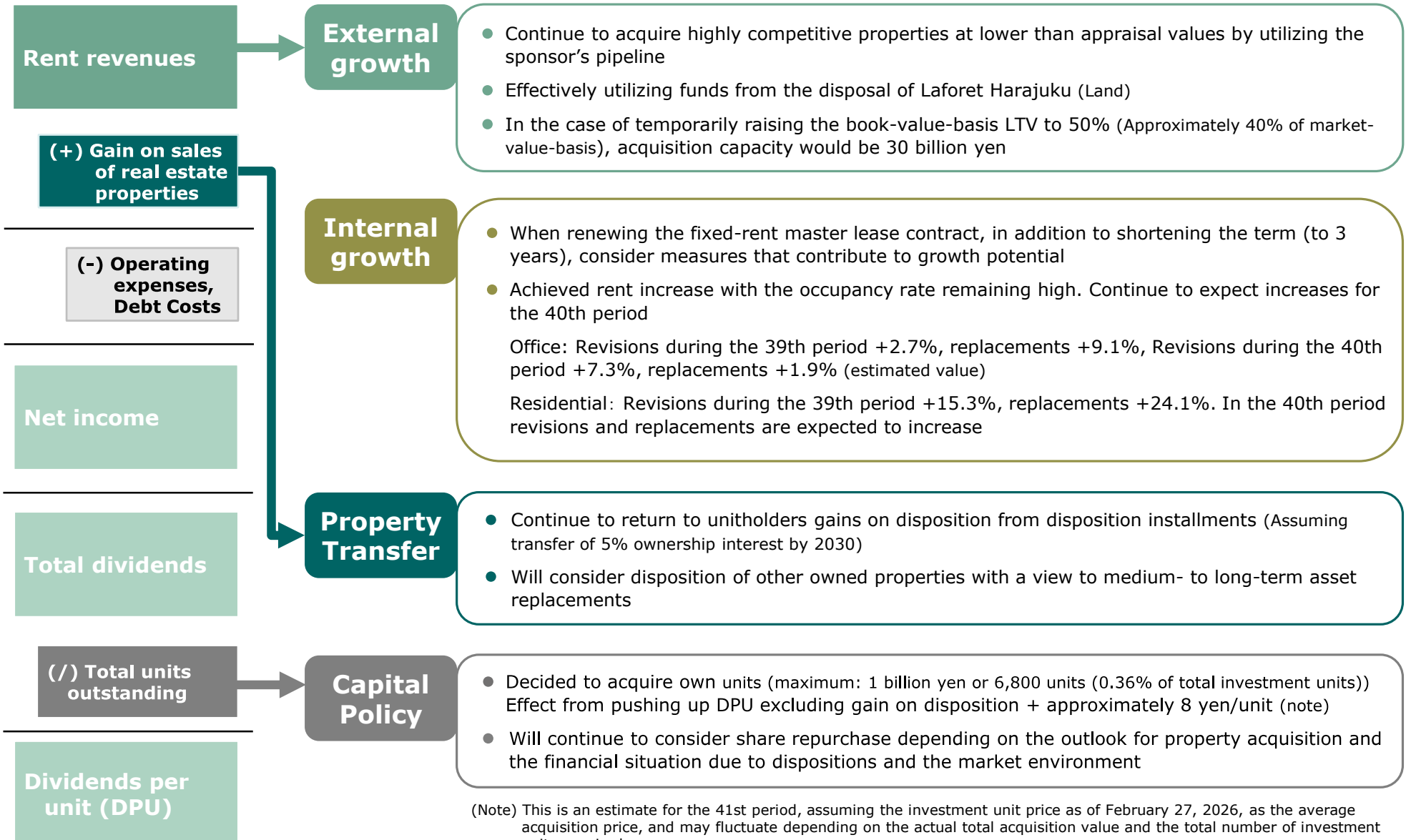
- The office occupancy rate for the 39th period was 99.6% and continues to maintain a high level. Rent increases were continued for both revisions and replacements.
- The residential occupancy rate for the 39th period was 96.0% and continues to maintain a high level. Rents continued to increase significantly for both revisions and replacements.
- The office rent gap expanded from $\Delta 4.8\%$ in the previous period to $\Delta 7.5\%$ in the 39th period.
- The contract term was shortened from 5 years to 3 years in connection with the renewal of the fixed-rent master lease contract for Roppongi Hills Mori Tower.

Financial management

- Maintaining a strong financial structure with book-value-basis LTV: 46.1%, appraisal-value-basis LTV: 36.5%, remaining duration of debt: 3.5 years and a credit rating (JCR) of AA (stable) as of the end of the 39th period.
- Decided to acquire own units in consideration of property acquisitions and market conditions in order to utilize cash on hand.

1-2 Management with awareness of cost of capital and unit price

Aim to achieve DPU of 3,100 yen or more, improve DPU excluding gain on transfer, and target a recovery of the NAV multiple to 1.0x by implementing various measures



2. Investment highlights



2-1 Financial results

Revenue and income increased for the 39th period (ended January 2026) from the previous fiscal period, DPU achieved target as planned by implementing various measures

- Additionally acquired Toranomon Hills Mori Tower for 9.66 billion yen. Disposed of a 7% ownership interest in Laforet Harajuku (Land) (1,519 million yen of the 281 million yen gain on disposition was recorded as reserve for reduction entry)
- Owned properties boast excellent location and quality, therefore high occupancy rates were maintained for both offices and residences.

	38th period	39th period		39th period
	Jul. 31, 2025	Jan. 31, 2026		Jan. 31, 2026
	Actual	Actual	Difference	Forecasted
Operating Highlights (million yen)				
Operating revenue	11,223	11,381	+ 157	11,399
Rent revenues	9,503	9,665	+ 161	9,677
Other operating revenues	197	196	△ 0	202
Gain on sales of real estate properties	1,522	1,519	△ 3	1,519
Operating expenses	4,428	4,498	+ 69	4,504
Expenses related to properties	3,665	3,733	+ 67	3,736
SG&A	762	765	+ 2	767
Operating income	6,795	6,882	+ 87	6,895
Non-operating income	11	20	+ 8	10
Non-operating expenses	712	777	+ 65	770
Ordinary income	6,094	6,125	+ 31	6,135
Net income	6,093	6,124	+ 31	6,132
Reserve for reduction entry	265	281	+ 16	284
Total dividends	5,828	5,847	+ 18	5,847

DPU

Total units outstanding (units)	1,886,235	1,886,235	—	1,886,235
DPU (yen)	3,090	3,100	+ 10	3,100

Other Indices (million yen)

NOI	7,105	7,218	+ 113	7,235
NOI yield	3.6%	3.5%	△ 0.1PT	3.5%
Acquisition price (weighted average based on the number of operating days during the period) (Note)	402,693	410,651	+ 7,958	410,651

Increase/decrease factor (38th - 39th)

•Operating revenue (+157 mn yen)	
- Gain on disposition part of LF Harajuku (39th period)	+1,519
- Full period contribution of property acquired in 38th period	+129
- Property acquisition in 39th period	+61
- Revision of the ground rent (LF Harajuku)	+18
- Residential Rent (pass-through)	+15
- Gain on disposition part of LF Harajuku (38th period)	△1,522
- Rent on disposition part of LF Harajuku (38th period)	△38
(39th period)	△15
- Office Rent (pass-through)	△10
•Operating expenses (+69 mn yen)	
- Full period contribution of property acquired in 38th period	+30
- Property management fee	+22
- Property acquisition in 39th period	+14
- Maintenance and repairs	+14
- Loss on disposal of fixed assets	△14
•Non-operating expenses (+65 mn yen)	
- Interest expenses, etc.	+70

Increase/decrease factor for 39th period (Forecasted - Actual)

•Ordinary income (△10 mn yen)	
- Decrease in property management fee	+9
- Increase in interest income	+8
- Retail revenue	+4
- Residential rent (pass-through)	△16
- Increase in maintenance and repairs	△11
- Increase in interest expenses, etc.	△6

(Note) If properties are acquired during the period, the acquisition price is the weighted average based on the number of operating days.

2-2 Overview of new acquisition (as of December 1, 2025)

Toranomon Hills Mori Tower (Additional acquisition)

Office



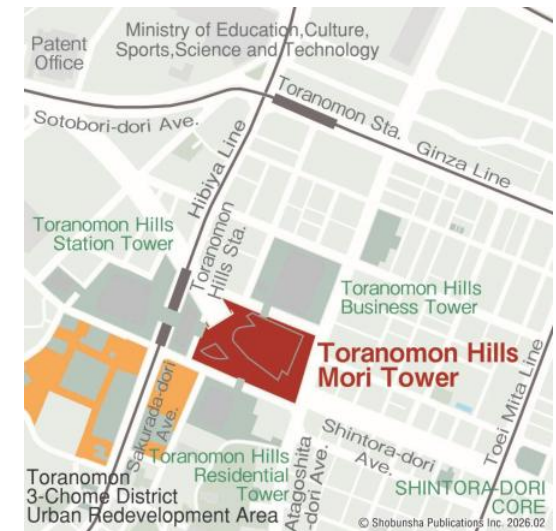
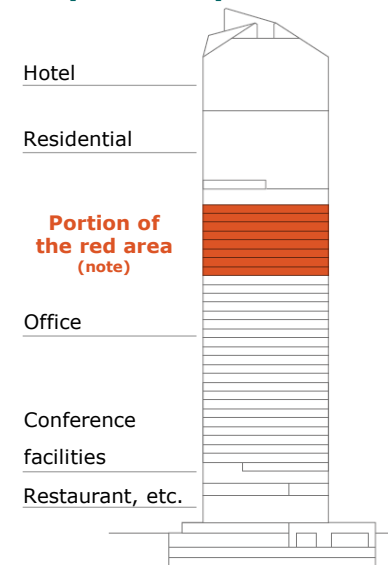
1. Super high rise tower - Tokyo's new landmark

- Quake-resistance structure with 52 floors and 247 meters above ground.
- High-specification offices with a broad floor plate of approx. 1,000 tsubo, international-standard conference facilities, Japan's first Andaz hotel "the Andaz Tokyo", retail facilities and residences.

2. Located in the center of the Toranomon area where further development is expected

- Directly connected to "Toranomon Hills Station" on the Hibiya subway line and 6 transit stations and 11 lines are nearby. It is easily accessible from Haneda Airport and ideal as a new hub for international business.
- High expectations for the development potential of the area as an international urban center and a global business hub attracting global players to Tokyo and Japan.

<Acquisition portion>



Location	23-1, Toranomon 1-chome, Minato-ku, Tokyo	Portions of acquisition	11.9% quasi-co-ownership interest in trust beneficial interests
Construction date	May 2014		
Total number of floors	52 floors above ground, 5 floors below ground		
Gross floor area	241,581.95 m ²		

	Acquisition price	Appraisal value	NOI yield
Acquired as of December 1, 2025	9,669 mn yen	11,614 mn yen	3.0%

Total acquired: 99.9% quasi-co-ownership interest including past acquisition

(Note) MHR acquired the trust beneficial interests in 87.95% co-ownership interest in compartmentalized ownership of the 28-35th floors



Residence Toranomon Hills Residence

Pleasant views of central Tokyo landmarks such as Tokyo Tower, Rainbow Bridge, Tokyo Sky Tree and the open green space of the Imperial Palace can be viewed from residences located on the 37th to 46th floors. Hotel services in cooperation with Andaz Tokyo are available.



Retail Shops and Restaurants

With the concept of "Communication Hub", restaurants are designed to provide international cuisine that satisfy customers from Japan and overseas. Various people such as office workers, conference attendees and hotel guests gather in this space uniquely designed to facilitate communication.



Hotel Andaz Tokyo

Hyatt's boutique lifestyle hotel "Andaz Tokyo" is Japan's first Andaz. Andaz means "personal style" in Hindi. The hotel values the individuality of the area and incorporates the charm of the surroundings into its design and service.

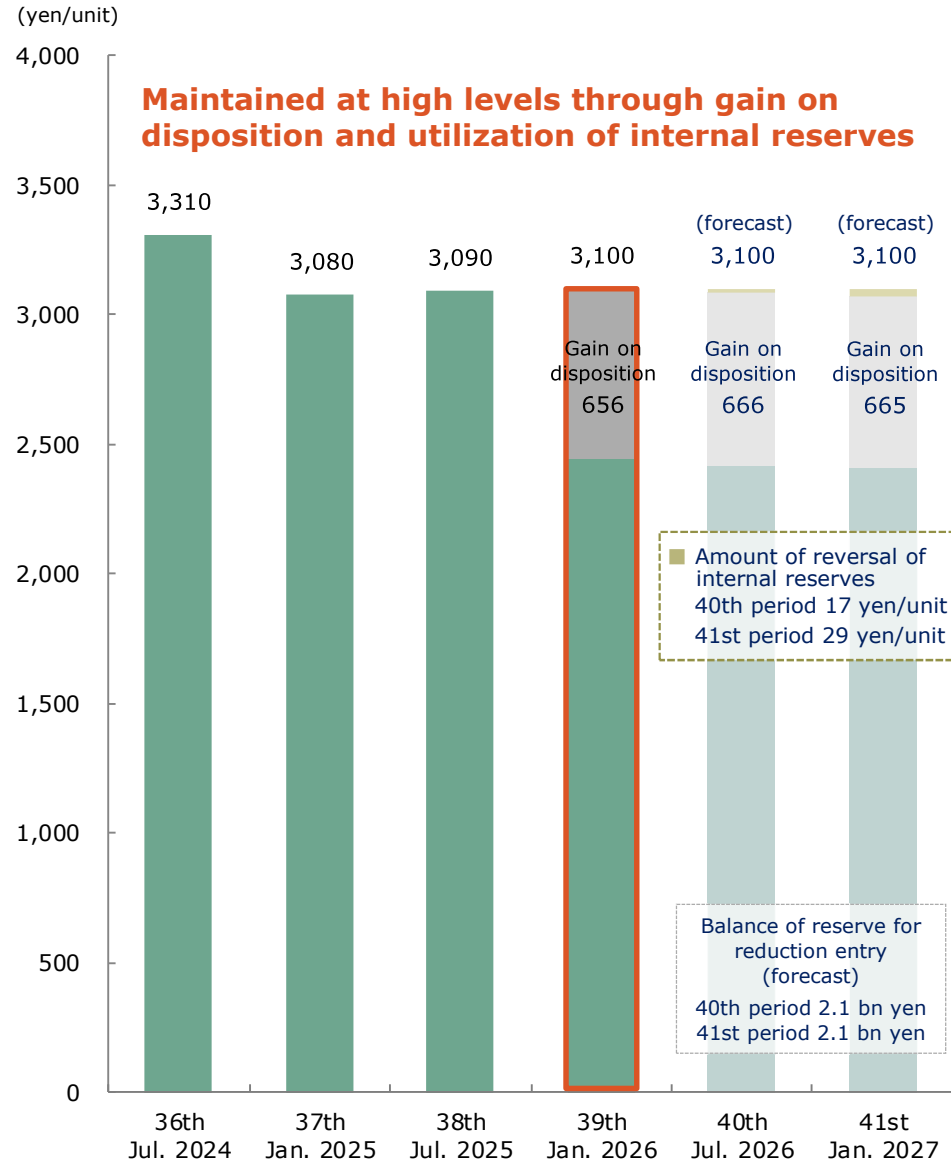


Evolving as an International Urban Center and a Global Business Hub

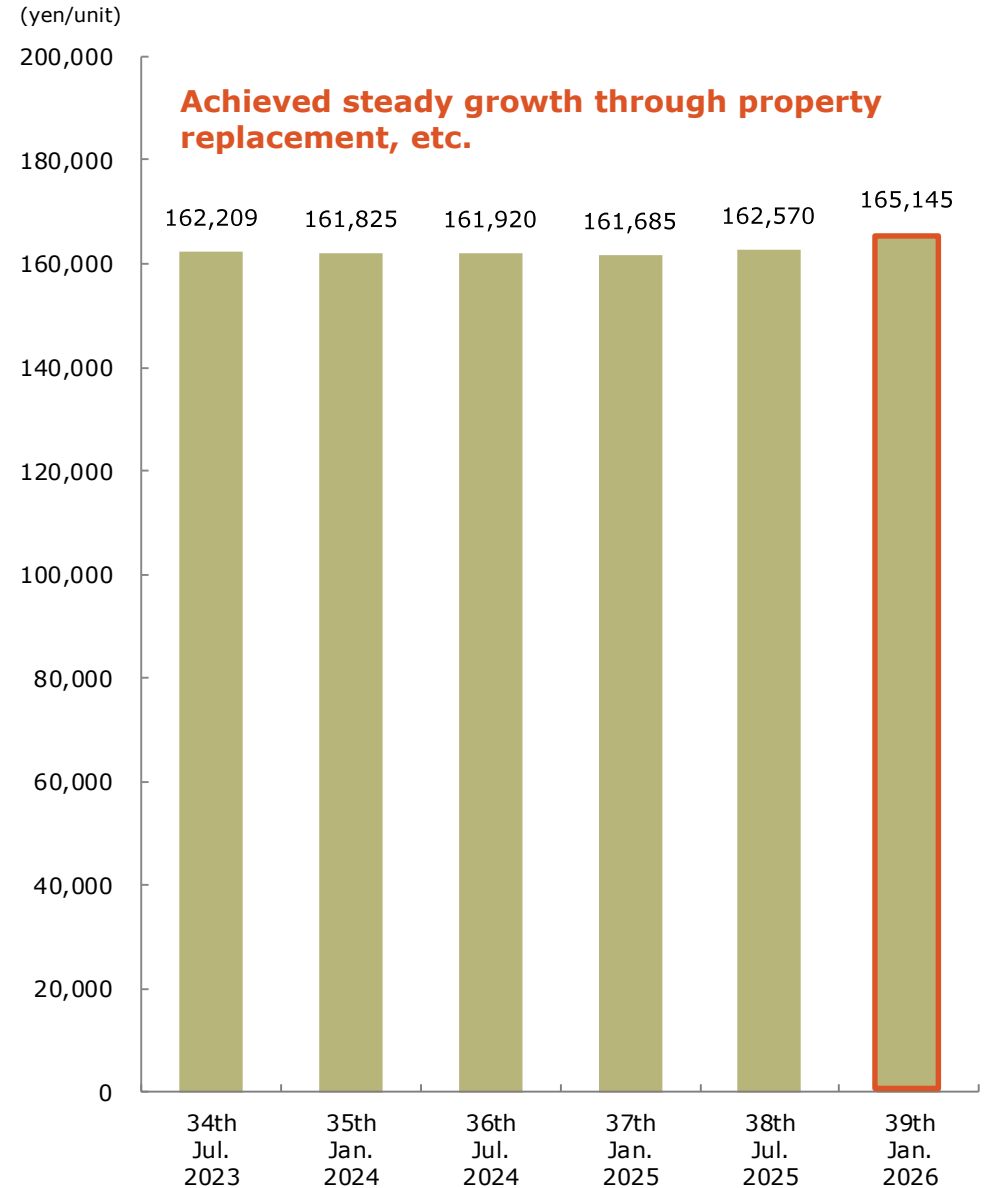
With the addition of Toranomon Hills Business Tower, Toranomon Hills Residential Tower, and Toranomon Hills Station Tower to Toranomon Hills Mori Tower, Toranomon Hills has expanded to a total area of approximately 7.5 ha and a total floor area of approximately 800,000m². The area continues to expand and evolve into a true "international urban center and a global business hub" with integrated functions such as international-class offices, residences, hotels, retail facilities and transportation infrastructure.

2-3 Dividends and NAV per unit growth record

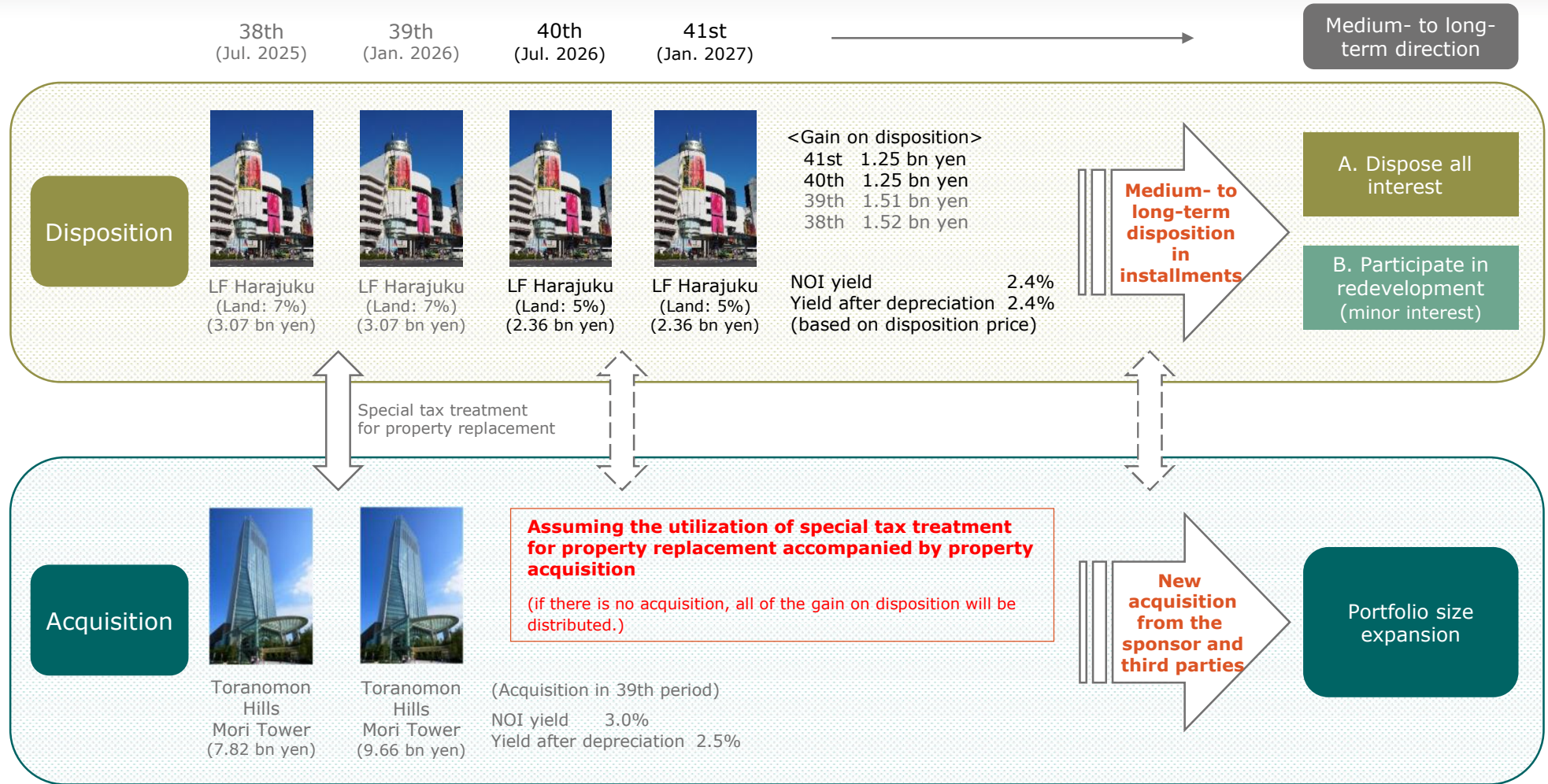
Dividends per unit



NAV per unit



2-4 Medium- to long-term disposition and acquisition policy (model)



DPU NAV

- Aim to maintain and increase DPU continuously by utilizing gains on disposition from medium- to long-term property dispositions
- For DPU excluding gains on disposition, pursue steady growth based on property acquisitions by utilizing the sponsor's pipeline, while combining diverse measures
- Aim for increase in NAV by making up for impact of dispositions through acquisition of properties at below appraisal value

2-5 Forecasts

DPU forecast is 3,100 yen for the 40th period and 3,100 yen for the 41st period, due in part to the effect of property dispositions.

- In the 40th and 41st periods, 5% ownership interest in Laforet Harajuku (Land) will be divested. DPU to be maintained at 3,100 yen through partial reversal of reserve for reduction entry.
- The decline in DPU excluding gain on disposition is due to temporary factors, such as not incorporating the acquisition of new properties using funds from the disposition of Laforet at this time.

	39th period	40th period		41st period
	Jan. 31, 2026	Forecast	Difference	Forecast
Operating Highlights (million yen)				
Operating revenue	11,381	11,184	△ 196	11,247
Rent revenues	9,665	9,746	+ 81	9,794
Other operating revenues	196	181	△ 15	199
Gain on sales of real estate properties	1,519	1,256	△ 262	1,254
Operating expenses	4,498	4,486	△ 12	4,466
Expenses related to properties	3,733	3,743	+ 10	3,725
SG&A	765	742	△ 22	741
Operating income	6,882	6,698	△ 184	6,781
Non-operating income	20	12	△ 7	10
Non-operating expenses	777	890	+ 113	995
Ordinary income	6,125	5,819	△ 305	5,795
Net income	6,124	5,814	△ 309	5,790
Reserve for reduction entry	281	—	△ 281	—
Reversal of reserve for reduction entry	—	33	+ 33	56
Total dividends	5,847	5,847	—	5,847
DPU				
Total units outstanding (units)	1,886,235	1,886,235	—	1,886,235
DPU (yen)	3,100	3,100	—	3,100
Other Indices (million yen)				
NOI	7,218	7,336	+ 117	7,424
NOI yield	3.5%	3.6%	0.1PT	3.6%
Acquisition price (weighted average based on the number of operating days during the period)	410,651	415,862	+ 5,211	414,591

Increase/decrease factor (39th - 40th)

•Operating revenue (△196 mn yen)	
- Gain on disposition part of LF Harajuku (40th period)	+1,256
- Full period contribution of property acquired in 39th period	+123
- Residential Rent (pass-through)	+32
- Full period contribution of property revision of the ground rent (LF Harajuku)	+6
- Gain on disposition part of LF Harajuku (39th period)	△1,519
- Office Rent (fixed master-lease)	△36
- Rent on disposition part of LF Harajuku (39th period)	△31
(40th period)	△5
•Operating expenses (△12 mn yen)	
- Depreciation	+48
- Full period contribution of property acquired in 39th period	+28
- Property taxes (38th and 39th)	+16
- Maintenance and repairs	△77
- Utilities	△18
- Asset management fee	△15
•Non-operating expenses (+113 mn yen)	

Increase/decrease factor (40th - 41st)

•Operating revenue (+63 mn yen)	
- Gain on disposition part of LF Harajuku (41st period)	+1,254
- Office Rent (pass-through)	+70
- Residential Rent (pass-through)	+18
- Utilities	+15
- Gain on disposition part of LF Harajuku (40th period)	△1,256
- Rent on disposition part of LF Harajuku (40th period)	△30
(41st period)	△12
•Operating expenses (△19 mn yen)	
- Utilities	+18
- Property taxes (38th and 39th)	+16
- Maintenance and repairs	△38
- Operating exp. for part of LF Harajuku (40th period)	△6
(41st period)	△3
•Non-operating expenses (+105 mn yen)	

2-6 Portfolio of premium properties in central Tokyo

Investment strategy based on long-term perspective

- Invest in properties that can be expected to maintain and improve asset value over the long run.
- True premium properties in central Tokyo are sure to capture office demand of many blue-chip companies by functioning as headquarters.
- Invest in properties that are located in areas that can expect improved asset value for the entire vicinity based on area development and neighborhood management, instead of only focusing on the value of individual properties.

① Investment in central Tokyo
“Truly central and excellent location” even within central Tokyo

Even amidst Japan’s declining population and changes in work styles including remote working, premium properties in central Tokyo that are “truly central” and in “excellent locations” are sure to capture office demand by functioning as headquarters

Location

② Investing in premium properties
Property with excellent facilities, earthquake resistance and environmental performance

Premium properties with excellent facilities, high earthquake resistance, and environmental performance that offer excellent convenience, comfort, and safety will provide competitive advantages, regardless of economic trends or changes in work styles including remote working

Quality of assets

③ Value creation
Value improvement through area development and neighborhood management

Invest in properties that can be expected to further improve profitability and asset value by continuously developing over time alongside the entire vicinity through excellent area development and neighborhood management, instead of only focusing on the value of individual properties

Value Creation

2-7 (1) Location

Highest property percentage in Central Tokyo among J-REITs

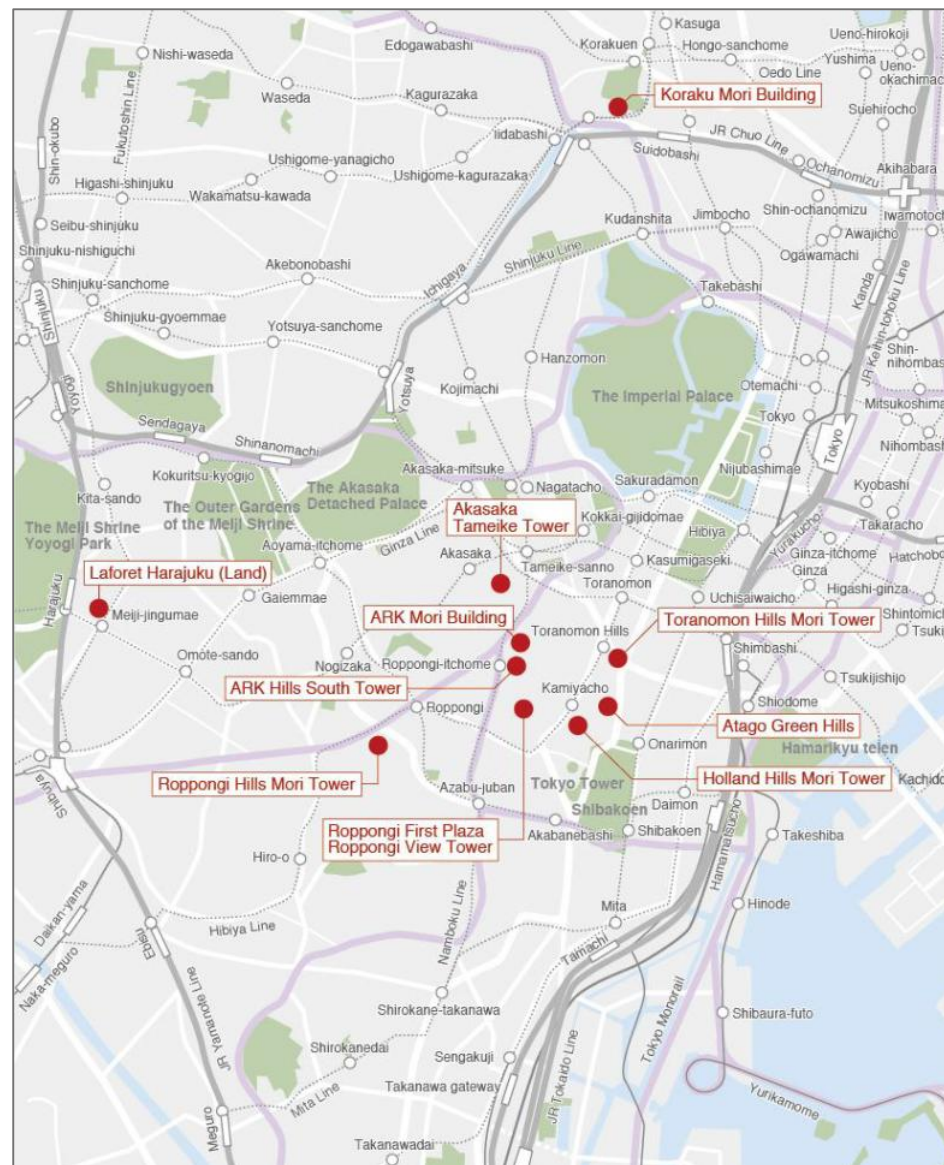


(Note) The ratios represent proportion of acquisition price to total acquisition price.

Estimated population in central Tokyo

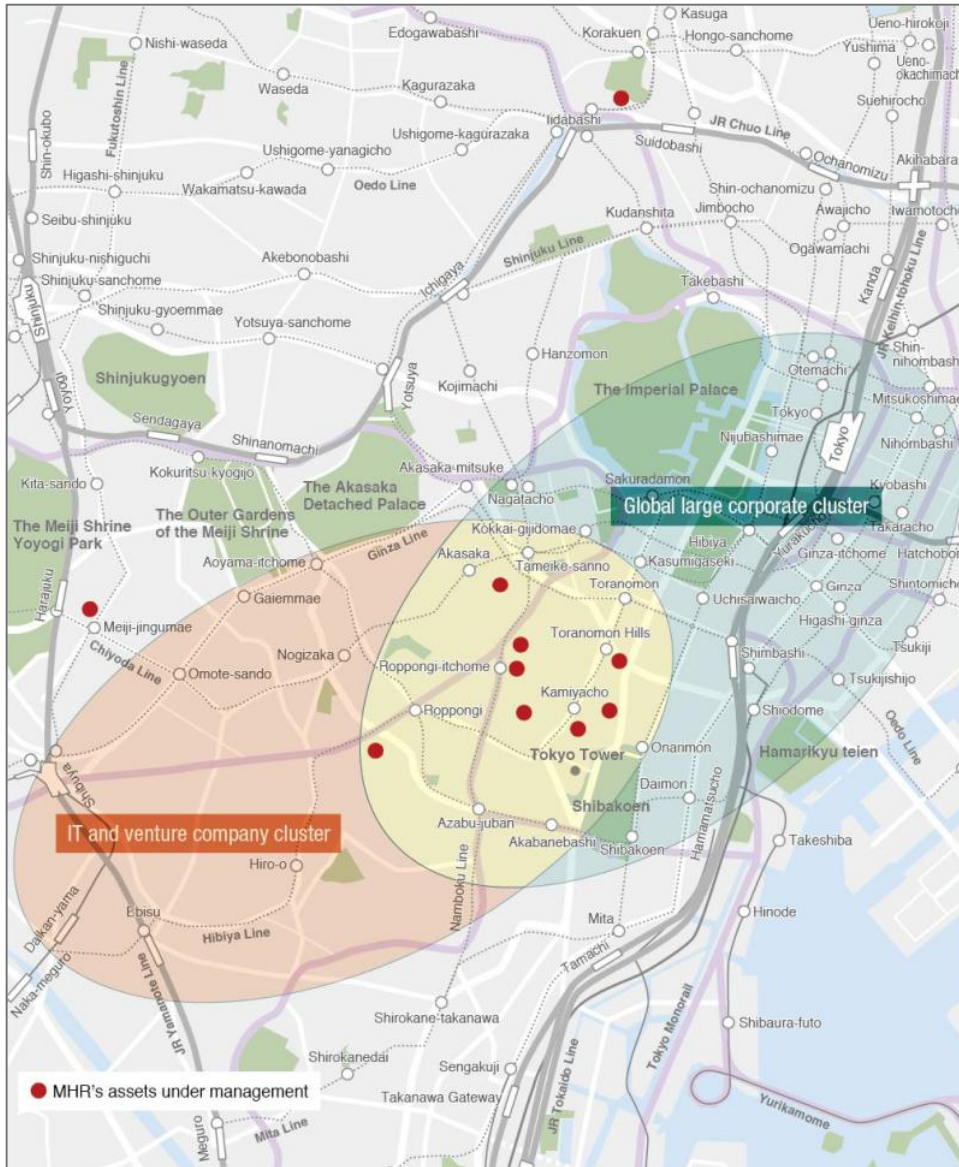
Area	Population in 2020	Estimated population in 2050	Change
3 central wards in Tokyo	496,000	603,000	+21.5%
5 central wards in Tokyo	1,089,000	1,234,000	+13.3%
Tokyo	14,047,000	14,399,000	+2.5%
Osaka	8,837,000	7,263,000	△ 17.8%
Aichi	7,542,000	6,676,000	△ 11.5%
Nationwide	126,146,000	104,686,000	△ 17.0%

(Source) Prepared by the Asset Manager based on the "Regional Population Projections for Japan (estimated in 2023)" by the National Institute of Population and Social Security Research.



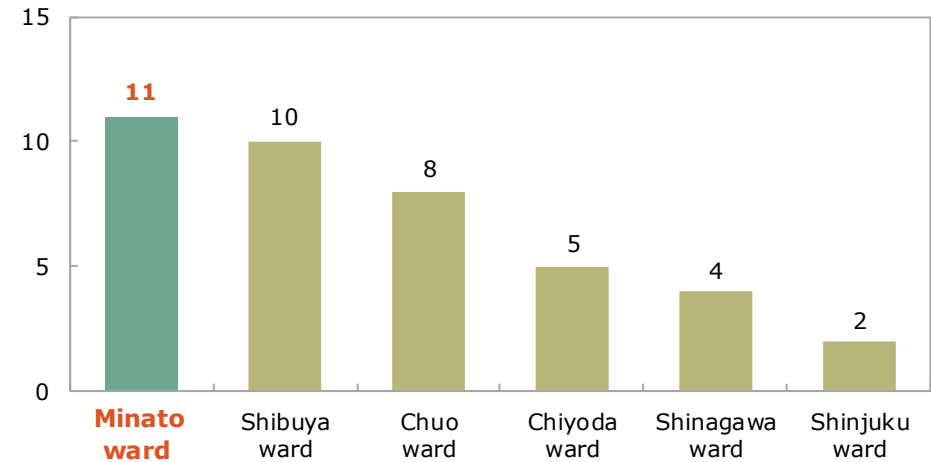
2-8 (1) Location

Overlapping zone of global large corporate with IT and venture companies in central Tokyo



Head office location of IPO companies (2025)

(Companies)



(Source) Prepared by the Asset Manager based on the Securities Registration Statement (at the time of IPO) of companies newly listed in Japanese Market (TOKYO PRO Market excluded) from January to December 2025 whose head offices are located in Tokyo.

IT firms located in Minato ward

- | | | |
|----------------|---------------|---------------|
| Microsoft | ExpediaGroup | Appier Group |
| Apple | Nexon | WingArc1st |
| NVIDIA | Oracle Japan | GREE |
| Meta Platforms | SBI Holdings | JTOWER |
| Netflix | m3 | Medley |
| Cisco Systems | Mercari | Baudroie |
| Qualcomm | SHIFT | Bengo4.com |
| Softbank | Money Forward | JBS |
| Baidu | JMDC | AnyMind Group |
| Nokia | Monex Group | Istyle |
| Ericsson | ANYCOLOR | AirTrip |

(Source) Prepared by the Asset Manager based on the disclosed data etc. as of February 28, 2026.

2-9 (2) Quality of assets

Premium Properties (Excellent comfort and safety with extensive facilities)

Strong demand for headquarter offices

<Overview and facilities of representative properties>

Property name	Gross floor area	Access from the nearest station	Number of shops & restaurants	Hotel (spa)	Conference Incubation Members' club	Cultural facility Observatory Interactive communication facility	Residential SA	Green coverage of the site
Roppongi Hills	793,165㎡	Connected to Roppongi Station	220	Grand Hyatt Tokyo (NAGOMI SPA AND FITNESS)	Roppongi Hills Club	Mori Art Museum Tokyo City View TOHO Cinemas	Roppongi Hills Residence	30.8%
Toranomon Hills	791,825㎡	Connected to Toranomon Hills Station	189	Hotel Toranomon Hills Andaz Tokyo (AO SPA AND CLUB)	Toranomon Hills Forum ARCH Toranomon Hills CIC Tokyo	TOKYO NODE	Toranomon Hills Residential Tower	30.5% (Mori Tower)
ARK Hills	360,609㎡	2-minute walk from Roppongi 1-chome Station	54	ANA InterContinental (THANN SANCTUARY SPA AKASAKA)	ARK Hills Club	Suntory Hall	ARK Towers	40.0%
Atago Green Hills	167,756㎡	3-minute walk from Onarimon Station	20	(Atago Green Hills SPA)	-	-	Atago Green Hills Forest Tower	53.6%

(Source) Prepared by the Asset Manager based on disclosed materials as of January 31, 2026.

(Note 1) Describes the outline of the entire areas and facilities including properties owned by MHR.

(Note 2) "Connected" under the "Access from the nearest station" describes the possible direct connection by concourse etc.



Superior environmental performance



Highest quality among all J-REITs

※ In acquisition price base by excluding Laforet Harajuku (Land)

CASBEE for Real Estate: Rank S



Roppongi Hills Mori Tower **ARK Mori Building** **Atago Green Hills (MORI Tower)** **Toranomon Hills Mori Tower** **Holland Hills Mori Tower** **Koraku Mori Building**

CASBEE for Real Estate : Rank A



Akasaka Tameike Tower

DBJ Green Building Certification: Five stars



ARK Hills South Tower

Excellent earthquake resistance performance

A group of properties based on high quake-resistant engineering standards stipulated by Mori Building, the sponsor of MHR

Property name	Level above the new earthquake resistance standard ^(Note)	PML
Roppongi Hills Mori Tower	◎	2.0%
ARK Mori Building	◎	2.2%
Koraku Mori Building	◎	1.1%
ARK Hills South Tower	◎	1.5%
Toranomon Hills Mori Tower	◎	2.3%
Holland Hills Mori Tower	◎	1.4%
Akasaka Tameike Tower	◎	2.3%
Atago Green Hills MORI Tower	◎	2.7%

(Note) Earthquake resistance performance above standards stipulated in the current Building Standards Act

Firm ground

Located in area with firm ground at higher altitudes where liquefaction is less likely to occur

<Topographical map of ground height above sea level in Tokyo Metropolitan Area>



(Source) Geographical Survey Institute

○ Area where the properties owned by MHR are located

Ecological Networks

At MHR’s properties, green space development projects are currently underway based on the Tokyo Metropolitan Government’s “Tokyo Environmental Master Plan” and Minato Ward’s “Minato City Greenery and Water Comprehensive Plan.” A 2025 study report (Note) revealed that interactions with other major green spaces, such as the Imperial Palace, Akasaka Estate, and Shiba Park, form diverse ecological networks (Note), helping to preserve and foster urban biodiversity.



Mohri Garden (Roppongi Hills)



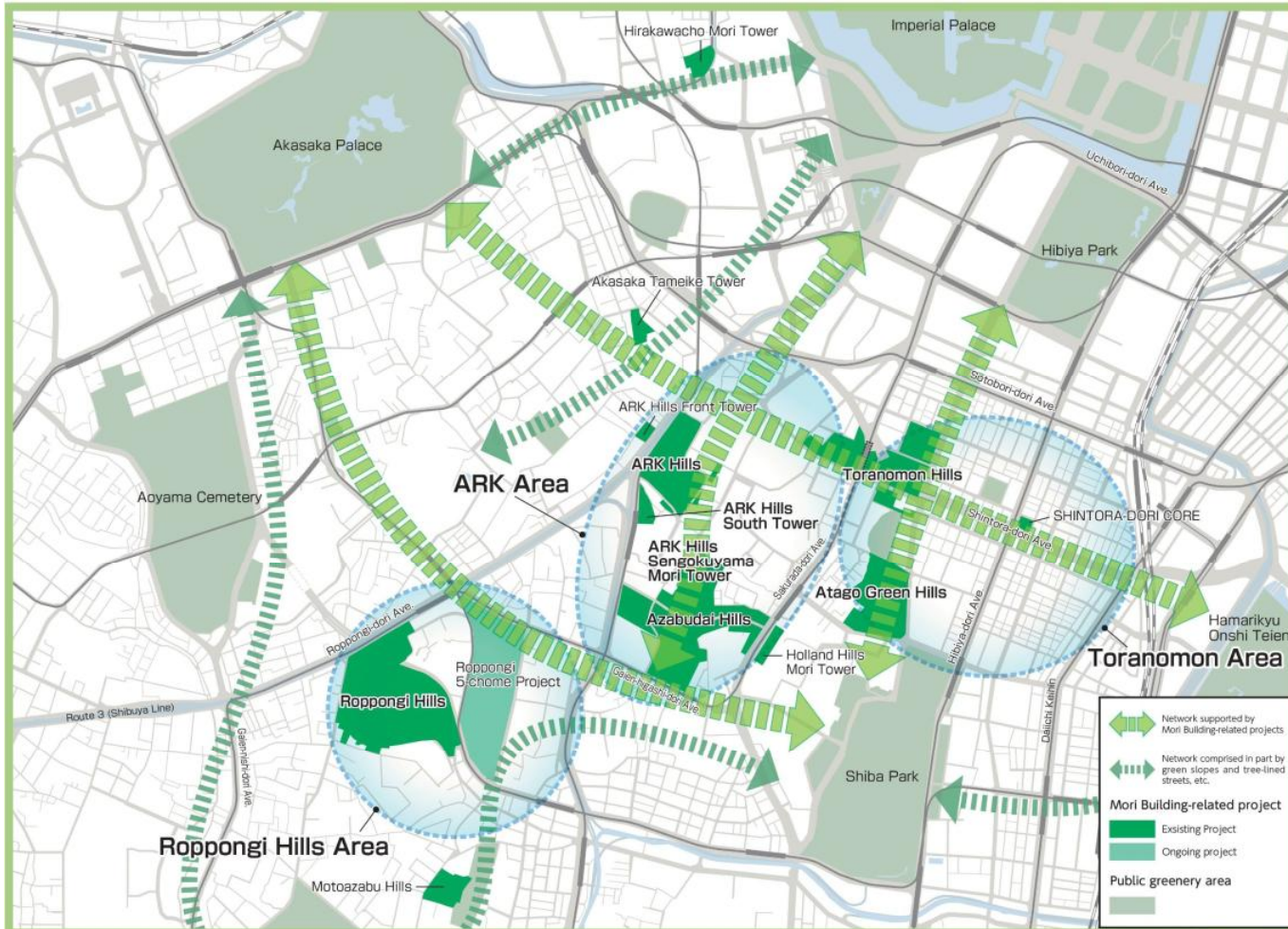
Roppongi Sakurazaka (Roppongi Hills)



Atagoshita-dori Ave. (Atago Green Hills)



Slope green area (ARK Hills South Tower)



Central Square (Azabudai Hills)



Oval Plaza (Toranomom Hills)



Bird watching (Toranomom Hills)

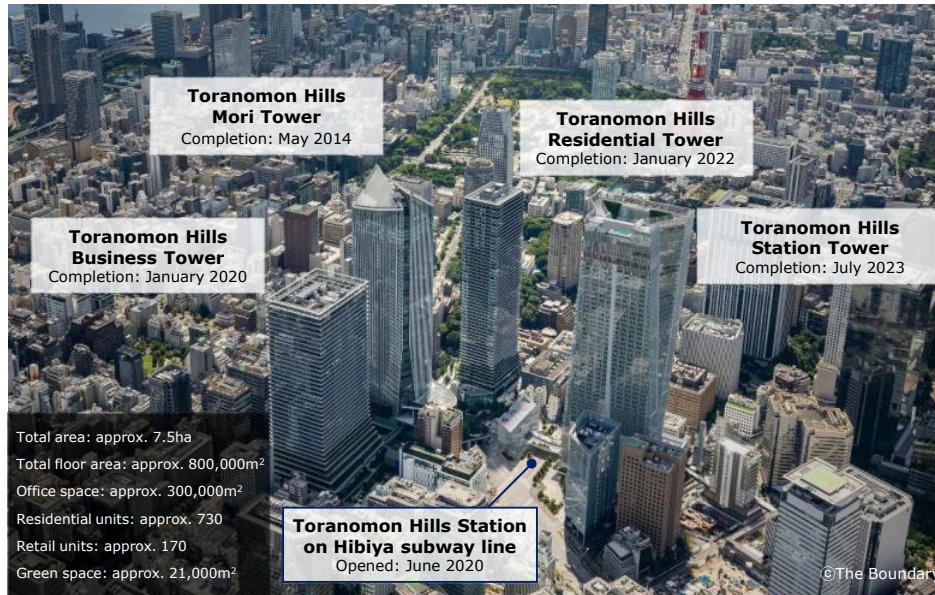


Suntory Hall rooftop (ARK Hills)

(Note) Source: Mori Building Co., Ltd. news release dated June 30, 2025, “Mori Building Adopts TNFD-aligned Disclosures to Strengthen Its Nature-positive Initiatives”

2-12 (3) Value creation

Developments around MHR's properties (Toranomon Hills area)



Toranomon Hills Station Tower



A super-high-rise mixed-use tower project integrating the station into the complex

- Toranomon Hills Station Tower is a 49-story, approximately 266-meter super-high-rise tower completed in July 2023 with world-class offices on approx. 3,306m² floor plates, retail facilities that support the lives of global leaders, and hotels that are making their Tokyo debut.
- TOKYO NODE, an interactive communication base with halls, galleries, an infinity pool, restaurants, and other facilities, is on the top floors.
- Office spaces with high occupancy, home to a major global financial institution, CARTA HOLDINGS, Terumo, Panasonic Industry, etc.
- A commercial facility called Glass Rock on Sakurada Avenue is penetrated by a spacious 20-meter-wide pedestrian promenade called T-Deck, further enhancing Toranomon Hills' transport functions and walkability.

Toranomon Hills Business Tower



©Mariko Mori«Cycloid V»

An international-standard, large-scale office building with an innovation center

- Business Tower was completed in January 2020. It is a 36-story office tower, featuring international-standard, large-scale office space of approximately 96,000m², and retail facility area of approximately 7,600m².
- On the 4th floor is a large membership-based incubation center "ARCH," which was established especially to support large enterprises' internal business restructuring and new business creation. It boasts around 3,800m² of office work space and has become a base for Japan's unique innovation ecosystem.
- From the first basement floor to the 3rd floor, commercial spaces with a total of 58 restaurants and stores support global lifestyles. The 3rd floor houses Toranomon Yokocho, a landmark dining facility featuring offerings from famous stores from all over Tokyo.

Obtained WELL Core and LEED ND certification

Japan's first Platinum WELL Core, the highest rank

- Azabudai Hills Mori JP Tower and Toranomon Hills Station Tower have become the first properties in Japan to receive a WELL Core Platinum certification, the highest rating of the WELL Core, for the common areas of their office and commercial spaces of the US IWBI's WELL (Note 1) building standard.



- Toranomon Hills and Azabudai Hills have obtained preliminary certification for the top rank of Platinum of the U.S. Green Building Council's Leadership in Energy & Environmental Design (LEED) (Note 2) certification in the Neighborhood Development (ND) category. This is the first case of platinum certification in Japan.



Oval Plaza at Toranomon Hills Mori Tower



Azabudai Hills made green

(Note 1) WELL is the world's first building standard established by the US-based IWBI (International WELL Building Institute) that focuses on how the built environment affects human health and wellness.

(Note 2) LEED is one of the world's most widespread environmental evaluation systems for buildings, evaluating building and neighborhood environmental performance through efficient water and energy usage, interior environments, sustainable material use, etc. LEED was developed by the U.S. Green Building Council.

Development around MHR's properties (Azabudai-Hills area)

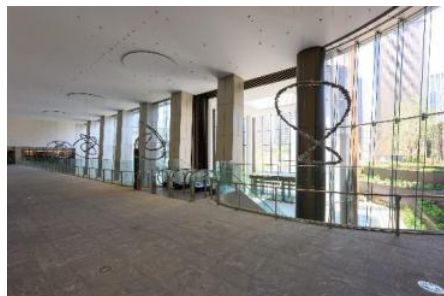


"The futurized version of Hills" boasts an astonishing scale and impact

- Various city functions such as office, residences, a hotel, an international school, retail facilities and cultural facilities (TeamLab Borderless, etc.) are tightly integrated.
- Total floor area is approx. 861,700m², with approx. 214,500m² of office space, approx. 1,400 residential units. Approx. 20,000 office workers and approx. 30 million people per year are expected to visit.
- Offices in Mori JP Tower encourage free and creative work. Mori JP Tower, a 64-story building standing at approx. 330m tall, boasts a high occupancy rate. It houses a major global IT company, the headquarters of a major consulting firm, PERSOL CAREER, etc.

"Modern Urban Village", a city-within-a-city full of greenery and that connects people

- Embracing the core concept of "Modern Urban Village", Azabudai Hills (Opened on November 24, 2023) is becoming a "Green & Wellness" community, where people live harmoniously with nature and lead healthy and fulfilling lives. It covers an area of approx. 8.1 ha and features extensive landscaping totaling approx. 2.4 ha including an approx. 6,000m² central square.



Creating community and innovation through Area Management by sponsor

Toranomon Hills Area



ARCH Toranomon Hills
(Toranomon Hills Business Tower)

Incubation center specialized in supporting large enterprises' business creation

Incubation Center specializes in supporting large enterprises' business creation. 120 companies leading Japanese industries gather in the 3,800m² work space to achieve Japan's unique innovation model.



(c) 2020 CIC Tokyo

CIC Tokyo
(Toranomon Hills Business Tower)

CIC Tokyo, an innovation community developed in the U.S.

This is the first innovation center in Asia provided by CIC, which operates large-scale start-up hubs in ten cities worldwide. More than 320 startups and local governments gather to aim for creating innovation involving many stakeholders.

Roppongi Hills Area



Roppongi Hills Bon Odori
(Roppongi Hills Arena)

Tokyo's biggest Bon Odori dance event

Roppongi Hills' classic summer event to experience a traditional Japanese summer with all five senses. A large, symbolic yagura, or raised stage, was set up in the center with food stalls and game booths around it, making for a hot finale to the summer.



Hills Machi-Iku Project
(Roppongi Hills)

Hands-on educational program to think about what a city should be

A hands-on educational program for kids to learn and have fun while thinking about what the next generation of cities should be. Set in the real city of Roppongi Hills, the program offered the following themes: Environment & Greenery, Safety & Security, Culture & Arts, etc.

Creating community and innovation through Area Management by sponsor

Azabudai Hills Area



Tokyo Venture Capital Hub
(Azabudai Hills Garden Plaza B)

Large-scale hub for venture capitalists

About 70 independent and corporate VC firms from Japan and abroad gather. This new VC cluster will supply risk-money indispensable for the growth of startups, helping to revitalize the Japanese economy.



Hills House
(Azabudai Hills Mori JP Tower)

A base that embraces the city for work

A base for tenant companies and their employees to embrace the city as a place for work. It connects the offices and the city, designed for the city and companies to work together to explore and create the ideal way of working.

ARK Hills Area



Hills Marche
(ARK Karajan Place)

Pioneer of urban markets: Hills Marche

Hills Marche is the first Marche Japon Project of the Ministry of Agriculture, Forestry and Fisheries. Based on the concept that "the best ingredients are in the city," through fresh, local food Hills Marche reinforces the rich lifestyle of ARK Hills.



GREEN WORKSHOP
(ARK Garden)

ARK Hills Kids Community

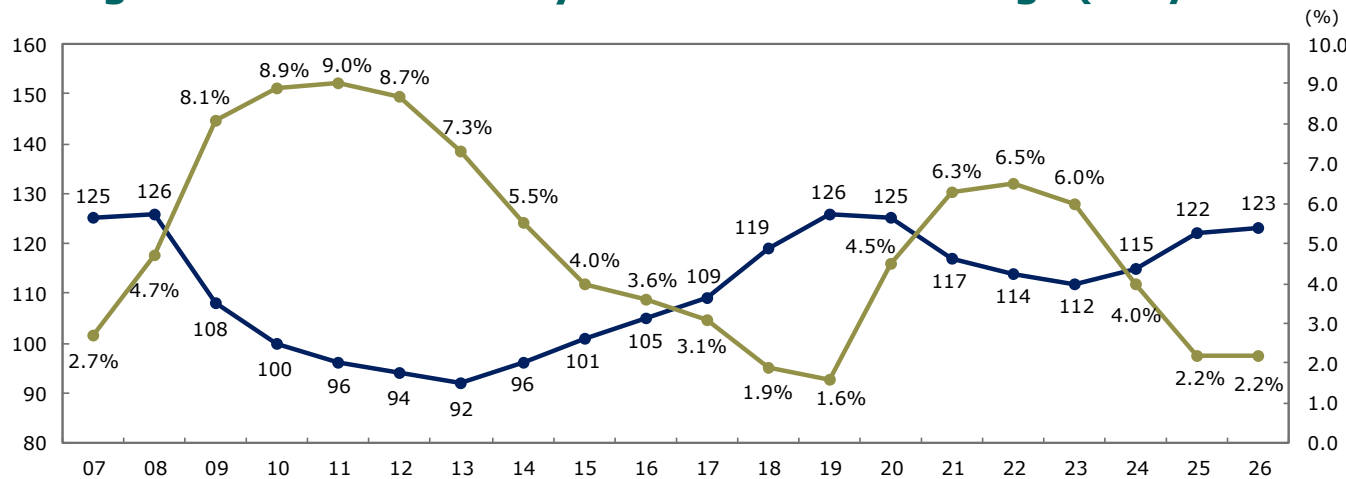
Based on the idea of creating "a city that is friendly to kids and families," this project provides formative experiences to children that will help set them up for a fulfilling future, including exposure to lush nature, top-class music and art, and cutting-edge technology.

2-17 External growth

Aim to continuously increase DPU and NAV per unit through external growth that focuses on premium properties in central Tokyo

- Additionally acquired Toranomon Hills Mori Tower for 9.66 billion yen in December 2025, lower than appraisal values, and drove growth in DPU and NAV.
- Acquisition of premium properties in central Tokyo without competitive bidding is possible by utilizing the abundant and extensive property pipeline of Mori Building, the sponsor.

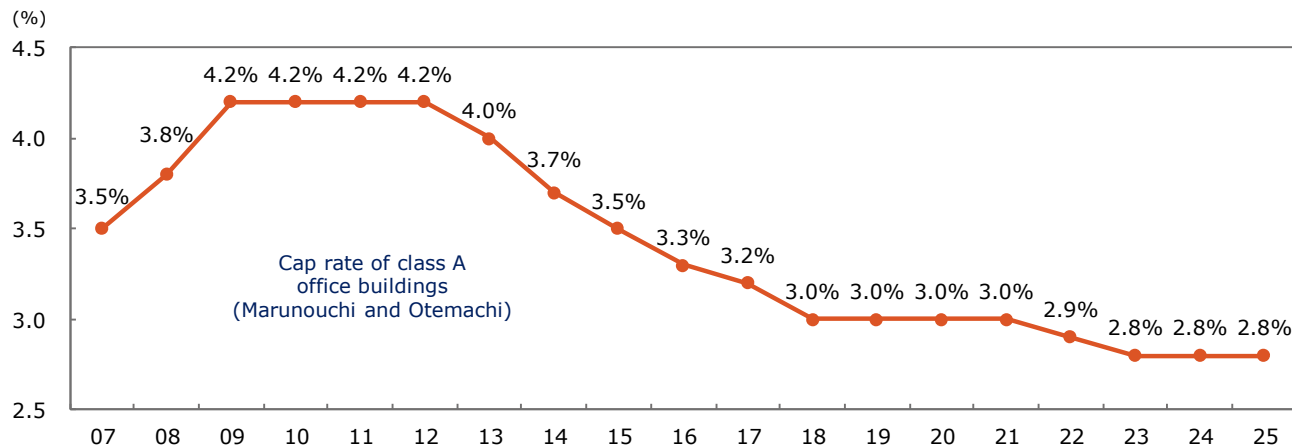
Change in rent and vacancy rate of office buildings (Tokyo's five central wards)



(Source)
Prepared by the Asset Manager based on "Office Market Data" by Miki Shoji Co., Ltd.

(Note)
Results of a survey of major buildings with standard floor area of 100 tsubo or more in Tokyo's five central wards as of December of each year are shown. The rent index represents new asking rent (excluding common area revenue) of a standard floor, rebased to 100 as of 2010. The figures for 2026 are based on the results of a survey as of January.

Change in return on real estate investment



(Source) Prepared by the Asset Manager based on "The Japanese Real Estate Investor Survey" by the Japan Real Estate Institute.

(Note) Figures reflect the time of survey as of October each year.

2-18 External growth

Mori Building's extensive property pipeline

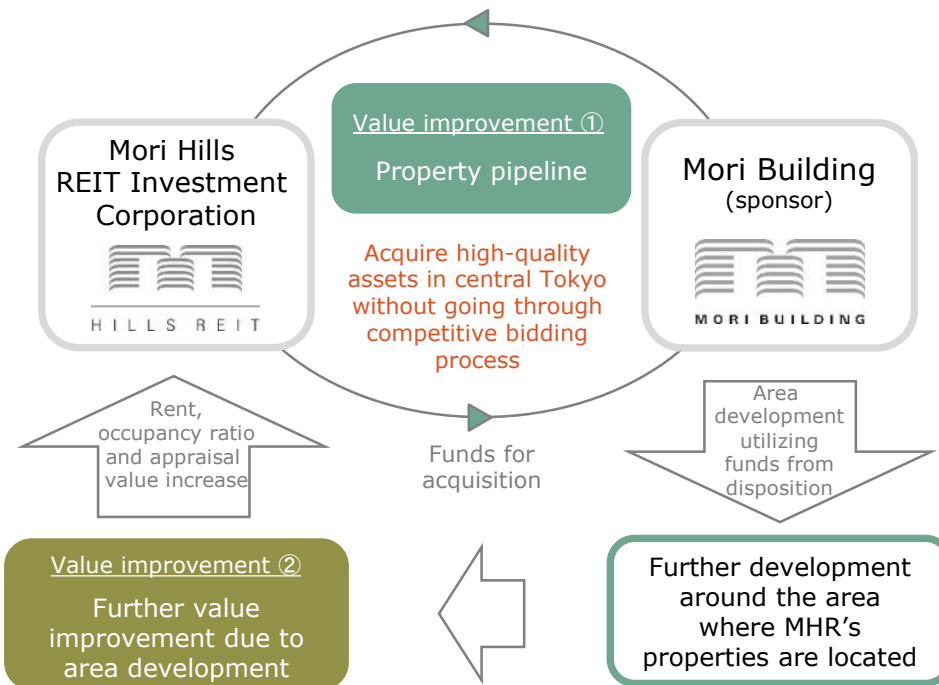
Total assets: **2.7 trillion yen**
(as of the end of September, 2025)

Rental area: **300,000 tsubo**
(as of the end of September, 2025)

※ The rental area consists of both office and retail.

MHR has "preferential negotiation rights"

Improve asset value in virtuous cycle by collaborating with sponsor



Properties owned by Mori Building Group

1 Roppongi Hills
(Partly owned by MHR)



〈Office/Residential/Retail, etc.〉

2 Toranomon Hills Mori Tower
(Partly owned by MHR)



〈Office/Residential/Hotel, etc.〉

3 ARK Hills
(Partly owned by MHR)



〈Office/Residential/Retail, etc.〉

4 Atago Green Hills
(Partly owned by MHR)



〈Office/Residential/Retail〉

5 Holland Hills
(Partly owned by MHR)



〈Office/Residential/Retail〉

6 Azabudai Hills



〈Office/ Retail/Residential〉

7 Toranomon Hills Station Tower



〈Office/Residential/Hotel, etc.〉

8 Omotesando Hills



〈Retail/Residential〉

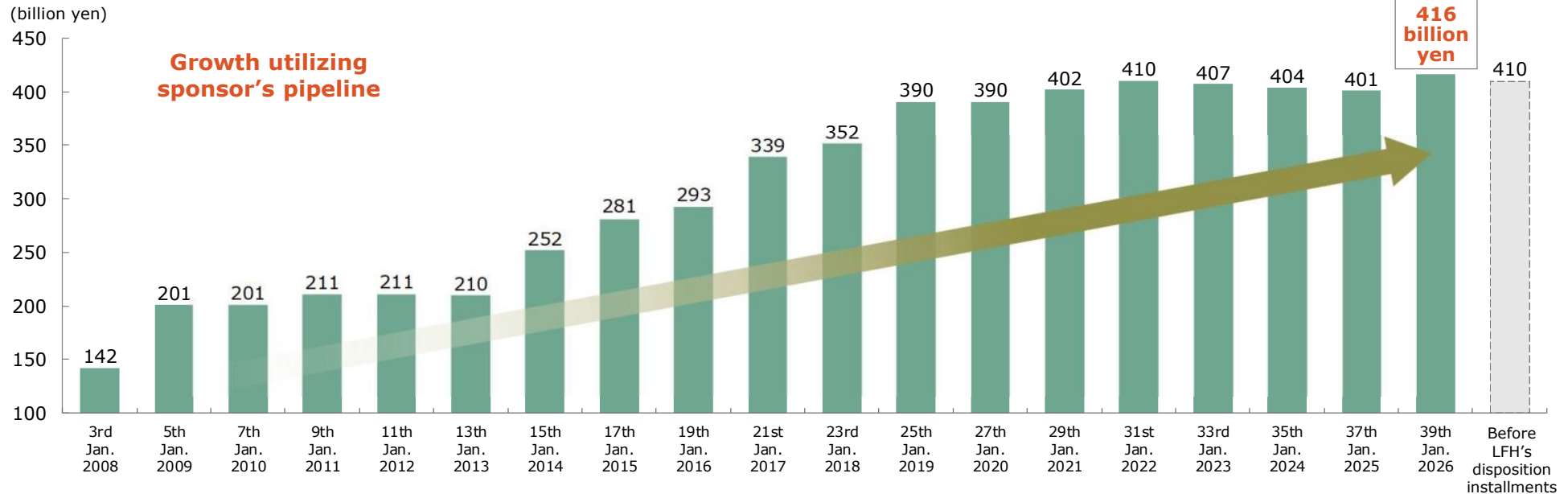
9 SHINTORA-DORI CORE



〈Office/Retail〉

2-19 External growth

Trend in assets under management (based on acquisition price)



Acquired premium properties in central Tokyo lower than appraisal values (Acquired as of December 1, 2025)

Toranomon Hills Mori Tower



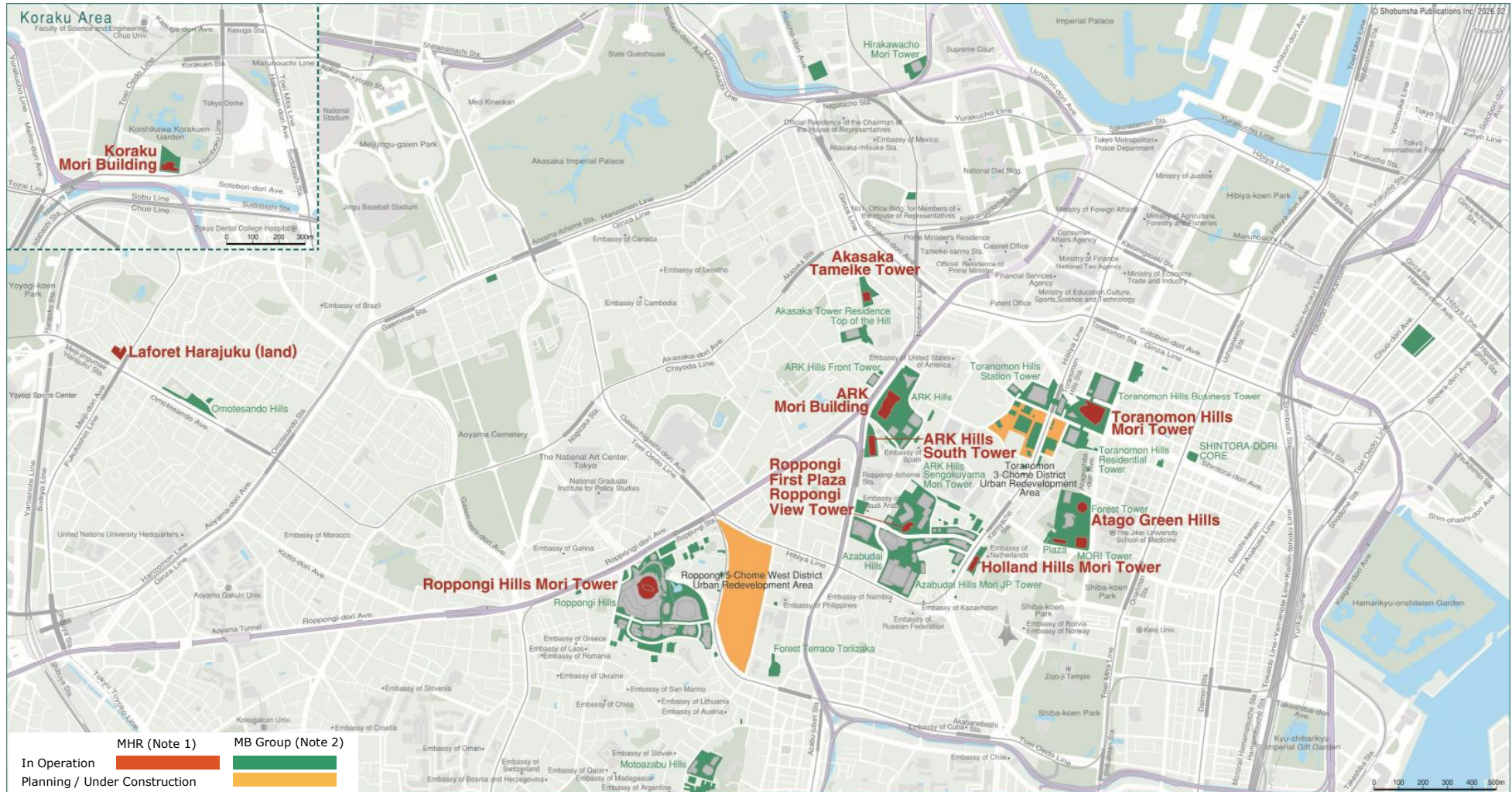
Acquisition price	9,669 million yen
Appraisal value	11,614million yen
Location	Minato-ku, Tokyo

	Toranomon Hills Mori Tower	Recent office acquisition by listed REITs (Note 1)
Discount of acquisition price to appraisal value (Note 2)	△ 17.3%	△ 7.3%
Building age	11.1 years	20.4 years
PML	2.3%	3.5%

(Note 1) Average based on information of acquisitions (13 properties) disclosed from February to July 2025.
 (Note 2) Discount of acquisition price to appraisal value = (Acquisition price - appraisal value) / appraisal value.

2-20 External growth

Mori Building Group's involvement



(Source) Prepared by the Asset Manager based on Mori Building's "Mori Building Handy Map Mori Building Map/Home Route Support Map 2026."

(Note 1) Some of the properties have been partially acquired and held by MHR.

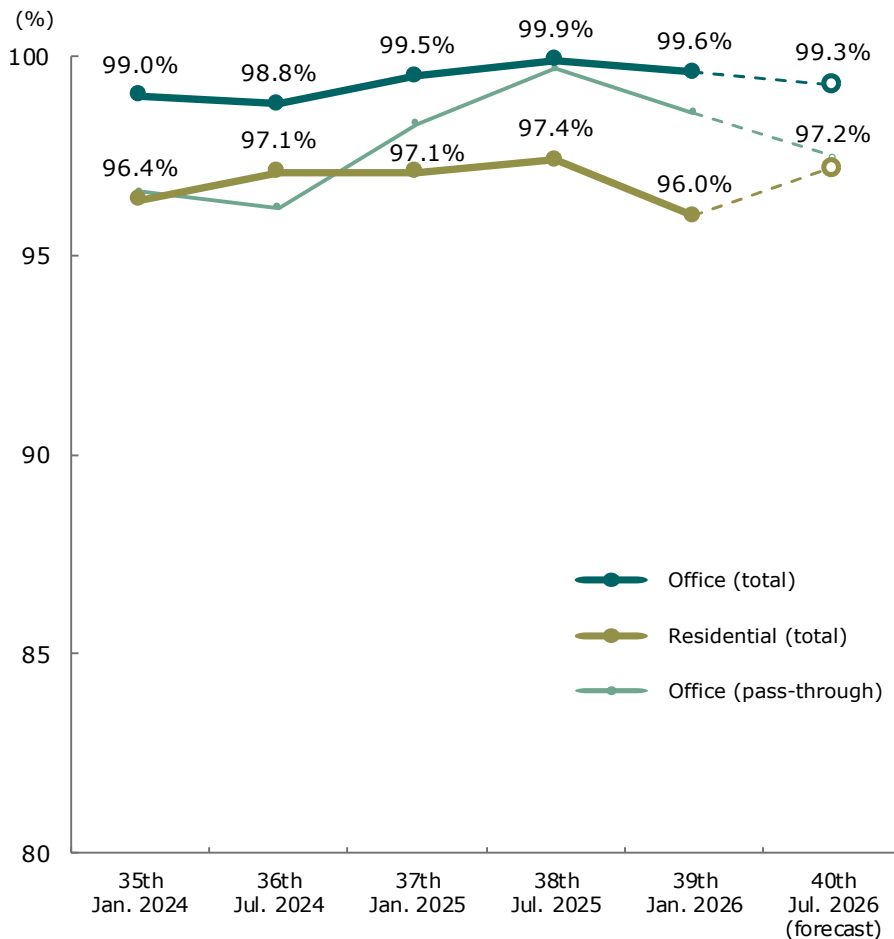
(Note 2) Properties are developed, owned, managed and planned for development by Mori Building Group, and there are no properties currently anticipated to be acquired by MHR.

2-21 Internal growth

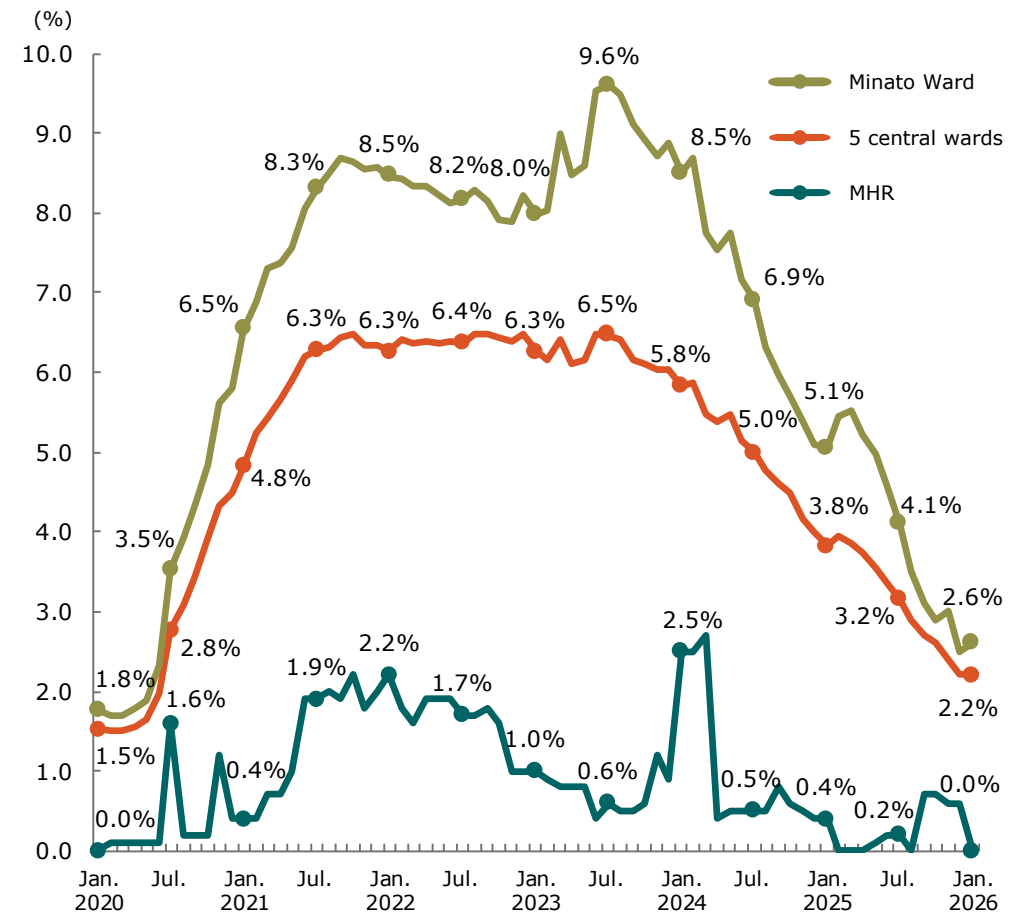
Portfolio consisting of premium properties in central Tokyo maintained high occupancy rate

- The office vacancy rate in Tokyo’s five central wards, including Minato Ward, is low, and MHR maintains high occupancy rates due to the superior location and quality of properties it owns.
- Office rents (pass-through type) were increased for both revisions and replacements. Residential rents (pass-through type) continued to increase significantly for both revisions and replacements.

Trend in occupancy rates



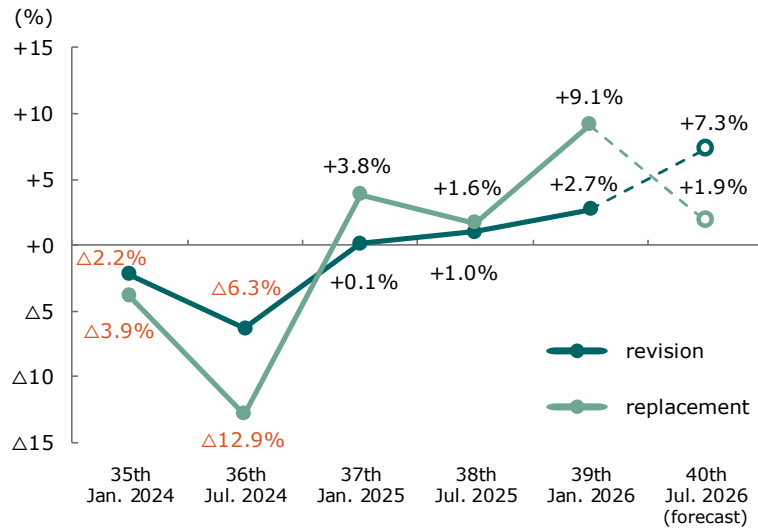
Comparison of Vacancy Rates in Central Tokyo Offices (since January 2020)



(Source) Prepared by the Asset Manager based on "Office Market Data" by Miki Shoji Co., Ltd.
 (Note) Figures of "Mori Hills REIT" are the total figures for the office sections of all owned properties.

Result of rent revision and tenant replacement (pass-through type)

Rent revision rate (Office)



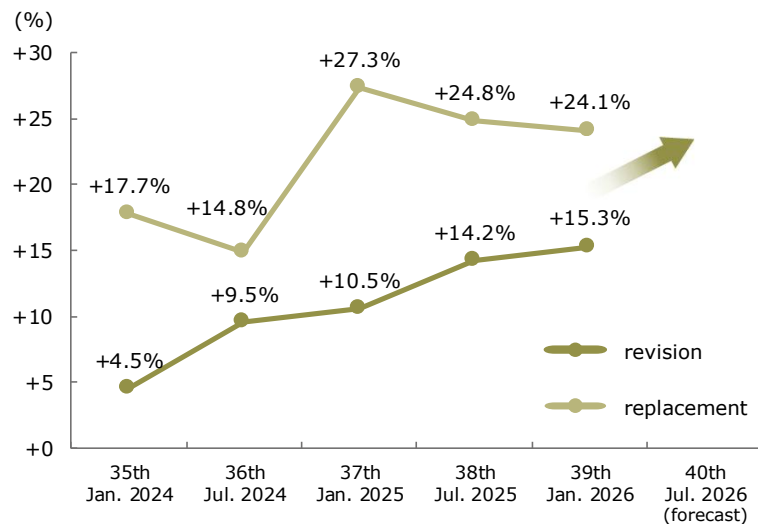
Result of rent revision

	Office	
	38th Jul. 2025	39th Jan. 2026
Floor area of contract revision	8,751.34㎡	2,268.81㎡
Rate of total leasable floor area (Pass-through type)	19.4%	5.0%
Amount of rent increase/decrease (Monthly rent basis)	+726 thousand yen	+516 thousand yen
Rent revision rate	+1.0%	+2.7%

Result of tenant replacement

	Office	
	38th Jul. 2025	39th Jan. 2026
Floor area of tenants moving in	629.28㎡	2,589.88㎡
Rate of total leasable floor area (Pass-through type)	1.4%	5.8%
Floor area of tenants moving out	386.71㎡	2,321.55㎡
Rate of total leasable floor area (Pass-through type)	0.9%	5.2%
Amount of rent increase/decrease (Monthly rent basis)	+90 thousand yen	+1,844 thousand yen
Rent increase/decrease rate	+1.6%	+9.1%

Rent revision rate (Residential)



Result of rent revision

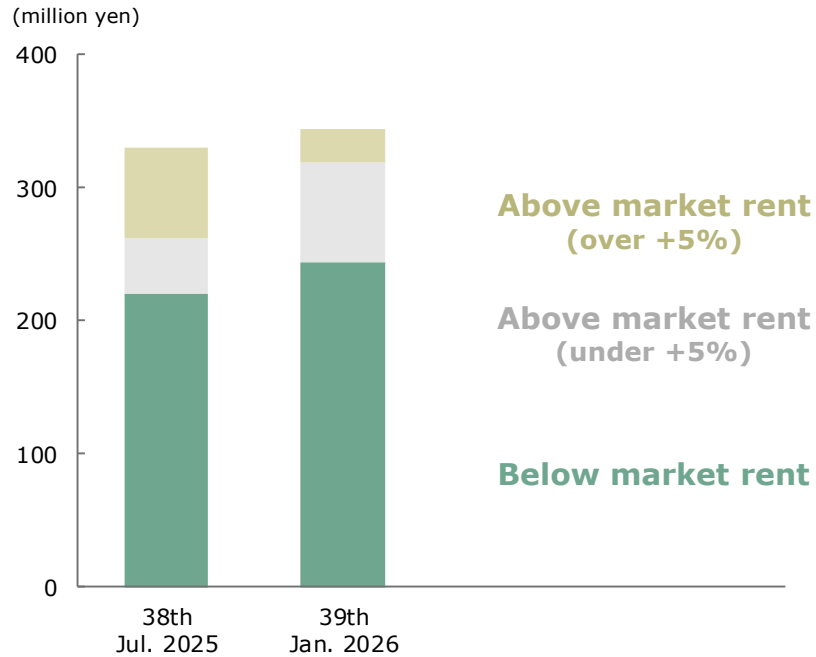
	Residential	
	38th Jul. 2025	39th Jan. 2026
Floor area of contract revision	1,948.30㎡	1,972.29㎡
Rate of total leasable floor area (Pass-through type)	11.6%	11.8%
Amount of rent increase/decrease (Monthly rent basis)	+1,317 thousand yen	+1,575 thousand yen
Rent revision rate	+14.2%	+15.3%

Result of tenant replacement

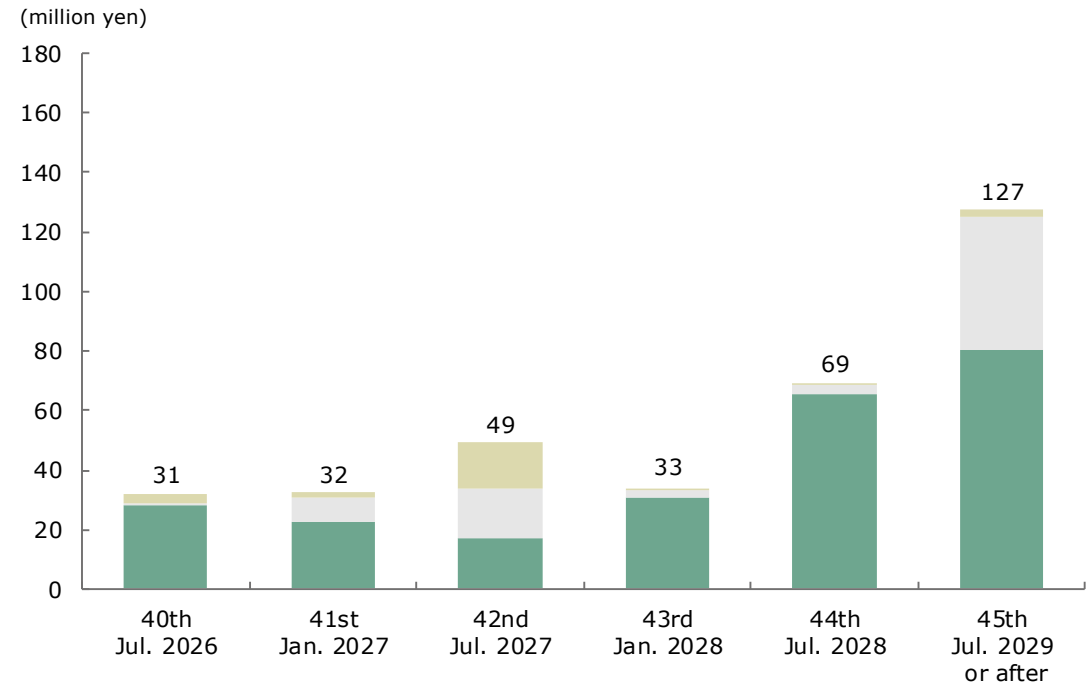
	Residential	
	38th Jul. 2025	39th Jan. 2026
Floor area of tenants moving in	1,209.76㎡	1,357.22㎡
Rate of total leasable floor area (Pass-through type)	7.2%	8.1%
Floor area of tenants moving out	1,189.36㎡	2,734.33㎡
Rate of total leasable floor area (Pass-through type)	7.1%	16.3%
Amount of rent increase/decrease (Monthly rent basis)	+1,638 thousand yen	+1,999 thousand yen
Rent increase/decrease rate	+24.8%	+24.1%

Comparison with office market rent (pass-through type)

Rent gap (Total monthly rent)



Rent gap by revision (Total monthly rent)



Rate of rent gap



- The rent gap is expanding due to rising market rents.
- For the 40th period, re-signing of contracts mostly completed, and upward revisions are expected.
- Continue to achieve upward revisions and promote internal growth.

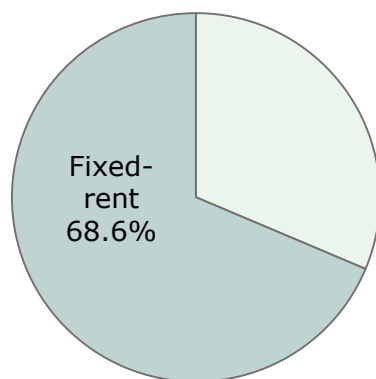
(Note 1) Market rent is based on the report by CBRE K.K.

(Note 2) Rent gap = Total tenants' rent ÷ "Total market rent" - 1

(Note 3) Figures reflect move outs of end tenants confirmed as of January 31, 2026

Overview of fixed rent master lease

Ratio of fixed rent master lease (After Acquisition and Transfer)



Realize stable cash flow

- Premium properties in central Tokyo have abundant office demand by functioning as headquarters

- Display a defensive posture to the temporary uptick in vacancy

Realize stable cash flow in both the short term and the mid to long term

Monthly rent by contract expiration

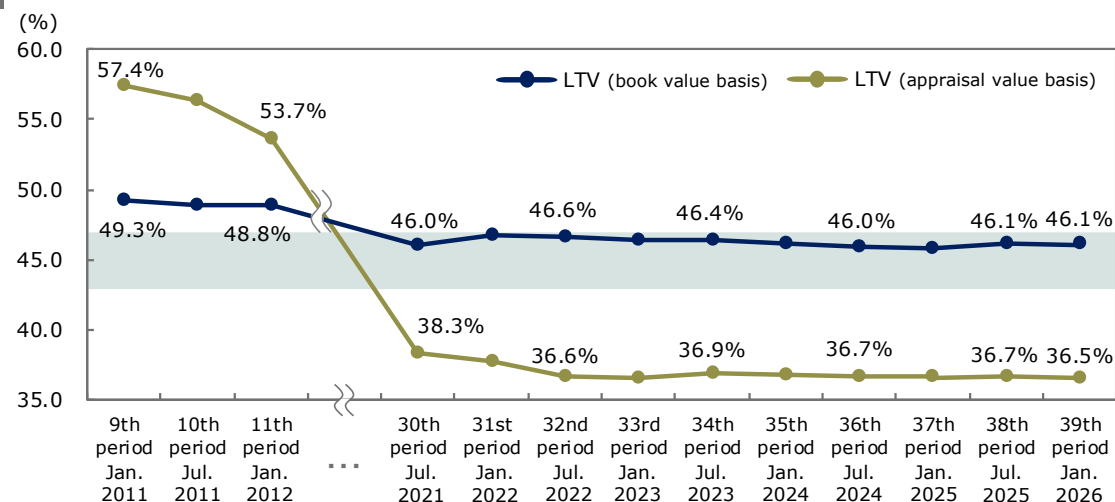
Property name	Total monthly rent (mn yen)	% of portfolio total rent	Breakdown of property	Leased floor area (m ²)	Payer of management associated fee	Monthly rent by contract expiration (mn yen)				Expiration of the lease agreement
						2027	2028	2029	2030 or after	
Roppongi Hills Mori Tower (10 floors)	475.2	29.1%	23rd & 24th	8,993.45	MHR	—	—	99.2	—	Jul. 2029
			19th & 22nd	8,609.47		—	95.0	—	—	Sep. 2028
			20th	3,879.19		—	—	42.8	—	Jul. 2029
			28th	4,460.13		—	—	—	49.2	Sep. 2030
			25th	4,156.66		—	—	—	45.8	Jan. 2031
			26th, 27th & 29th	12,942.64		—	—	—	142.9	Mar. 2031
ARK Mori Building (8 floors + DHC)	219.1	13.4%	13th/12th & 22nd	7,952.55	MHR	—	—	—	75.6	Jan. 2031
			23rd & 25th	5,742.95		—	—	—	53.9	Jan. 2031
			4th, 15th & 24th	7,680.52		—	—	—	71.7	Jan. 2031
			DHC	3,212.41	Master lessee	—	17.9	—	—	Mar. 2028
Atago Green Hills (approx. 32.9% of entire property)	168.7	10.3%	Office, residential & retail	29,667.58	Master lessee	168.7	—	—	—	Apr. 2027
Toranomon Hills Mori Tower (approx. 13.9% of entire property)	258.2	15.8%	Part of 28th to 35th floors	24,393.73	MHR	258.2	—	—	—	Jul. 2027
Total	1,121.3	68.6%				426.9 (38.1%)	113.0 (10.1%)	142.1 (12.7%)	439.2 (39.2%)	

2-25 Financial management

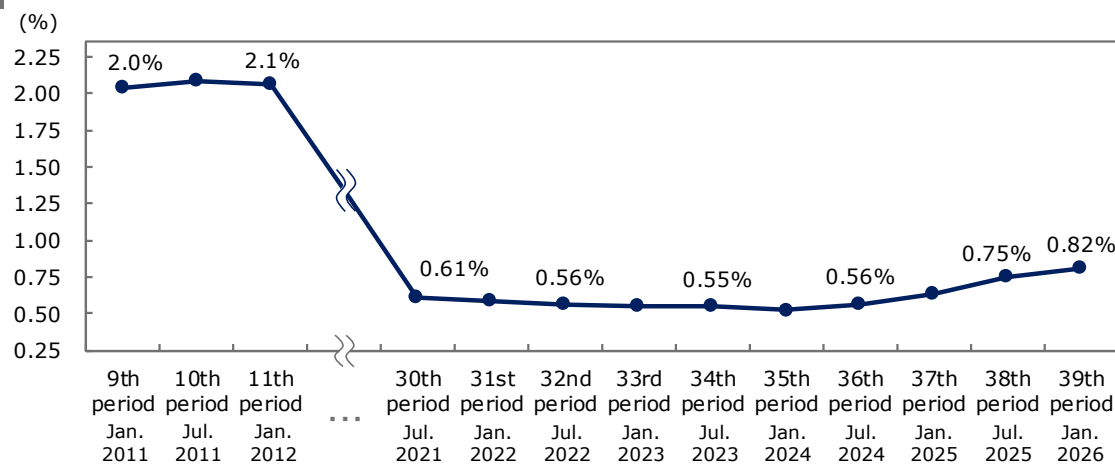
Maintaining a strong financial structure with a credit rating (JCR) of AA (stable), and LTV (appraisal-value basis) of 36.5%

- MHR's policy is to continue to maintain LTV (book-value basis) in the mid-40% range and the average remaining duration of debt from 3 to 4 years.
- Anticipate interest rate fluctuation risk over the medium to long term by constantly monitoring economic conditions and interest rate trends, taking appropriate measures when necessary.

Reduction in LTV



Reduction in average interest rate (including borrowing expenses)



Overview of debt financing

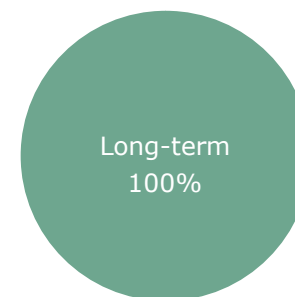
	End of 38th period Jul. 31, 2025	End of 39th period Jan. 31, 2026
Debt Balance	188,188 mn yen	189,522 mn yen
LTV (book value basis) ^(Note 1)	46.1%	46.1%
LTV (appraisal value basis) ^(Note 2)	36.7%	36.5%
Avg. remaining duration	3.5 years	3.5 years
Avg. procured years	8.2 years	8.1 years

(Note 1) LTV (book value basis) is calculated as [Interest bearing debt / Total assets].

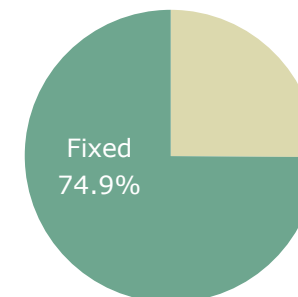
(Note 2) LTV (appraisal value basis) is calculated as [Interest-bearing debt / Appraisal value based total assets (Total assets + Total appraisal value - Total book value)].

Long-term debt ratio/Fixed rate ratio

<Long-term debt ratio>

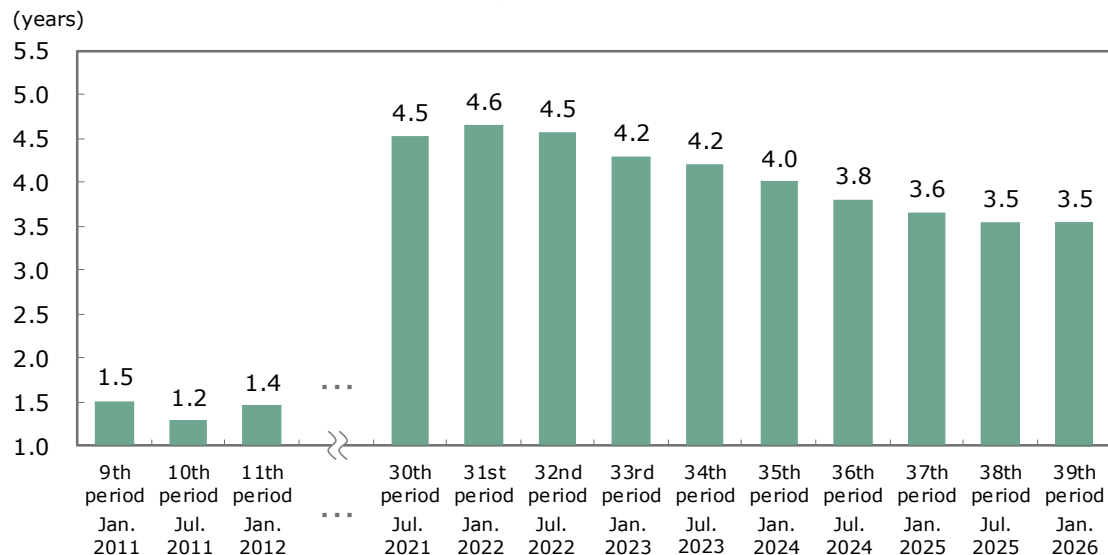


<Fixed rate ratio>



(Note) Total interest-bearing debt cost is calculated as [(interest expenses + interest expenses on investment corporation bonds + borrowing expenses + amortization of investment corporation bond issuance costs) × 365 ÷ operating days during each period ÷ average interest-bearing debt balance during each period].

Extension in remaining duration of debt

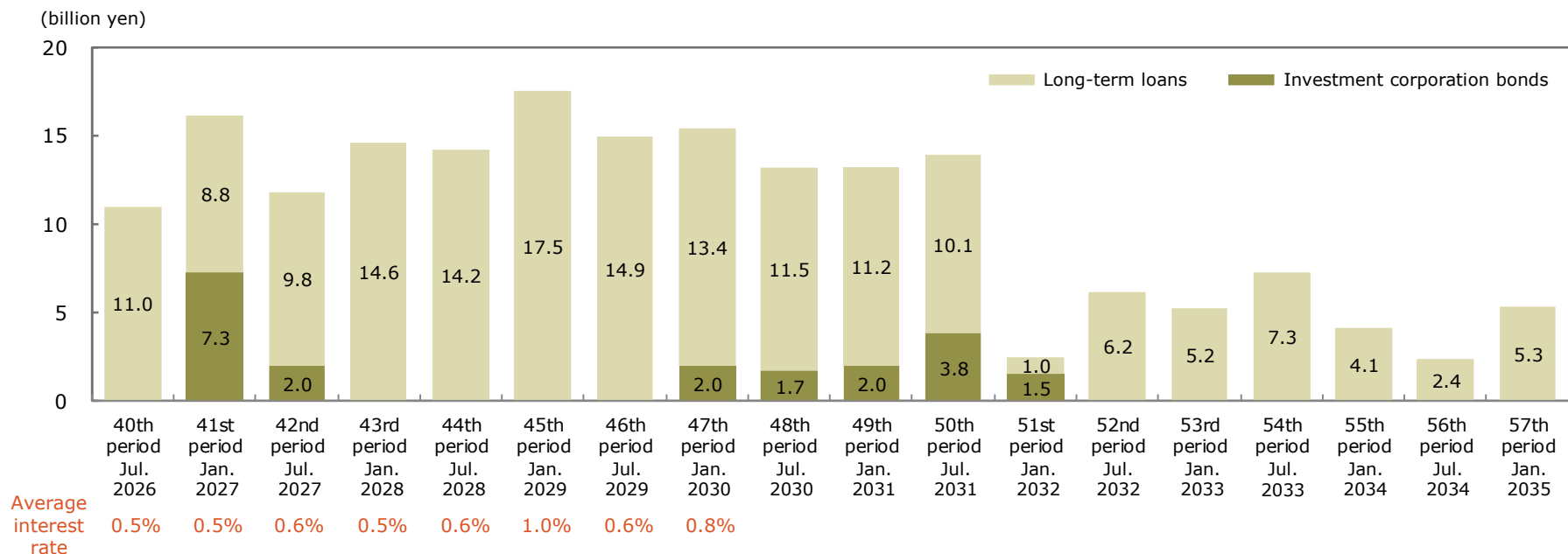


Rating

Japan Credit Rating (JCR)

























Long-term issuer rating:
AA (Stable)

Overview of maturity (as of January 31, 2026)



2-27 Sustainability initiatives

Important ESG Issues (Materiality)

	Materiality	Main Initiatives	Main related SDGs
E Environment 	<ul style="list-style-type: none"> ● Reduce greenhouse gas emissions and promote energy saving at owned properties ● Use of renewable energy 	<ul style="list-style-type: none"> ● Participate in Japan Climate Initiative ● Support the TCFD recommendations ● Promote energy savings (such as introducing the energy saving technologies) ● Expand use of renewable energy 	   
	<ul style="list-style-type: none"> ● Coexist with nature 	<ul style="list-style-type: none"> ● Promote greenery and take measures against heat island ● Protection of biodiversity 	 
	<ul style="list-style-type: none"> ● Response to sustainability certifications 	<ul style="list-style-type: none"> ● Various initiatives to obtain Green Building certifications and make improvements ● Implement training regarding Green Building 	   
S Social 	<ul style="list-style-type: none"> ● BCP measures (disaster prevention and building resilience) ● Tenants' health, comfort and convenience 	<ul style="list-style-type: none"> ● Enhance BCP Measures ● Strengthen emergency management systems and implement general disaster-readiness training ● Initiative for barrier-free access ● Due diligence when acquiring real estate ● Conduct Tenant Satisfaction Survey 	  
	<ul style="list-style-type: none"> ● Respect for human rights ● Promote diversity 	<ul style="list-style-type: none"> ● Create an appropriate environment for a whistleblower system ● Implement human rights and diversity training (including LGBT) ● Create a pleasant working environment for women 	 
	<ul style="list-style-type: none"> ● Talent development 	<ul style="list-style-type: none"> ● Provide personnel evaluations and feedback from diverse perspectives including compliance and ESG initiatives ● Provide various course-based training and qualification acquisition systems 	 
	<ul style="list-style-type: none"> ● Promote a healthy and comfortable work environment and improve employee's work/life balance ● Increase employee's satisfaction 	<ul style="list-style-type: none"> ● Promote paid holiday acquisition and overtime work reduction ● Maintain systems for employee safety and health management ● Implement health checks ● Conduct Employee Satisfaction Survey 	 
	<ul style="list-style-type: none"> ● Mutual communication with stakeholders 	<p>See "Integrated Report"</p>	
G Governance 	<ul style="list-style-type: none"> ● Strive for fair and effective corporate governance ● Adhere to compliance and corporate ethics ● Prevent conflict-of-interest transactions ● Identify risks and manage responses ● Respond to requests for ESG information disclosure 	<ul style="list-style-type: none"> ● Implement evaluation of the effectiveness of the board of directors ● Conduct compliance training including fraud prevention ● Regularly expose risks, as well as monitor and respond to risks appropriately ● Enhance ESG information disclosure on the website ● Issuance of Integrated Report 	

GRESB Assessment



GRESB
REAL ESTATE
☆☆☆☆☆ 2025

Acquired an evaluation of "4 Stars" in GRESB Rating

In the 2025 GRESB Real Estate Assessment, MHR received a "4 Stars" in GRESB Rating, which is based on GRESB Overall Score and its quintile position relative to global participants. It also won a "Green Star" designation for the fourteenth consecutive year by achieving high performance both in "Management Component" that evaluates policies and organizational structure for ESG promotion, and "Performance Component" that assesses environmental performance and tenant engagement of properties owned.

GRESB is an annual benchmarking assessment to measure ESG (Environmental, Social and Governance) integration of real estate companies and funds, as well as the name of organization which runs the assessment. It was founded in 2009 by a group of major European pension funds who played leading roles in launching Principles for Responsible Investment (PRI).

Integrated Report



This report describes the overall efforts of MHR and MIM to contribute to the realization of a sustainable society and to maximize unitholder value over the medium to long term.

URL: <https://www.mori-hills-reit.co.jp/en/ir/library/tabid/477/Default.aspx>

FTSE Russell

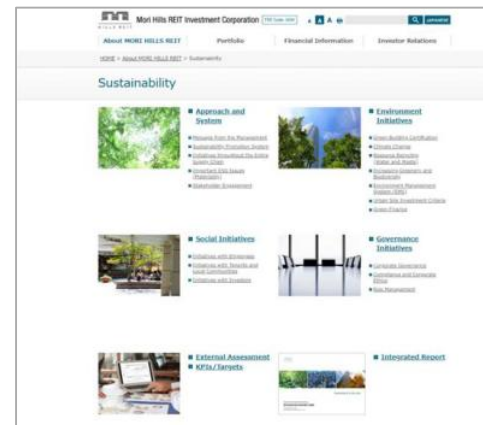


FTSE4Good

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that MHR has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series.

Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

MHR's Website



The pages dedicated to ESG have expanded, and information is proactively disclosed.

URL: <https://www.mori-hills-reit.co.jp/en/outline/Sustainability/tabid/171/Default.aspx>

Information reporting based on TCFD recommendations

MIM announced its support for the recommendations issued in June 2017 by the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD), which was established by the Financial Stability Board (FSB).

MIM will press ahead with risk management and initiatives for climate change based on the recommendations and carry out information disclosure.



Indicators and Targets

MHR revised its targets in June 2022 to promote further reduction.

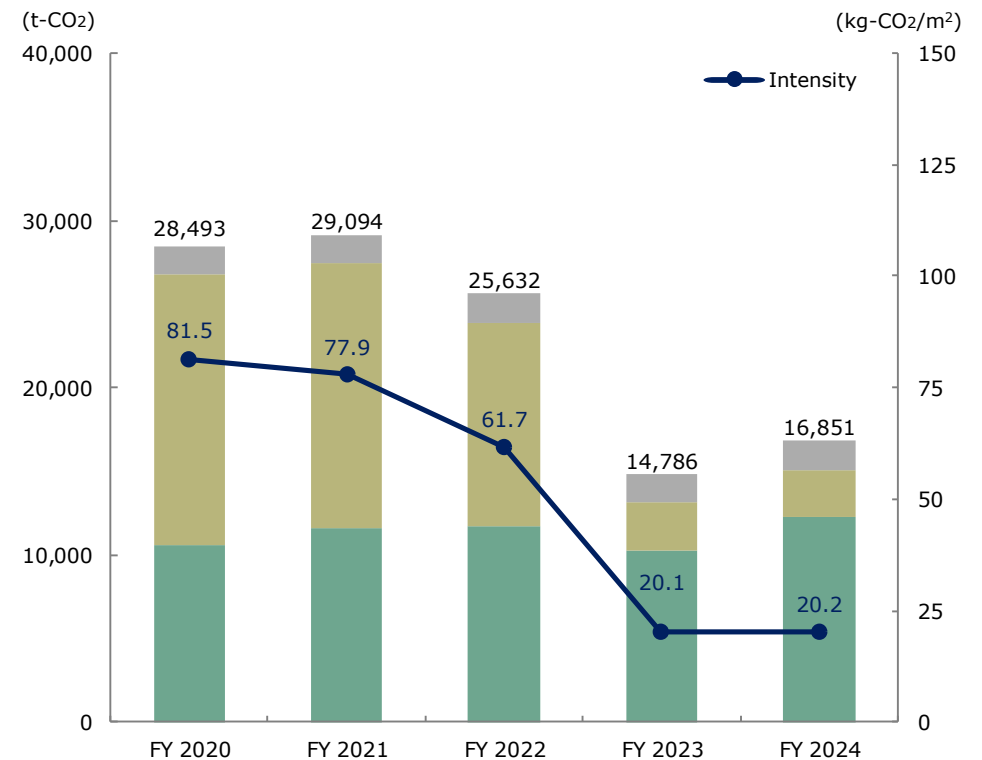
We aim to reduce CO2 emissions of MHR and MIM’s offices and properties owned by MHR (total emissions; Scopes 1, 2 and 3) by 50% by FY 2030 when compared with FY 2019 as the baseline year and achieve net-zero emissions by FY 2050. By switching electricity to renewable energy, emissions have been greatly reduced since FY 2023.

<Carbon Dioxide Emission and Intensity>

Medium-term target (FY 2030)	Long-term target (FY 2050)	Performance (FY 2024)
50% reduction (total amount basis: vs FY 2019)	Net-Zero	46.1% reduction (total amount basis: vs FY 2019)

(Unit:t-CO2)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Scope 1	1,767	1,718	1,696	1,755	1,667	1,743
Scope 2	18,952	16,151	15,770	12,145	2,866	2,810
Scope 3	10,531	10,624	11,627	11,732	10,252	12,297
Total	31,251	28,493	29,094	25,632	14,786	16,851
Verification/ Guarantee rate	77.4%	77.7%	78.2%	78.3%	78.3%	78.3%
Cover rate	87.6%	87.8%	88.0%	88.1%	88.1%	88.1%



Strategy

Climate-Related Scenario Analysis

This analysis aims to understand the future risks and opportunities that climate change-driven extreme weather and rising social demand for climate change countermeasures present to MHR and MIM, verify the efficacy of current climate change countermeasures and serve in future strategy formulation as necessary. In accordance with the TCFD’s recommendations, we have analyzed both the 2°C and 4°C scenarios, aiming to ensure resilience in varying weather conditions and social environments and achieve sustainable business growth.

Risk Type	Driving Forces	Risks	Financial Impact and Period Maximizing		Opportunities and Countermeasures
			2°C Scenario	4°C Scenario	
Transition risks	Increased pricing on GHG emissions	Increased carbon tax burden <ul style="list-style-type: none"> •Taxation on owned properties for their GHG emissions due to carbon tax 	Medium	—	Reduce GHG emissions <ul style="list-style-type: none"> •Increase percentage of renewable energy •Introduce energy-saving equipment and energy management system
	Mandates on and regulation of existing products and services	Increased investment in repair work and facilities to respond to regulations <ul style="list-style-type: none"> •Strengthening of standards for energy conservation (zero-energy building, ZEB) of buildings and introduction of regulations on total emissions 	Small	Small	Reduce utility costs <ul style="list-style-type: none"> •Renovation to meet building energy-saving standards (ZEB) •Invest in facilities
	<ul style="list-style-type: none"> •Substitution of existing products and services with low-carbon options •Changing consumer behavior and preferences 	Reduced demand for properties that perform poorly in energy conservation <ul style="list-style-type: none"> •Increased number of tenants who emphasize energy conservation due to increased environmental awareness 	Small	Small	Increased demand for highly energy-saving properties <ul style="list-style-type: none"> •Acquire Green Building Certifications •Disclose environmental performance information
	Increased stakeholder concerns or negative feedback	Increases in fund-raising costs <ul style="list-style-type: none"> •Buildings that do not save much energy lose value as ESG investors multiply 	Small	Small	Lower fundraising costs <ul style="list-style-type: none"> •Increase ESG evaluation rating •Conduct green financing
Physical risks	Increased severity of extreme weather events such as typhoons and floods	Increases in repair costs for damages to owned properties and degradation of existing assets <ul style="list-style-type: none"> •Damage and destruction to owned properties due to typhoons or floods 	Small	Small	<ul style="list-style-type: none"> •Own highly resilient properties •Take appropriate measures based on flood risk assessment
	Rising mean temperatures	Increases in utility costs <ul style="list-style-type: none"> •Increases in utility costs 	Small	Small	<ul style="list-style-type: none"> •Introduce energy-saving technology and increase the green ratio •Work with tenants to save energy

2°C Scenario World: Low-Carbon Society (as of 2050)

<Analysis Result>

The 2°C scenario presents significant transition risks particularly if Japan introduces a high carbon tax to reduce CO2 emissions and MHR's property management costs increase due to taxes on properties' CO2 emissions and renovations to meet stricter energy-saving standards and other environmental regulations. Stricter regulations will also impact tenants' office selection, reducing demand for properties that save less energy than their peers. Furthermore, if we own a large number of such properties, the cost to raise funds from investors and lenders could also increase.

In preparation for a transition to the low-carbon society of the 2°C scenario and its accompanying risks, MHR has mainly acquired its portfolio of highly energy-saving properties and those with high-level green building certifications to maintain competitiveness, and actively updates facilities on a continuous basis, so we deem these risks to have a limited impact on business.

Weather

Generally, stay the same

- Little change in typhoon frequency
- Little change in Japan's flood frequency
- Slight rise in utility fees due to temperature increase



Government

Aggressive climate change policy

- Introduction of high carbon tax
- More government promotion of ZEBs, stricter energy-saving standards



Investors/lenders

Increased ESG investment/lending

- Demand for more corporate ESG reporting
- Lower fundraising costs for owners of highly energy-saving properties



MHR

Limited increase in energy-saving investment

- Some increase in investment to meet energy-saving standards but limited
- Increase in carbon tax burden
- Steady demand for highly energy-saving properties



Clients (tenants)

Focus on energy saving in office selection

- More tenant demand for highly energy-saving properties



4°C Scenario World: Intensification of Natural Disasters (as of 2050)

< Analysis Result >

The 4°C scenario forecasts increased renovation costs due to intensifying extreme weather and increased utility costs due to higher average temperatures.

Because MHR invests in highly energy-saving, resilient properties located in areas with low flood risk, we deem these risks to have a limited impact on business.

Weather

Increase in extreme weather frequency

- Increase in strong typhoon frequency
- Doubling of Japan's flood frequency, increase in risk of property flooding
- Rise in utility fees due to temperature increase



Government

Passive climate change policy

- No introduction of additional carbon tax
- Limited government promotion of ZEBs, energy-saving standards



Investors/lenders

Increase in importance of physical risk

- Little change in demand for corporate ESG reporting
- Lower fundraising costs for owners of highly resilient properties



MHR

Limited natural disaster countermeasures/energy-saving investment

- Some property repair costs, operating loss, etc. but limited
- Limited investment to meet energy-saving standards
- Steady demand for highly resilient properties



Clients (tenants)

Focus on disaster response in office selection

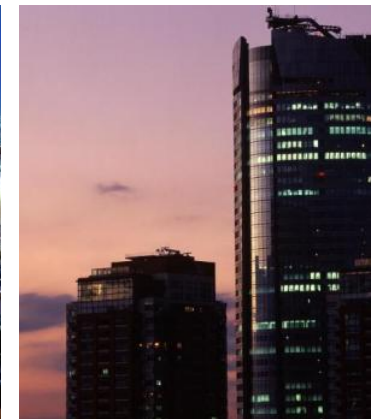
- More tenant demand for highly resilient properties



2-33 MHR's representative property (1) Roppongi Hills



Roppongi Hills Mori Tower



Roppongi Hills

Since its opening in 2003 as Japan's largest ever urban redevelopment at approximately 11.6 hectares, more than 40 million people have visited Roppongi Hills each year from all over the world. As this community has matured, Roppongi Hills has only multiplied its global magnetic attraction. Japan real estate development had been limited by an economic perspective until Mori Building revolutionized the concept by creating a community where humanity, culture, interaction and vision toward the next era is born.

Office

Roppongi Hills Mori Tower

Roppongi Hills Mori Tower is the main tower of Roppongi Hills and is 54 floors above ground and 238 meters high and has established itself as a landmark of Tokyo. Offices located from the 8th floor to the 48th floor boast floor plates of approximately 1,360 tsubo (approximately 4,500m²), among the largest floor areas of skyscrapers in Japan. It is a state-of-the-art office building with an ultra high-speed network, outstanding earthquake resistance performance and thorough security.



Residence Roppongi Hills Residence

In Roppongi Hills where international cultural is fostered and people come to interact, Mori Building designed these residences with the comfort of the people as a top priority, to provide the template for a “new life overflowing with affluence and warmth”.



Retail Shops and Restaurants

Retail facilities are comprised of more than 200 “only one” shops and restaurants divided into four areas with different concepts. There are many shops on the lower floors of the buildings and on the street so visitors can enjoy shopping, eating and drinking while walking around the open spaces that are full of greenery.



Hotel Grand Hyatt Tokyo

Grand Hyatt Tokyo offers a dynamic city space featuring 10 highly distinctive restaurants and bars, 387 guestrooms designed for the highest level of relaxation, 16 banquet facilities and much more. The wide range of facilities inside the hotel and in Roppongi Hills enable guests to enjoy leisurely time at the hotel to the fullest extent.



Cinema TOHO Cinemas Roppongi Hills

One of the top cinema complexes in Japan, TOHO offers nine movie screens, a variety of daily show times and facilities with unprecedented comfort and functions. These theaters ushered in a whole new culture of movie going in Roppongi.



Museum Mori Art Museum

“The world’s closest art museum to the sky”, the museum collaborates with a network of highly respected international art museums to create a space to appreciate the world’s top modern art. It is open until 10 pm during exhibitions to welcome visitors after work or dinner.



Stable Supply of Power from Independent Power Station

Roppongi Hills uses its own energy plant (a specially designated power supply business facility) to supply electrical power to the area. Because this plant uses city gas (medium pressure gas) as the fuel, it is not affected by power restrictions on the use of electricity and is able to provide an extremely stable supply of electricity. The use of a power supply with triple redundant safety allows the building to construct a power supply system with high reliability.

2-34 MHR's representative property (2) Toranomom Hills



Toranomom Hills

Toranomom Hills is located in the "Special Zone for Asian Headquarters" where Tokyo Metropolitan Government seeks to attract foreign companies. This building is Tokyo's new landmark and consists of Japan's first Andaz hotel "Andaz Tokyo", high-specification offices, a high class residential area with outstanding views where hotel services are available, international-standard conference facilities and commercial facilities to supports various urban functions, along with an open space of approximately 6,000m².

Office

Toranomom Hills Mori Tower

Offices occupy the 6th to the 35th floors of "Toranomom Hills Mori Tower", a super high rise tower with 52 floors rising 247 meters above ground with a gross floor area of 30,000 tsubo. Standard rent floors' average size are approximately 1,000 tsubo (approximately 3,300m²) with a ceiling height of 2.8 meters and they provide flexible and comfortable workspaces without pillars. Six transit stations and 11 lines are nearby and provide access to Haneda Airport which makes this building an optimal global business base.



Residence **Toranomon Hills Residence**

Pleasant views of central Tokyo landmarks such as Tokyo Tower, Rainbow Bridge, Tokyo Sky Tree and the open green space of the Imperial Palace can be viewed from residences located on the 37th to 46th floors. Hotel services in cooperation with Andaz Tokyo are available.



Retail **Shops and Restaurants**

With the concept of "Communication Hub", restaurants are designed to provide international cuisine that satisfy customers from Japan and overseas. Various people such as office workers, conference attendees and hotel guests gather in this space uniquely designed to facilitate communication.



Hotel **Andaz Tokyo**

Hyatt's boutique lifestyle hotel "Andaz Tokyo" is Japan's first Andaz. Andaz means "personal style" in Hindi. The hotel values the individuality of the area and incorporates the charm of the surroundings into its design and service.



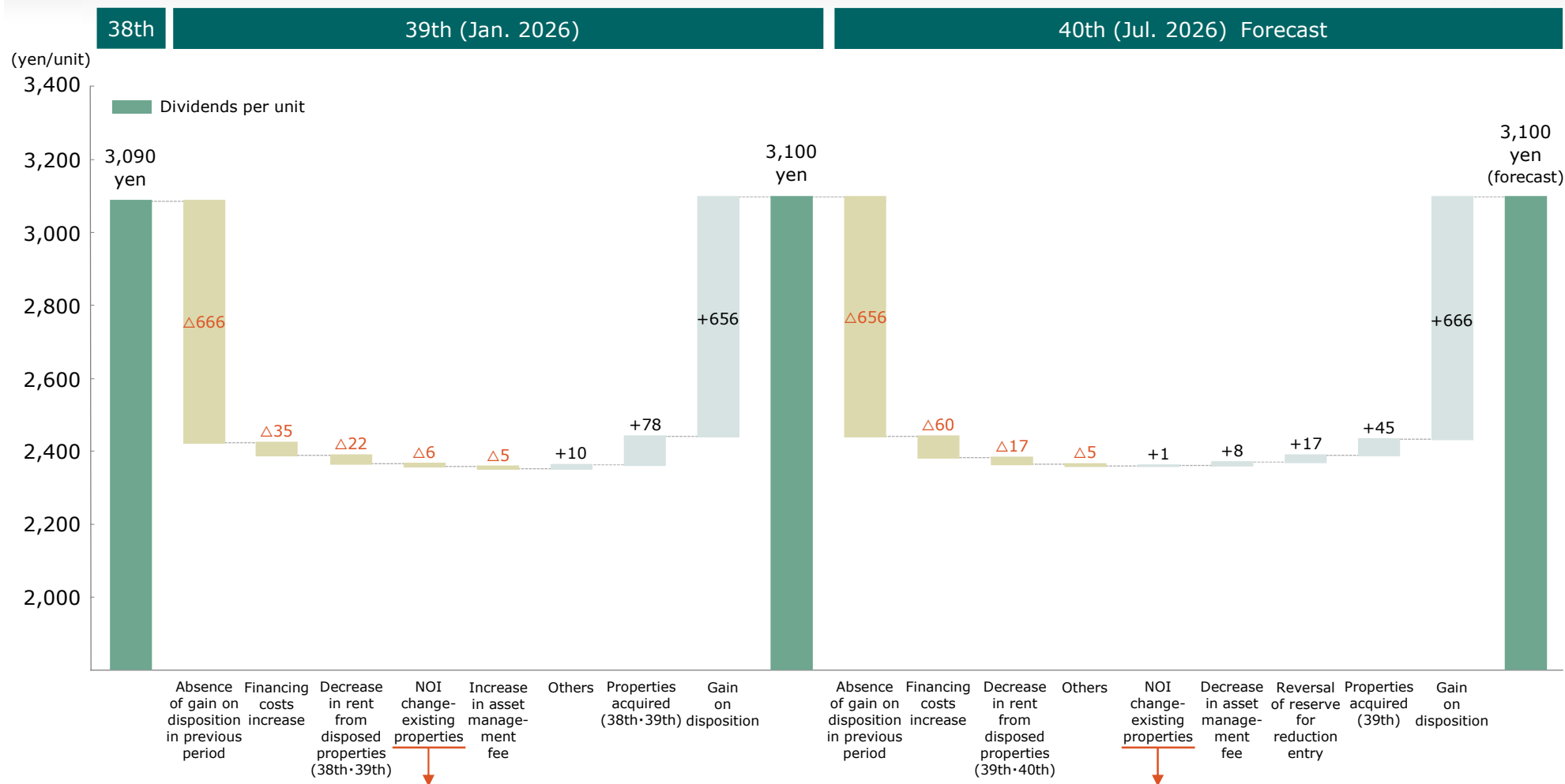
Evolving as an International Urban Center and a Global Business Hub

With the addition of Toranomon Hills Business Tower, Toranomon Hills Residential Tower, and Toranomon Hills Station Tower to Toranomon Hills Mori Tower, Toranomon Hills has expanded to a total area of approximately 7.5 ha and a total floor area of approximately 800,000m². The area continues to expand and evolve into a true "international urban center and a global business hub" with integrated functions such as international-class offices, residences, hotels, retail facilities and transportation infrastructure.

3. Operation highlights



3-1 Factors that led to changes in dividends per unit from the previous fiscal period



Major factors behind change in NOI from existing properties:

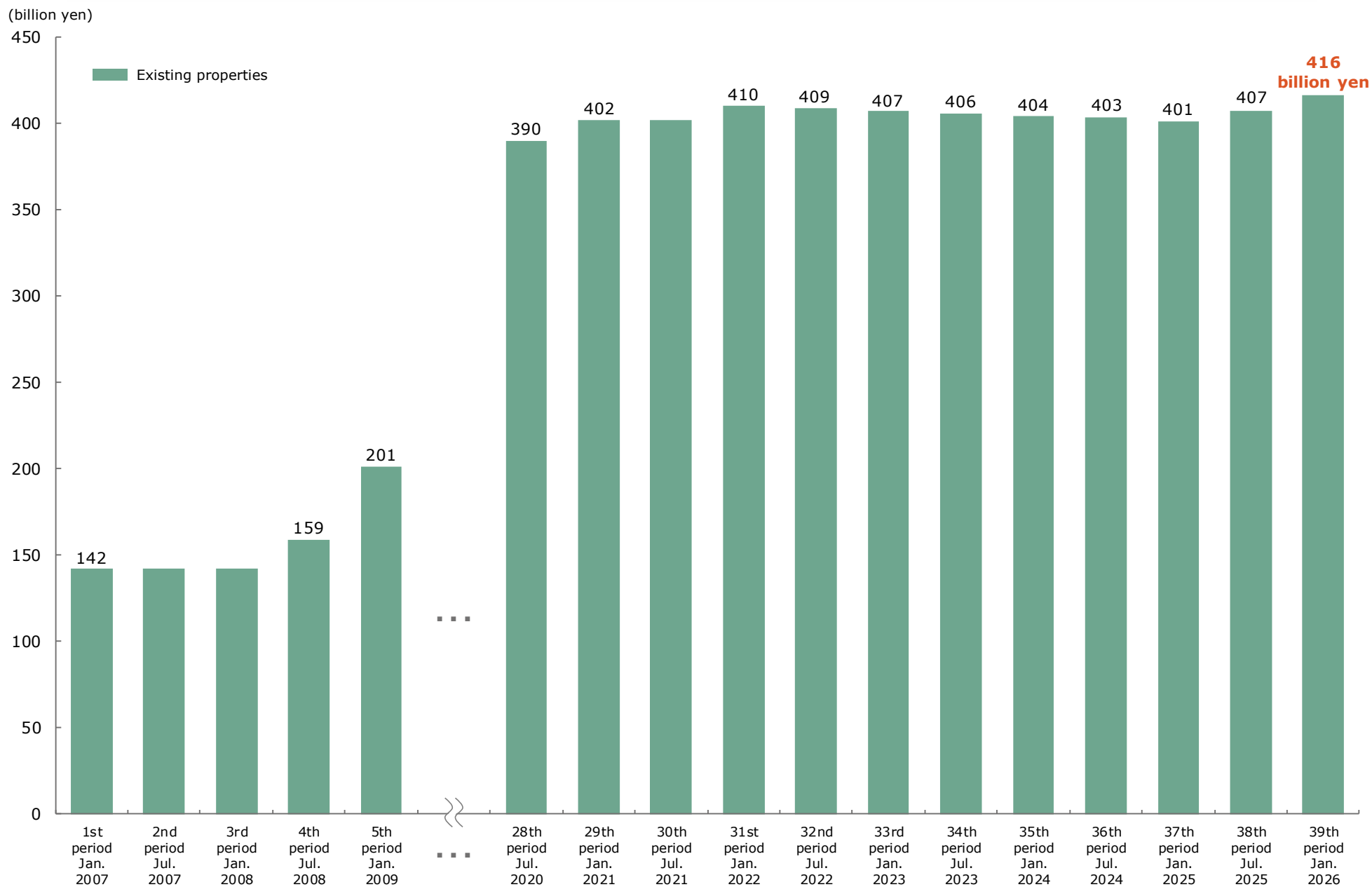
+ Revision of the ground rent (Laforet Harajuku)	+10
+ Residential rent (pass-through)	+8
+ Decrease in loss on disposal of fixed assets	+8
- Increase in property management fee	Δ12
- Increase in maintenance and repairs	Δ8
- Office rent (pass-through)	Δ5
- Increase in property taxes	Δ4
- Utilities and other revenue Net	Δ3

Major factors behind change in NOI from existing properties:

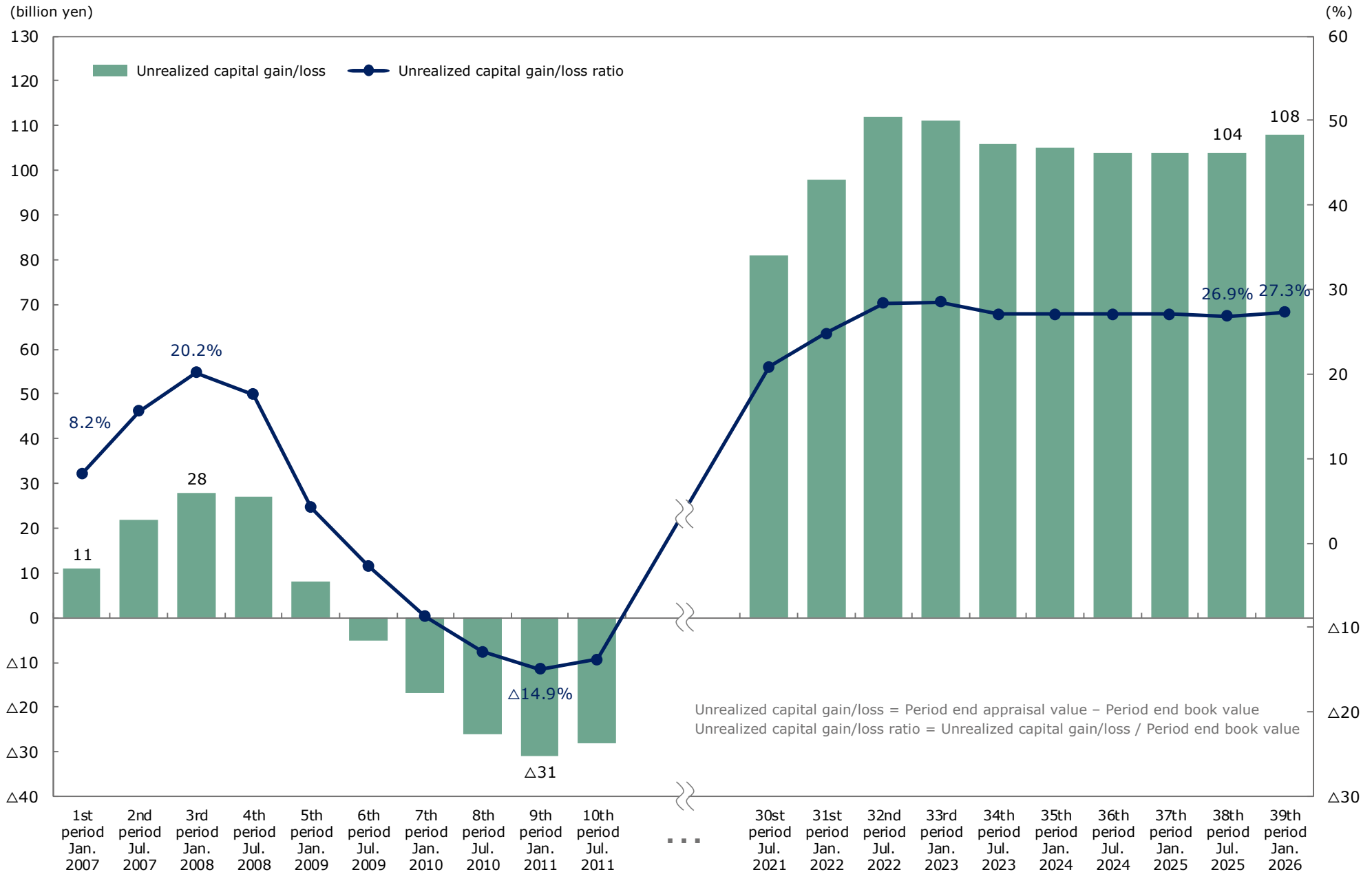
+ Decrease in maintenance and repairs	+41
+ Residential rent (pass-through)	+17
+ Full period contribution of revision of the ground rent (LF Harajuku)	+4
- Increase in depreciation	Δ25
- Office rent (pass-through)	Δ19
- Property taxes for property acquired in 38th·39th period (3-months)	Δ9
- Increase in property taxes	Δ4
- Retail revenue	Δ2

(Note) Factors that led to change are arrived at by dividing the change from the previous fiscal period by 1,886,235 units and indicated as an approximate figure in yen.

3-2 Change in assets under management



3-3 Change in unrealized capital gain/loss



3-4 Appraisal value

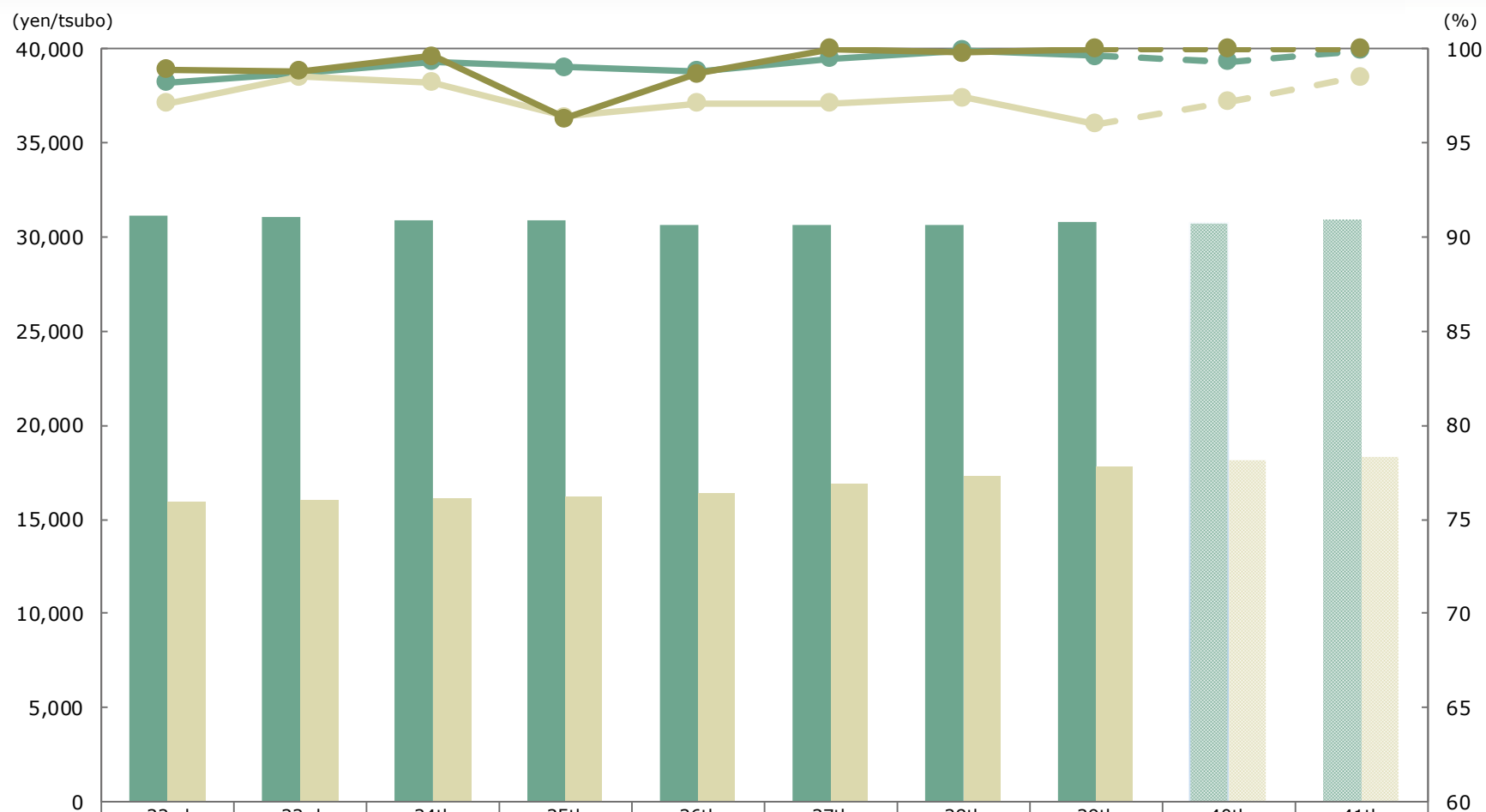
Reflects the impact of additional acquisition
 Reflects the impact of partial disposition (million yen)

Principal use	Property name	Property No.	Acquisition price	Book value	As of end of 38th period Jul. 31, 2025		As of end of 39th period Jan. 31, 2026				Difference (B) – (A)	Difference (B)/(A) – 1	Unrealized capital gain/loss (B)-book value
					(A) Appraisal value (Note 1)	Yield (Direct capitalization method)	(B) Appraisal value (Note 1)	Yield (Direct capitalization method)	Discount rate (DCF)	Terminal yield (DCF)			
Office	Roppongi Hills Mori Tower	O-0	115,380	109,514	159,200	2.6%	159,200	2.6%	2.3%	2.7%	0	0.0%	49,685
	ARK Mori Building	O-1	62,480	61,483	65,000	3.0%	65,000	3.0%	2.7%	3.1%	0	0.0%	3,516
	Koraku Mori Building	O-4	27,200	24,279	24,880	3.2%	25,440	3.2%	2.8%	3.5%	560	2.3%	1,160
	Akasaka Tameike Tower	O-6	43,930	40,745	35,800	3.0%	36,400	3.0%	2.7%	3.1%	600	1.7%	△ 4,345
	Atago Green Hills	O-7	42,090	38,992	46,176	3.2%	46,176	3.2%	2.7%	3.4%	0	0.0%	7,183
	ARK Hills South Tower	O-8	19,150	18,309	23,700	3.0%	23,900	3.0%	2.8%	3.1%	200	0.8%	5,590
	Toranomon Hills Mori Tower	O-9	73,789	71,962	85,888	2.4%	97,502	2.4%	2.1%	2.5%	11,614	13.5%	25,540
	Holland Hills Mori Tower	O-10	16,330	16,182	22,700	3.0%	22,700	3.0%	2.6%	3.2%	0	0.0%	6,517
Sub total			400,349	381,468	463,344	—	476,318	—	—	—	12,974	2.8%	94,849
Residential	Roppongi First Plaza	R-3	2,100	2,234	4,050	3.4%	4,300	3.4%	3.2%	3.5%	250	6.2%	2,065
	Roppongi View Tower	R-4	4,000	4,060	4,170	3.5%	4,570	3.5%	3.3%	3.6%	400	9.6%	509
	Sub total			6,100	6,294	8,220	—	8,870	—	—	—	650	7.9%
Retail and others	Laforet Harajuku (Land) (Note 2)	S-1	9,600	9,712	23,409	3.7%	20,812	—	3.7%	—	△ 2,597	△ 11.1%	11,099
	Sub total			9,600	9,712	23,409	—	20,812	—	—	—	△ 2,597	△ 11.1%
Total			416,049	397,475	494,973	—	506,000	—	—	—	11,027	2.2%	108,524

(Note 1) "Appraisal values" at the end of each fiscal period are based on the Ordinance Concerning Calculation of Investment Corporations, asset valuation methods and standards defined in the Articles of Incorporation of the Company and rules defined by the Investment Trust Association. Figures in the property appraisal reports created by Japan Real Estate Institute are indicated for properties other than ARK Hills South Tower and figures in the property appraisal report created by Daiwa Real Estate Appraisal Co., Ltd. are indicated for ARK Hills South Tower, respectively.

(Note 2) For Laforet Harajuku (Land), value in the "Yield (Direct capitalization method)" column for the 37th period shows the discount rate used in the DCF analysis.

3-5 Changes in the rent and occupancy rates

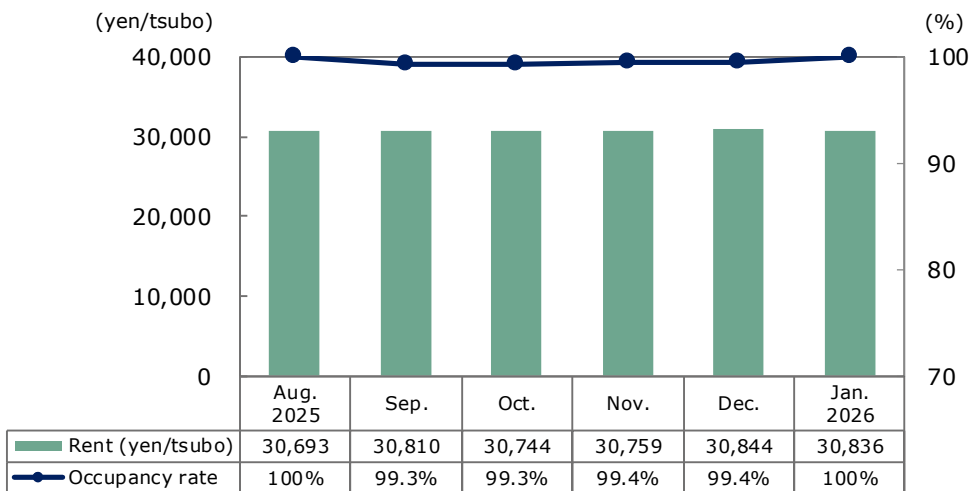


	32nd period Jul. 2022 (actual)	33rd period Jan. 2023 (actual)	34th period Jul. 2023 (actual)	35th period Jan. 2024 (actual)	36th period Jul. 2024 (actual)	37th period Jan. 2025 (actual)	38th period Jul. 2025 (actual)	39th period Jan. 2026 (actual)	40th period Jul. 2026 (forecast)	41th period Jan. 2027 (forecast)
Office rent (yen/tsubo)	31,109	31,044	30,922	30,916	30,602	30,636	30,623	30,781	30,784	30,846
Residential rent (yen/tsubo)	15,901	16,054	16,092	16,216	16,402	16,867	17,285	17,791	18,183	18,316
Office occupancy	98.2%	98.7%	99.3%	99.0%	98.8%	99.5%	99.9%	99.6%	99.3%	99.9%
Residential occupancy	97.1%	98.5%	98.2%	96.4%	97.1%	97.1%	97.4%	96.0%	97.2%	98.5%
Retail occupancy	98.9%	98.8%	99.6%	96.3%	98.7%	100%	99.8%	100%	100%	100%

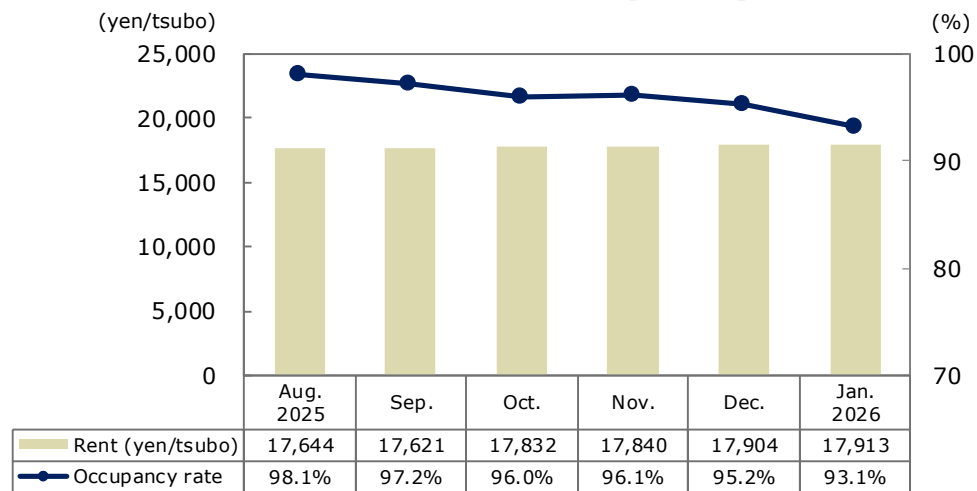
(Note) The above rents and occupancy rates indicate the average rent and the average occupancy rate during relevant fiscal periods.

3-6 Tenant status by month and major tenants

Office: Rent and occupancy rate



Residential: Rent and occupancy rate



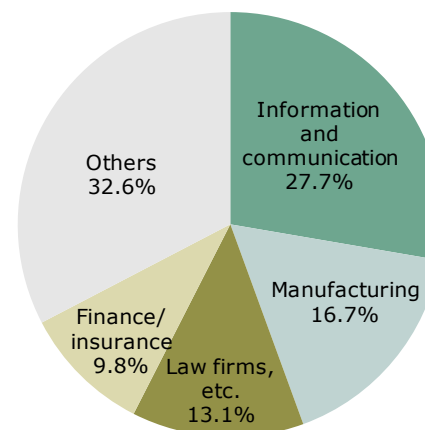
Top 5 tenants

End tenants	Property name	Leased space (Note 1)	Ratio
Mori Building Co., Ltd.	Roppongi Hills Mori Tower ARK Mori Building Atago Green Hills Toranomori Hills Mori Tower Roppongi View Tower	121,733.15 m ²	66.4%
Mitsubishi UFJ Research and Consulting Co.,Ltd.	Holland Hills Mori Tower	3,358.32 m ²	1.8%
Company "A"	Holland Hills Mori Tower	2,975.85 m ²	1.6%
Japan Worker's Credit Fund Association	Koraku Mori Building	1,851.87 m ²	1.0%
SoldOut, Inc.	Koraku Mori Building	1,851.87 m ²	1.0%
Total of top 5 tenants		131,771.06 m ²	71.9%

(Note 1) Leased space is the lease area stated in the lease contract with the end tenant. It is multiplied by the relevant percentage of ownership for each property.

(Note 2) This indicates the figures as of January 31, 2026.

Tenant Contribution by Industry Type-Office



(Note 1) As for fixed rent master lease, ratios are based on monthly rents of tenants who are actually using the floor areas as of January 31, 2026.

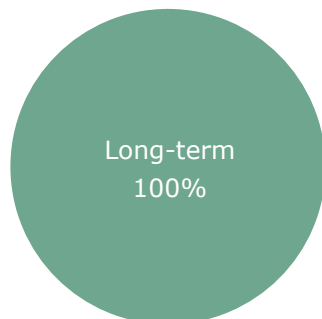
It is multiplied by the relevant percentage of ownership for each property.

(Note 2) Business types are classified by the Asset Manager.

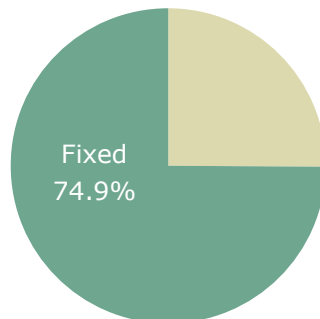
3-7 Financial overview (as of January 31, 2026)

Long-term debt ratio/Fixed rate ratio

<Long-term debt ratio>



<Fixed rate ratio>



Major financial indicator

	End of 38th period Jul. 31, 2025	End of 39th period Jan. 31, 2026
Debt balance	188,188 mn yen	189,522 mn yen
Long-term loan	164,888 mn yen	169,222 mn yen
Investment corporation bonds	23,300 mn yen	20,300 mn yen
LTV (Book value basis) ^(Note 1)	46.1%	46.1%
LTV (Appraisal value basis) ^(Note 2)	36.7%	36.5%
DSCR ^(Note 3)	13.1x	11.8x
Avg. remaining duration	3.5 years	3.5 years
Avg. procured years	8.2 years	8.1 years
Weighted avg. interest rate	0.66%	0.76%

(Note 1) LTV (Book value basis) is calculated as [Interest bearing debt/Total assets].

(Note 2) LTV (Appraisal value basis) is calculated as [Interest-bearing debt/Appraisal value based total assets (Total assets +Total appraisal value–Total book value)].

(Note 3) DSCR is calculated as [Net income before interest expenses +Depreciation/Interest expenses].

Outstanding balances

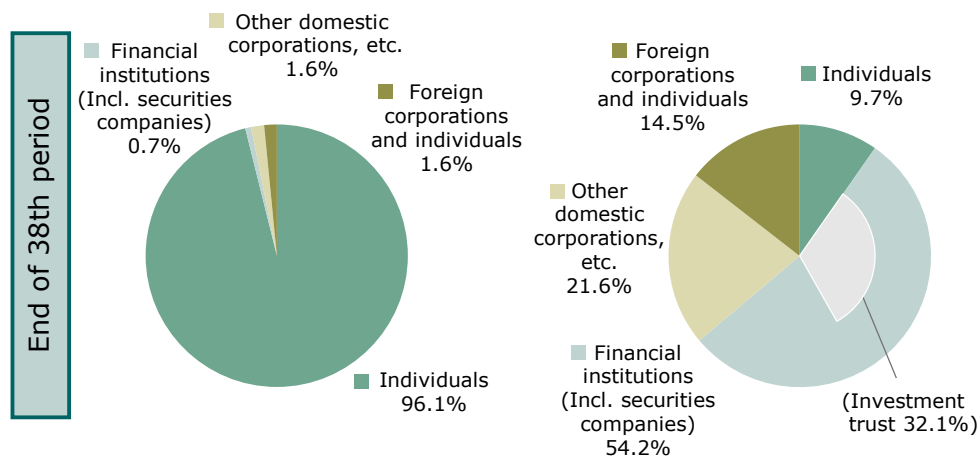
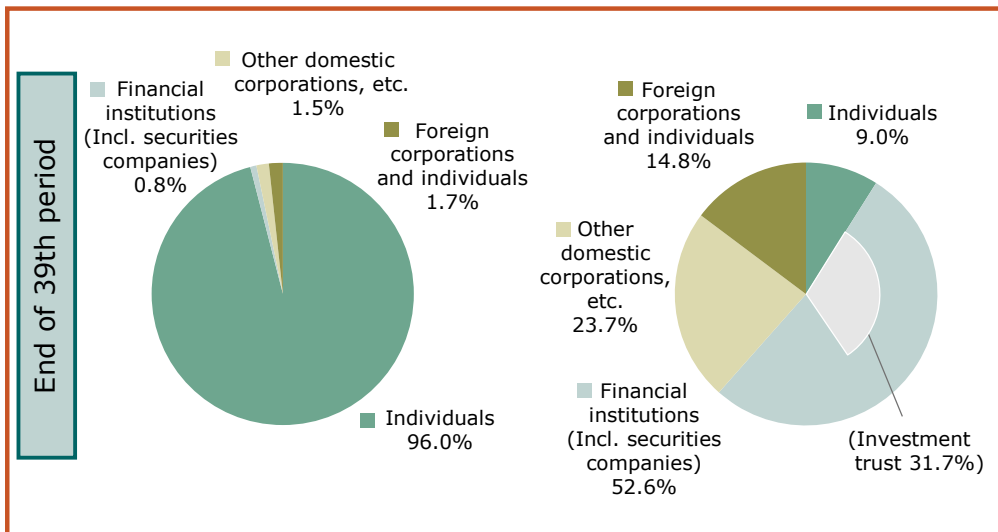
Lenders	Balance	Ratio
MUFG Bank, Ltd.	37,137 mn yen	21.9%
Mizuho Bank, Ltd.	28,043 mn yen	16.6%
Sumitomo Mitsui Banking Corporation	22,617 mn yen	13.4%
Sumitomo Mitsui Trust Bank, Limited	18,145 mn yen	10.7%
The Bank of Fukuoka	8,800 mn yen	5.2%
Resona Bank, Limited.	8,680 mn yen	5.1%
The Norinchukin Bank	8,000 mn yen	4.7%
SBI Shinsei Bank, Limited	7,450 mn yen	4.4%
Development Bank of Japan Inc.	5,950 mn yen	3.5%
Mizuho Trust & Banking Co., Ltd.	4,800 mn yen	2.8%
The Nishi-Nippon City Bank, Ltd.	4,000 mn yen	2.4%
Shinkin Central Bank	2,600 mn yen	1.5%
The Chugoku Bank, Limited.	2,500 mn yen	1.5%
Aozora Bank, Ltd.	2,000 mn yen	1.2%
The 77 Bank, Ltd.	2,000 mn yen	1.2%
Mitsubishi UFJ Trust and Banking Corporation (Trust account)	1,500 mn yen	0.9%
The Hiroshima Bank, Ltd.	1,000 mn yen	0.6%
THE OITA BANK, LTD.	1,000 mn yen	0.6%
Nippon Life Insurance Company	1,000 mn yen	0.6%
Mitsui Sumitomo Insurance Company, Limited	1,000 mn yen	0.6%
The Bank of Yokohama, Ltd.	1,000 mn yen	0.6%
Total borrowings	169,222 mn yen	100%
Investment corporation bonds	20,300 mn yen	
Total interest-bearing debt	189,522 mn yen	

3-8 Unitholders breakdown (as of January 31, 2026)

Unitholders breakdown

<Number of unitholders>

<Number of investment units>



Top 10 unitholders

Rank	Name	Number of units held	Ratio
1	Custody Bank of Japan, Ltd. (Trust account)	429,804	22.8%
2	Mori Building Co., Ltd.	401,316	21.3%
3	The Master Trust Bank of Japan, Ltd. (Trust account)	256,976	13.6%
4	The Nomura Trust & Banking Co., Ltd. (Investment trust account)	76,516	4.1%
5	LEGAL + GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	26,360	1.4%
6	Custody Bank of Japan, Ltd. (Money Trust Tax Account)	21,868	1.2%
7	JP MORGAN CHASE BANK 385781	21,580	1.1%
8	STATE STREET BANK AND TRUST COMPANY 505001	20,617	1.1%
9	STATE STREET BANK AND TRUST COMPANY 505103	15,932	0.8%
10	Shikoku Railway Company	14,933	0.8%
Total of top 10 unitholders		1,285,902	68.2%

4. Business environment recognition & MHR's policy/strategy



4-1 Business environment recognition

Real estate market / Lending attitude

- Vacancy rates in central Tokyo office buildings steadily improved, and rents also remained strong.
(“Office Market Data” by Miki Shoji Co., Ltd. for Tokyo’s five central wards)
 - ⇒ Vacancy rate: 3.8% (January 2025) → 2.2% (January 2026)
 - ⇒ Rent index: 116 (January 2025) → 123 (January 2026)
- Cap rates have remained at historically low levels.
(Japan Real Estate Institute’s “The Japanese Real Estate Investor Survey”)
 - ⇒ Class A buildings in Marunouchi
Cap rate: 2.8% (April 2025) → 2.8% (October 2025)
- Lending attitude toward the real estate industry has temporarily weakened but remains strong.

Interest rate trends / Macro environment

- Although long-term interest rates rose due to the change in the monetary policy of the Bank of Japan, they are currently within expectations, and there is limited impact on real estate prices and investment unit prices.
 - ⇒ 10-year bond rates: 2.24% (January 30, 2026)
 - ⇒ Core CPI: +2.4% (December 2025)
- In the December 2025 preliminary business conditions composite index, the leading index was at 110.2 (increased 0.3 PT from previous month) and the coincident index was at 114.5 (decreased 0.4 PT from previous month).
Business sentiment continues to improve.
- Awareness of ESG issues has taken root among companies, with steady progress in pursuing ESG initiatives.

- In the rental office market, vacancy rates are low against the backdrop of a favorable supply and demand environment, and rents are expected to increase for the time being.
- Premium properties in central Tokyo have maintained high occupancy rates and are expected to demonstrate competitive advantages in the future.

- Business sentiment is improving with the expansion of global economic activities, but there is a need for caution about the negative impacts resulting from interest rate hikes.
- Interest rates are expected to increase moderately over the medium to long term due to gradual policy rate hikes.
- The fundamental importance of ESG is believed to remain unchanged even in the future.

Continues to “MHR’s policy/strategy” on the next page

MHR's Medium- to Long-Term Vision

The best portfolio quality

By focusing primarily on premium properties in central Tokyo developed by the sponsor, MHR seeks to maintain highly competitive portfolio quality while further expanding the scale of the portfolio.

The highest ESG assessment

By making positive social and environmental contributions, MHR will create sustainable growth while striving to maintain and improve its ESG rating and build competitiveness as an investment corporation.

Dividend-driven management

By aiming for a continuous improvement of dividends and NAV per unit, and developing the culture, policies and systems necessary to realize the vision, MHR will continue to foster the trust of unitholders.

Optimal REIT investment

4-3 MHR's policy/strategy

External growth policy

- Aim to expand portfolio size by effectively utilizing the sponsor pipeline, targeting premium properties in central Tokyo.
- Premium properties in central Tokyo have maintained high occupancy rates by capturing the demand for headquarter offices of many blue-chip companies and are expected to demonstrate competitive advantages.
- While disposing of parts of Laforet Harajuku (Land), make new acquisitions concurrently to expand portfolio size over the medium to long term.

Internal growth policy

- Maintain stable revenue through fixed-rent master leases, and aim to increase rent at pass-through-type properties.
- Properly implement office property repairs as necessary and conduct value-enhancement renovation for residential properties if such is judged to be cost-effective (there are no office properties that require large-scale renewal in terms of building age or competitiveness).

Financial management policy

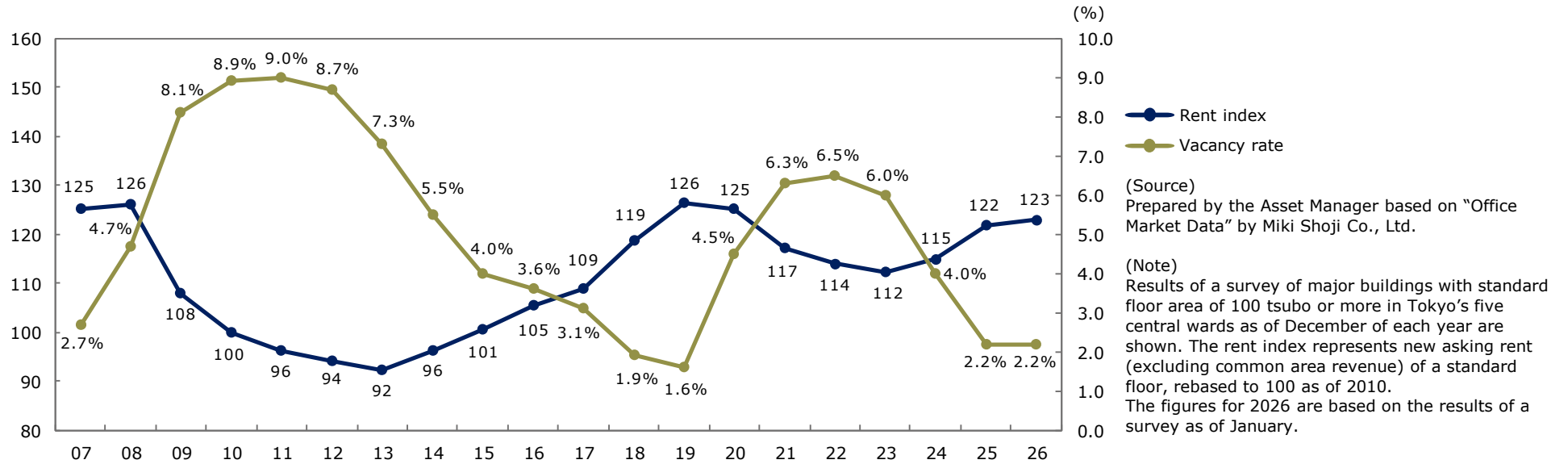
- Set the current LTV level (book value: in the mid-40% range; appraisal value: in the upper 30% range) as the target in order to maintain a durable position for times of economic slowdown, and target average remaining duration of debt from 3 to 4 years.
- Anticipate interest rate fluctuation risk over the medium to long term by constantly monitoring economic conditions and interest rate trends, and then when necessary take appropriate measures.

ESG policy

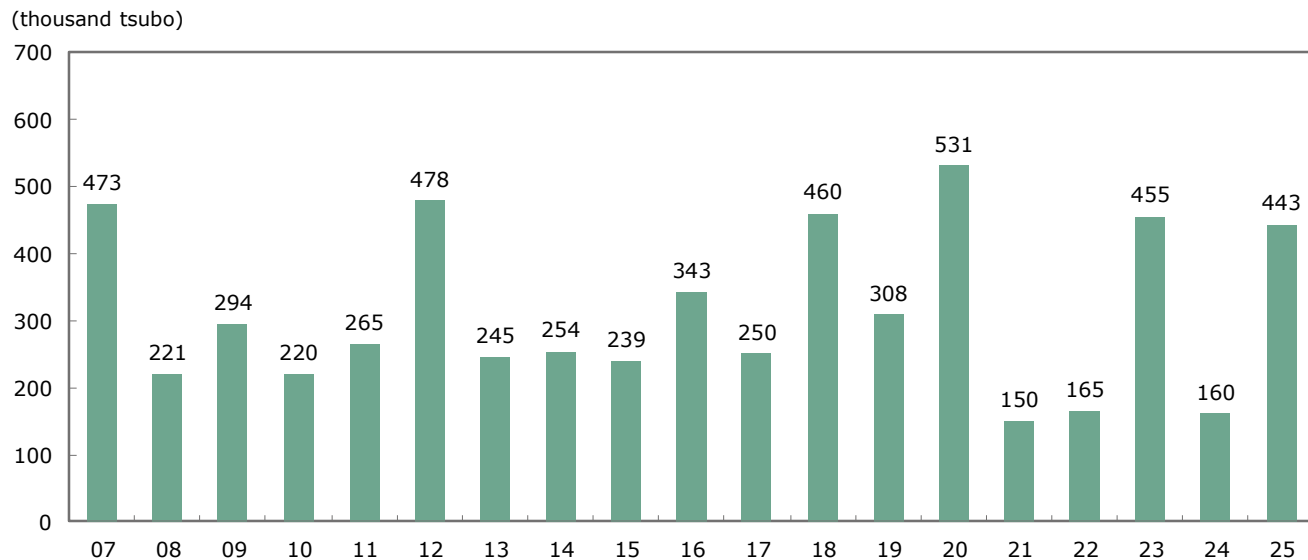
- Contribute to the improvement of various social and environmental issues by positioning ESG initiatives as an integral part of management policy, and steadily implement them in actual management operations leading to improved ESG ratings and stronger competitiveness.
- Regularly publish integrated reports to proactively disclose information upon organizing a variety of information material clearly and effectively.

4-4 Market-related information (1)

Change in rent and vacancy rate of office buildings (Tokyo's five central wards)



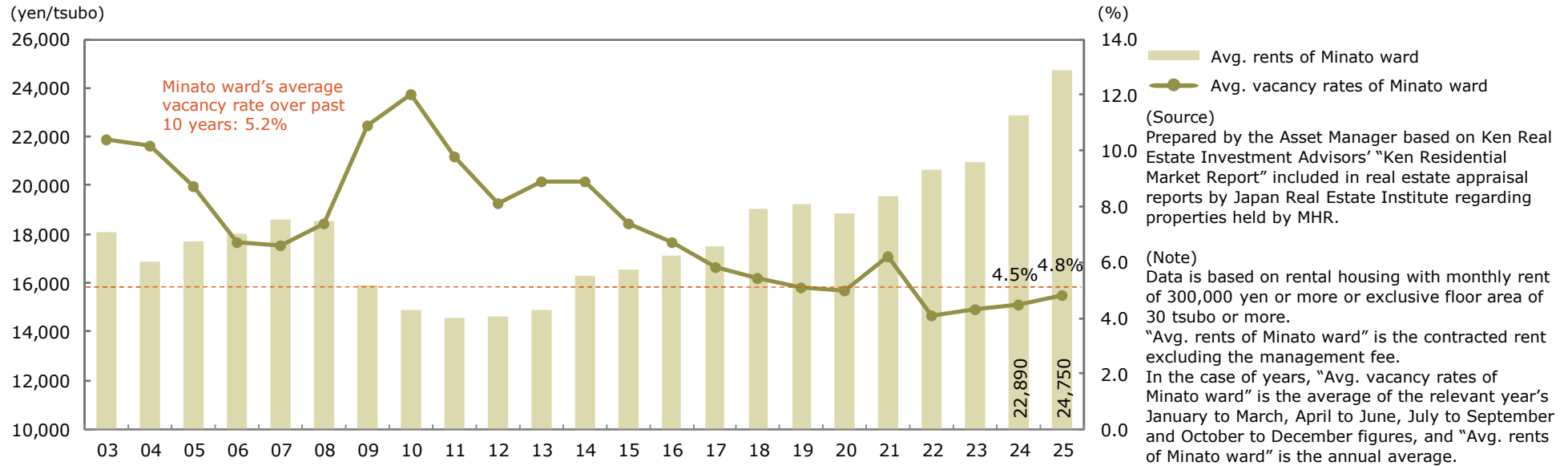
New supply of office buildings (Tokyo's five central wards)



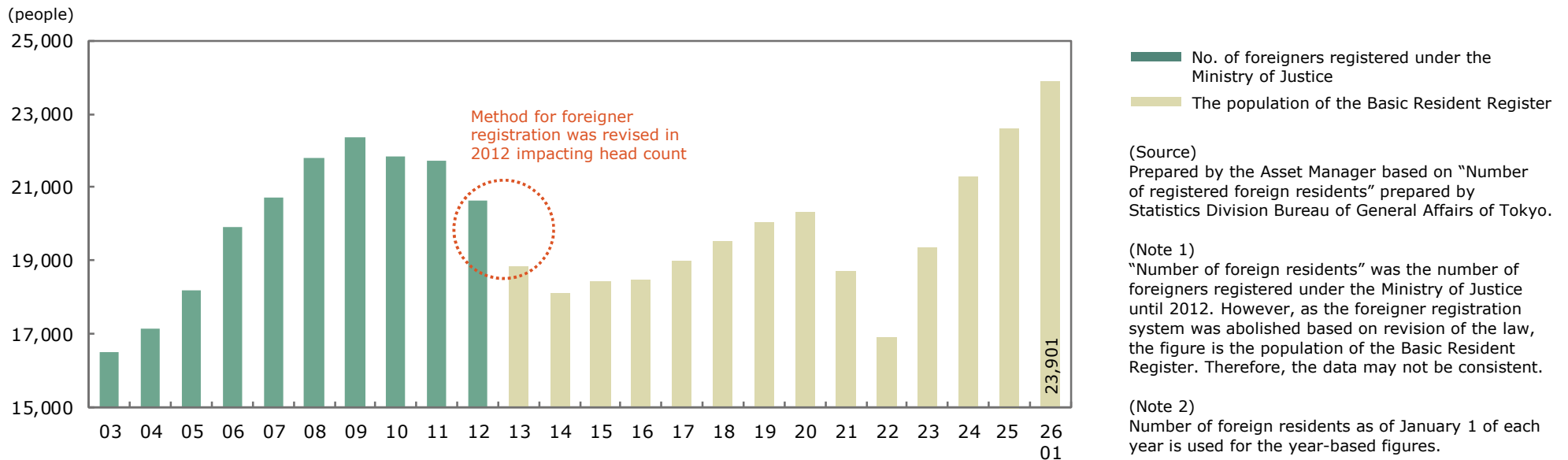
(Source)
Prepared by the Asset Manager based on "Office Market Data" by Miki Shoji Co., Ltd.

4-5 Market-related information (2)

Change in rents and vacancy rates of luxury housing (Minato ward)

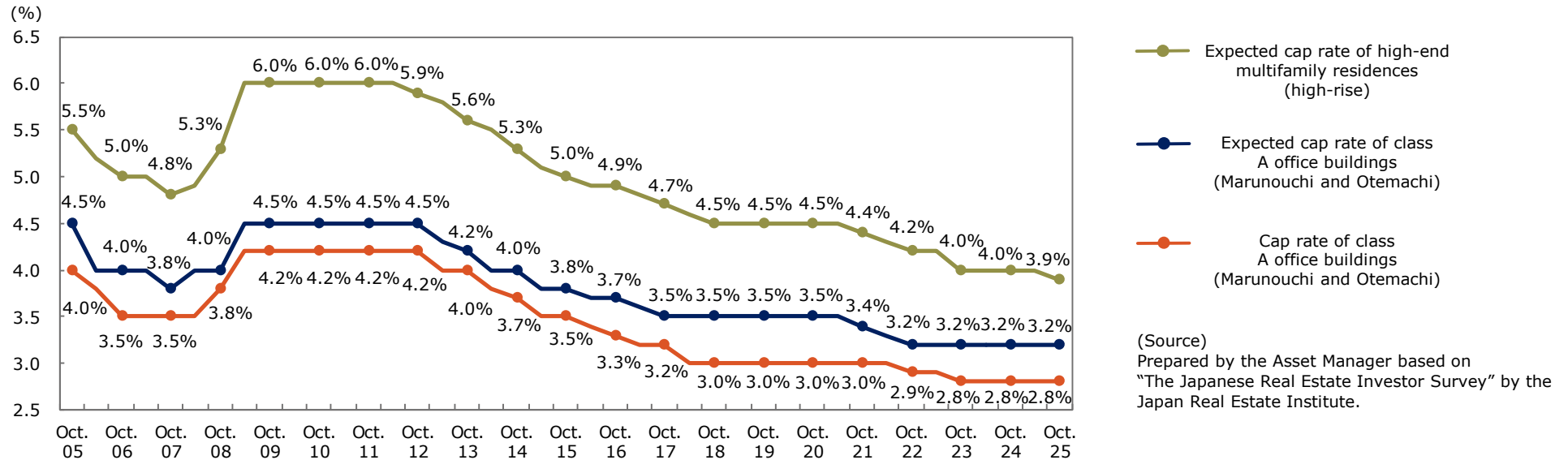


Change in number of foreign residents in Minato ward

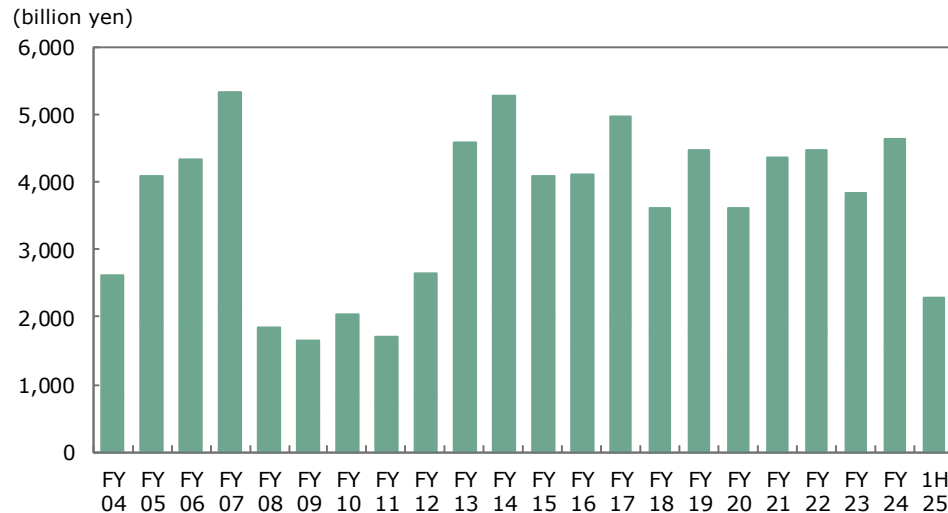


4-6 Market-related information (3)

Change in return on real estate investment

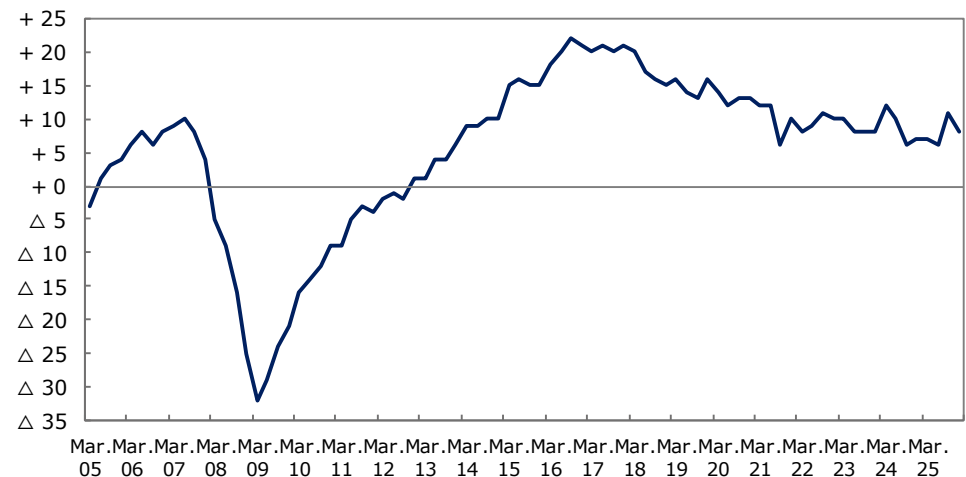


Change in real estate transaction amount



(Source) Prepared by the Asset Manager based on the "Real Estate Transaction Survey" (Estimated amount of domestic real estate transactions publicized by listed companies) by the Urban Research Institute.

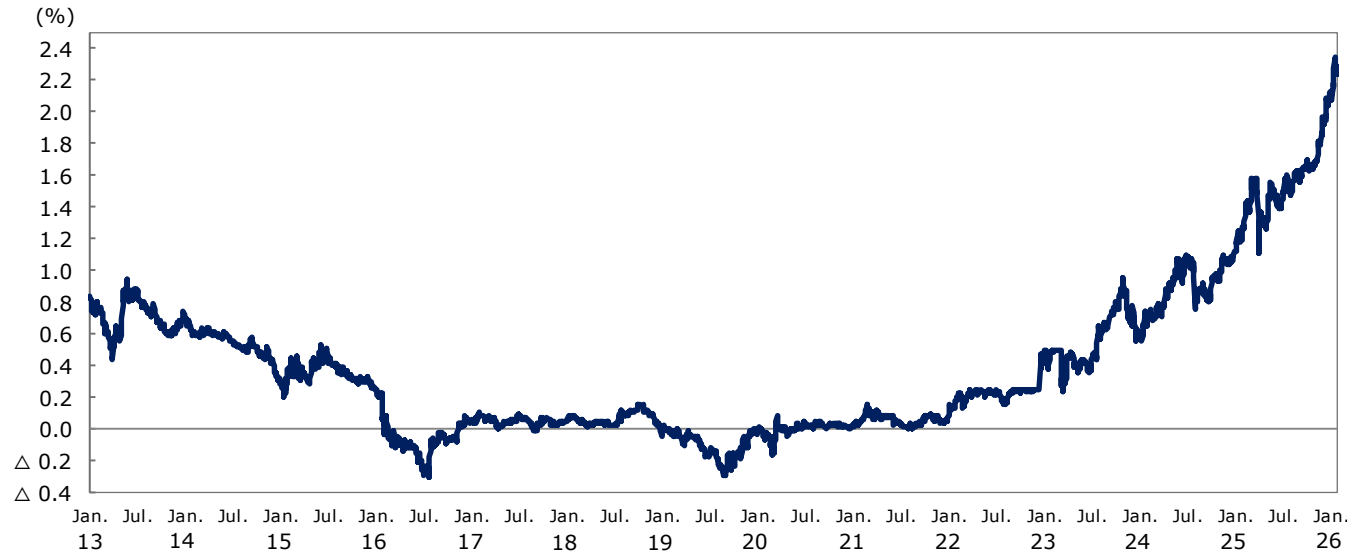
Lending attitude DI (Real estate industry)



(Source) Prepared by the Asset Manager based on "National Short-Term Economic Survey on Enterprises in Japan" by the Bank of Japan. Difference between the proportion of firms feeling the lending attitude to be accommodative less firms feeling the lending attitude to be restrictive.

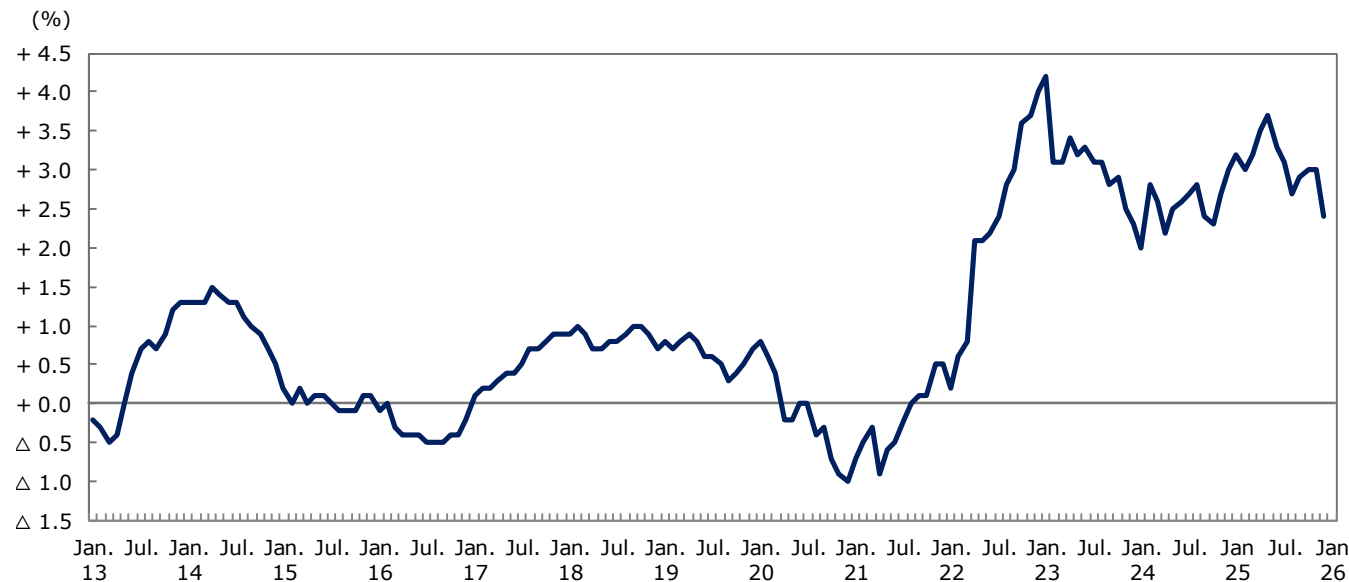
4-7 Market-related information (4)

Change in 10-year bond interest rates



(Source)
Prepared by the Asset Manager based on QUICK Qr1.

Change in core CPI (Year-on-year comparison)



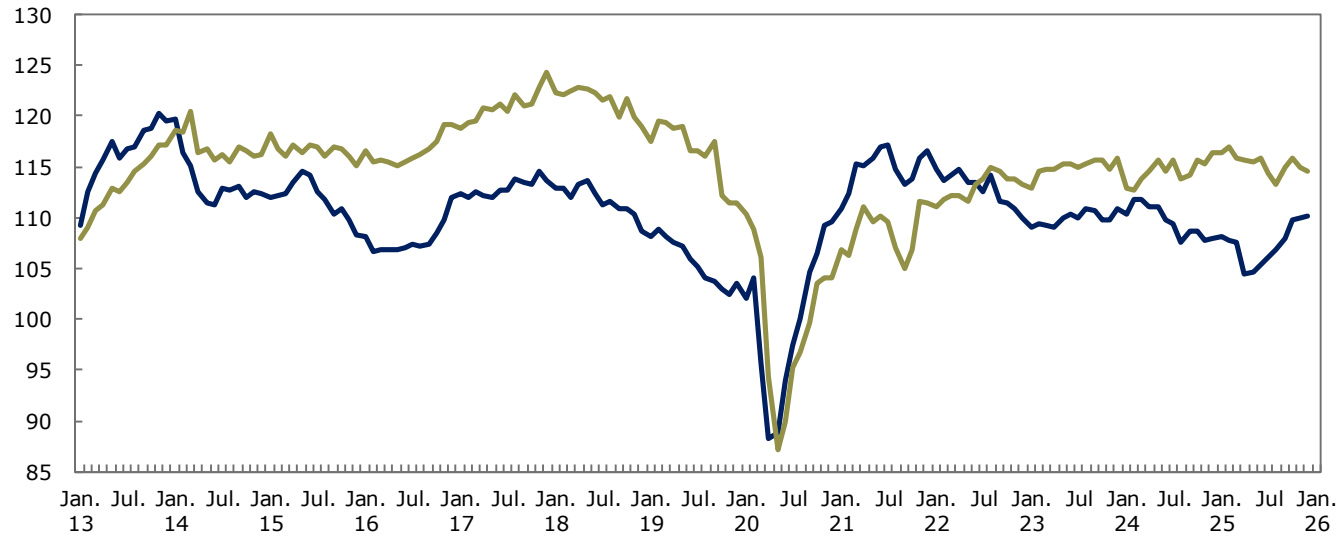
Based on figures excluding the direct effects of the consumption tax rate increase

(Source)
Prepared by the Asset Manager based on "Consumer Price Index" by Statistic Bureau, Ministry of Internal Affairs and Communications and "Economic Statistics Monthly" by the Bank of Japan.

(Note)
Figures from April 2014 to April 2015 are derived on "the basis of excluding the direct impact of the consumption tax rate increase" (Bank of Japan's "Economic Statistics Monthly").

4-8 Market-related information (5)

Business conditions composite index



Money stock (M3: year-on-year comparison)

