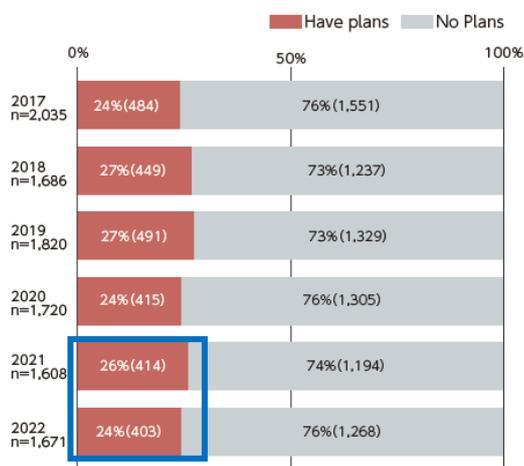


2022 Survey of Office Needs in Tokyo's Core 23 Cities Reveals Continued Increase in Demand for New Office Spaces

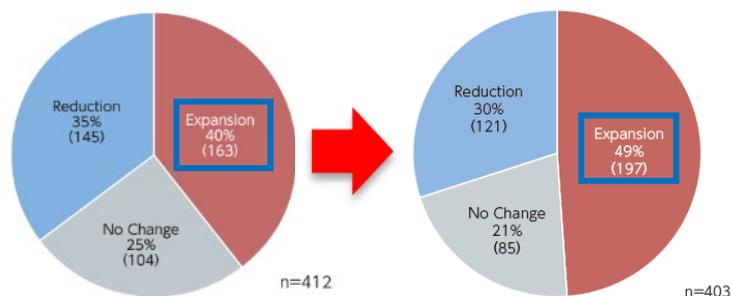
Companies seeking to improve internal/external communication and employee engagement

Tokyo, Jan 31, 2023 — Mori Building Co., Ltd., Japan's leading urban landscape developer, announced today the results of its 2022 Survey of Office Needs in Tokyo's Core 23 Cities, which the company has conducted annually since 2003 to better understand trends in the office building market. The survey, which monitors new demand for office space, is sent to companies headquartered in Tokyo's core 23 cities that are ranked globally among the top 10,000 companies in terms of paid-in capital. This latest survey, which was conducted in October 2022, showed that about one quarter of the companies surveyed have "plans to lease new space," similar to last year. Of these, companies with "plans to expand" increased from the last survey to about 50%.

■ Future Plans to Lease New Office Space

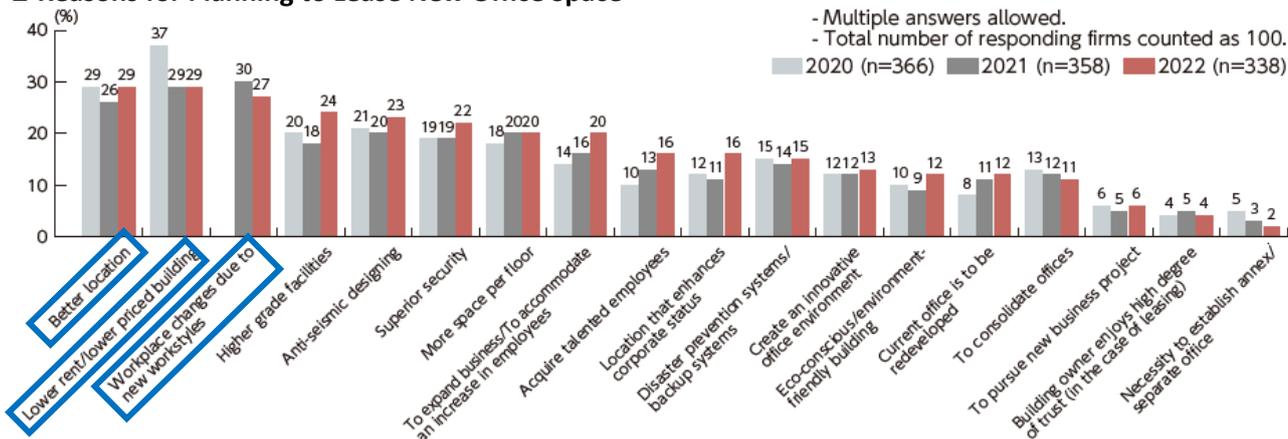


■ Plans for Expansion vs. Reduction of Space



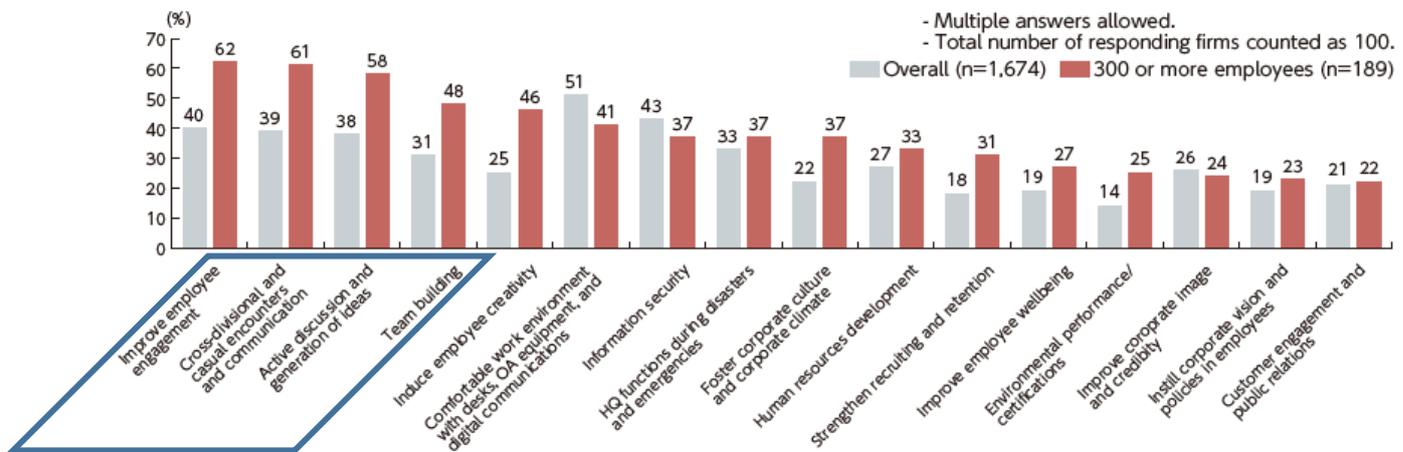
Companies planning to lease new space cited reasons including "Better location" and "Lower rent/lower-priced building" (tied for first place), followed by "Workplace changes due to new workstyles." In the last three years (2020–2022 survey), the most desired areas in which to lease new space have been those with large-scale redevelopment projects, such as Nihombashi (20%), Marunouchi (15%), Otemachi (15%), Shimbashi (13%), and Toranomon (12%). These areas continue to attract attention due to expected improvements in transportation convenience following the construction of new stations, roads and other infrastructure as well as their highly functional mixed-use developments that bring work, residence, and recreation into proximity.

■ Reasons for Planning to Lease New Office Space

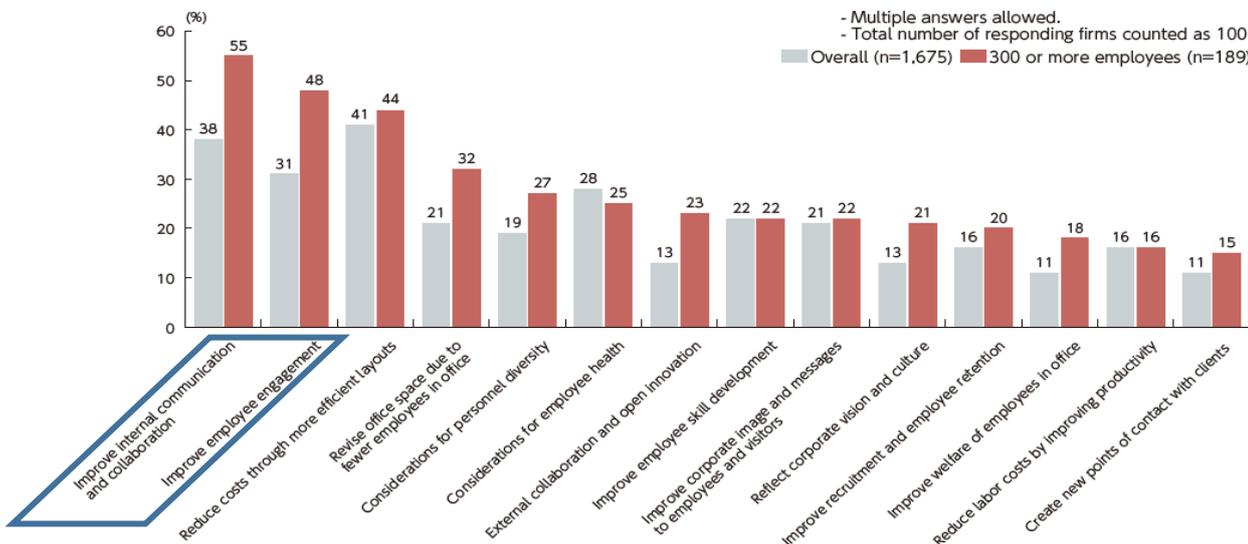


Among "larger" companies (300 or more employees), reasons for planning to lease new office space increasingly emphasized positive objectives, such as "Workplace changes due to new workstyles" (ranked first), followed by "Better location" and "Higher grade facilities." Regarding the significance, functions and roles of headquarters offices, larger firms most frequently cited "Improving employee engagement," "Cross-divisional and casual encounters and communication," and "Active discussions and generation of ideas," followed by "Team building" and "Inducing creativity." As to objectives when upgrading their office environments, the leading reason among larger companies was "Improving internal communication and collaboration" followed by "Improving employee engagement." The results indicate that larger companies are particularly interested in improving their workplaces as the roles of contemporary offices become clearer. In turn, attractive offices that can accommodate flexible workstyles and generate creative ideas and discussions through active internal and external communication are expected to attract increasing demand.

■ Significance, Functions and Roles of Headquarters Offices (company with 300 or more employees)



■ Objectives of Office Environment Development (company with 300 or more employees)



Changing and diversifying workstyles due to the COVID-19 pandemic are driving strong demand for new office leases and expanded floor space, particularly in areas of Tokyo where large-scale redevelopment projects are underway. Companies are looking to upgrade their office environments in order to enhance external and internal communications and employee engagement, which are difficult to achieve within the context of remote work, particularly for larger companies. Going forward, the market is expected to increasingly offer properties and solutions that meet the needs of contemporary office environments from both hard and soft perspectives.

About Mori Building

Mori Building is an innovative urban developer based in Tokyo. The company is committed to maximizing the magnetic power of cities by creating and nurturing safe, sustainable and cosmopolitan urban centers based on its unique Vertical Garden City concept of high-rise centers for business, education, leisure and residence. The concept is applied in the company's many leading-edge projects, including ARK Hills, Roppongi Hills and Toranomon Hills in Tokyo and the Shanghai World Financial Center. Mori Building is also engaged in real estate leasing, project management and consultation. Please visit www.mori.co.jp/en

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