

2020.11.27



Current view of Toranomon Hills area (Photo taken in June 2020)

01 Overview of Interim Financial Results for FY2020

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Overview of Interim Financial Results for FY2020 (Consolidated)



(Billions of yen)

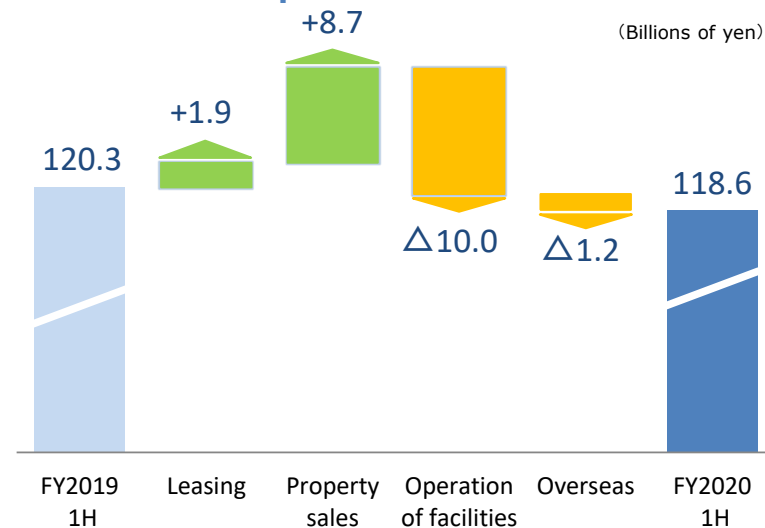
	FY2019 1H	FY2020 1H	change	
Revenue from operations	120.3	118.6	△1.6	△1%
Operating income	30.5	30.0	△0.4	△1%
Ordinary income	27.2	29.6	+2.3	+9%
Profit attributable to owners of parent	18.0	19.1	+1.1	+6%

	FY2019	FY2020 1H	change	
Total assets	2,200.3	2,210.2	+9.8	+0%
Interest-bearing debt	1,401.8	1,397.8	△4.0	△0%
Equity	525.7	529.9	+4.1	+1%
Equity ratio	23.9%	24.0%	+0.1%	-
(After considering equity capital attributes of hybrid securities)	(25.0%)	(25.1%)		
Net D/E ratio	1.95	1.93	△0.03	-
(After considering equity capital attributes of hybrid securities)	(1.82)	(1.79)		

Consolidated Income Statement for FY2020 First Half Period

	FY2019 1H	FY2020 1H	change	
(Billions of yen)				
Leasing	77.1	79.1	+1.9	
Property sales	18.5	27.2	+8.7	
Operation of facilities	14.9	4.8	△10.0	
Overseas	12.2	11.0	△1.2	
Revenue from operations	120.3	118.6	△1.6	△1%
Leasing	19.4	16.5	△2.9	
Property sales	11.2	19.5	+8.2	
Operation of facilities	1.1	△ 3.4	△4.6	
Overseas	4.5	3.8	△0.6	
Operating income	30.5	30.0	△0.4	△1%
Non-operating income	3.3	4.1	+0.7	
Non-operating expenses	6.5	4.5	△2.0	
Ordinary income	27.2	29.6	+2.3	+9%
Extraordinary income	0.1	0.7	+0.6	
Extraordinary losses	0.6	3.5	+2.8	
Income before income taxes	26.7	26.9	+0.1	
Profit attributable to owners of parent	18.0	19.1	+1.1	+6%

Revenue from operations



Operating income



Leasing	Includes revenue gained from leasing and management and operation of real estate, consigned operation of real estate, contracted construction, regional heating and cooling/electricity supply, etc.
Property sales	Includes revenue gained from real estate property sales to investors and individual customers.
Operation of facilities	Includes operation and management of hotels, membership clubs and golf courses.
Overseas	Includes urban development and real estate leasing and management businesses, etc. outside Japan.

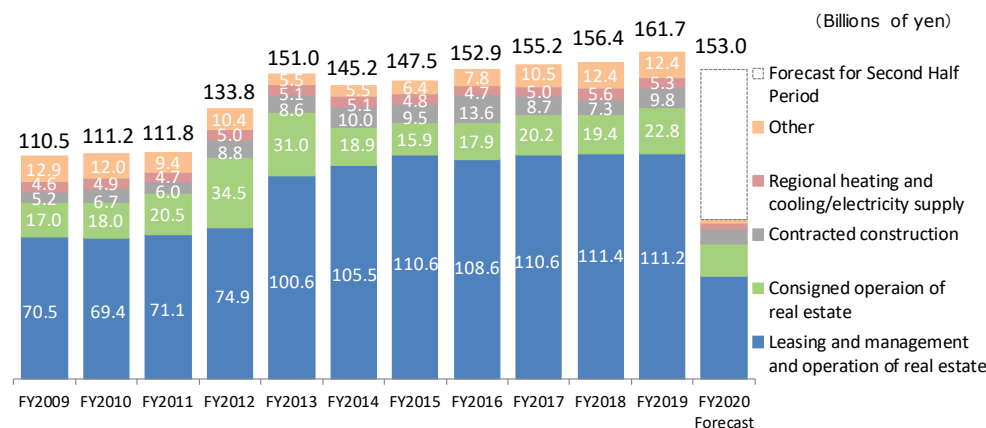
FY2020 First Half Period ~Segment Overview (Leasing)~

	FY2019 1H	FY2020 1H	change	(Billions of yen) FY2020 Forecast
Revenue from operations	77.1	79.1	+1.9	153.0
Leasing and management and operation of real estate	55.4	51.0	△4.4	-
Consigned operation of real estate	9.0	15.8	+6.8	-
Contracted construction	3.2	7.5	+4.2	-
Regional heating and cooling/electricity supply	3.0	2.9	△0.1	-
Other	6.3	1.7	△4.6	-
Operating income	19.4	16.5	△2.9	27.0

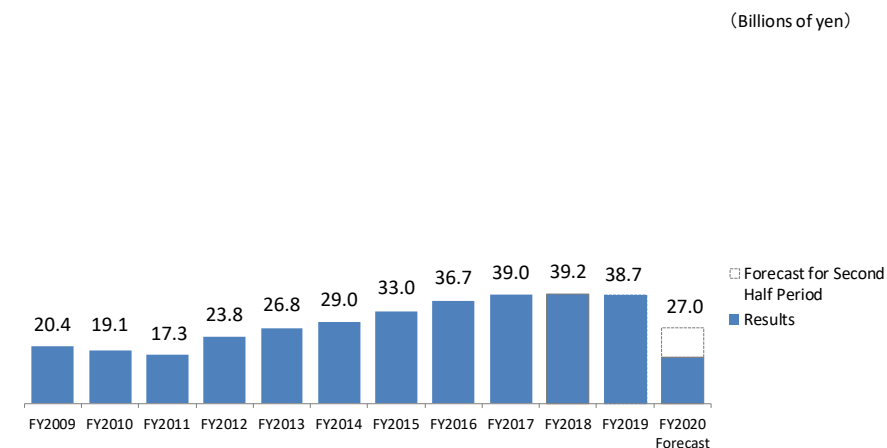
■Changes in revenue from operations for each segment



■Changes in revenue from operations

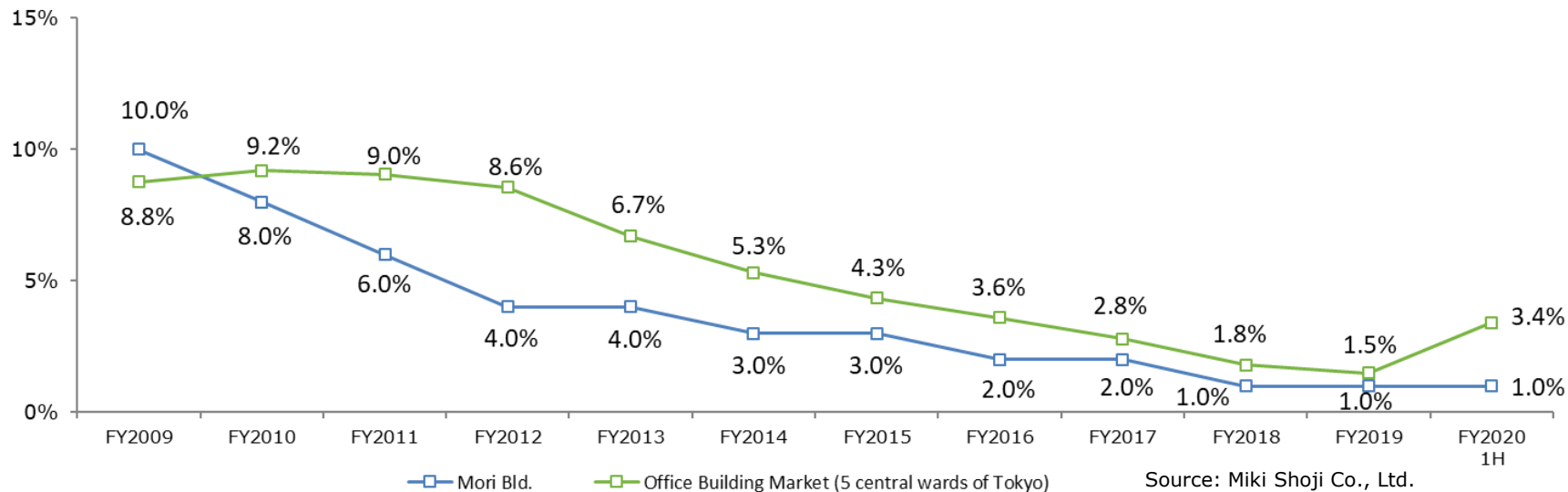


■Changes in operating income

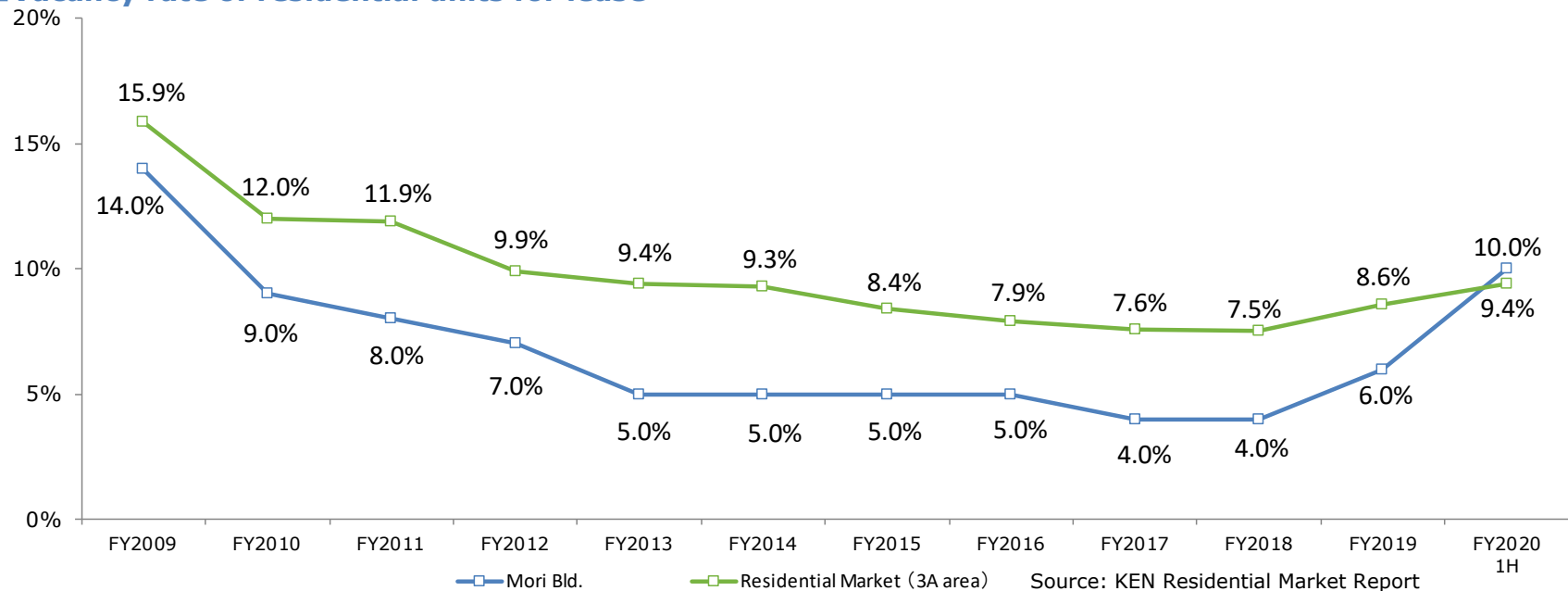


Segment Overview (Leasing) ~Vacancy rate~

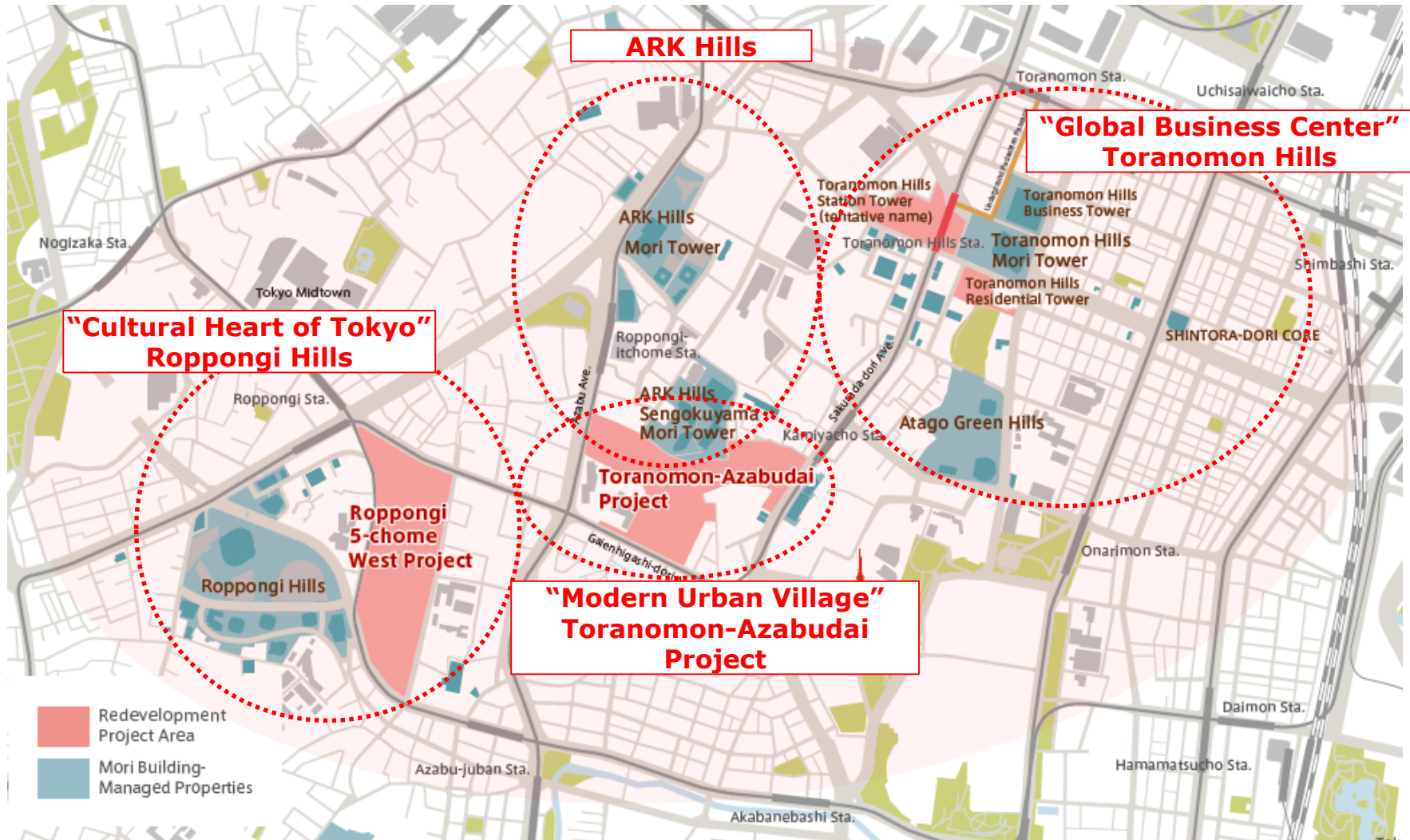
■Vacancy rate of offices for lease



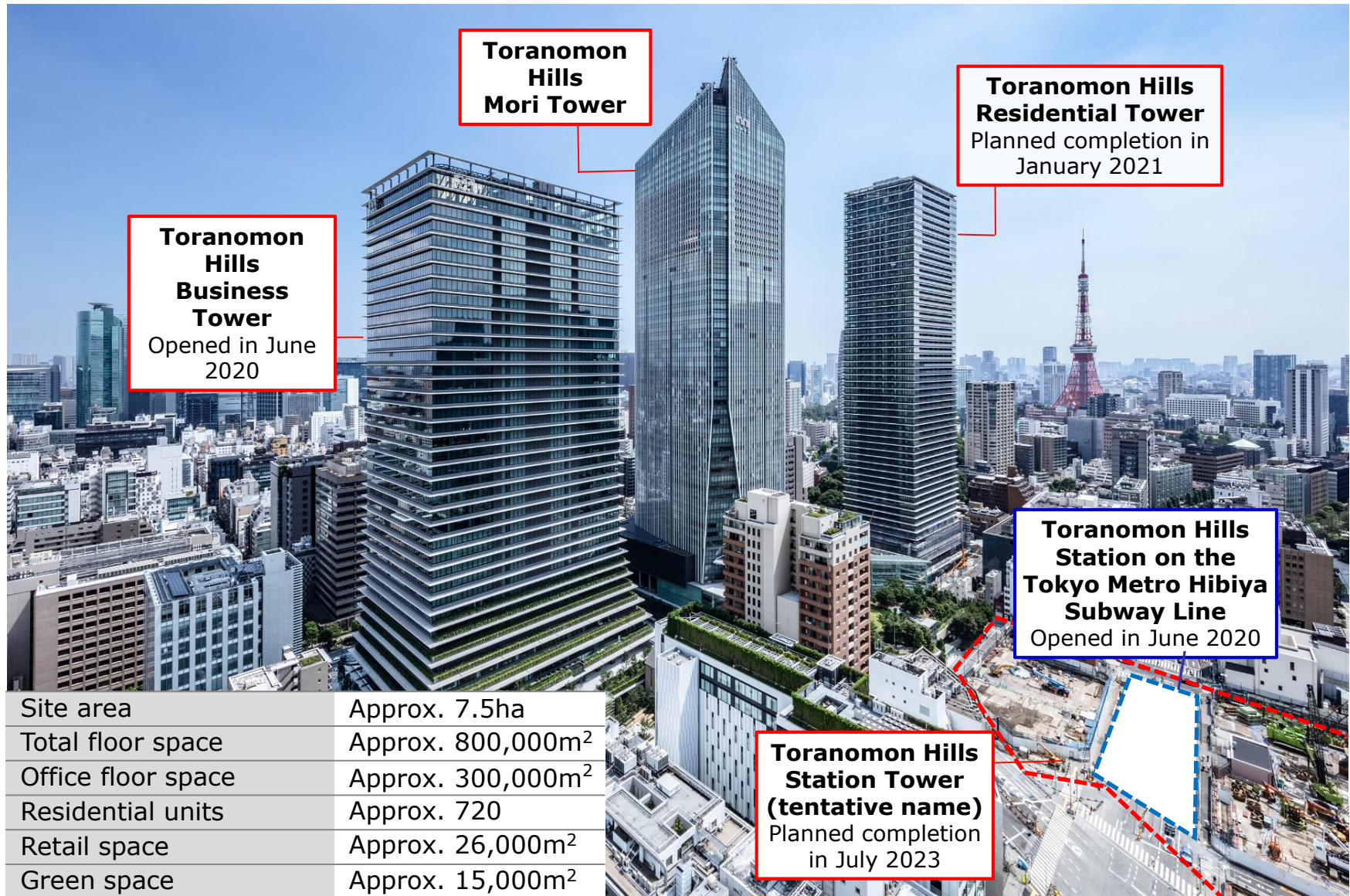
■Vacancy rate of residential units for lease



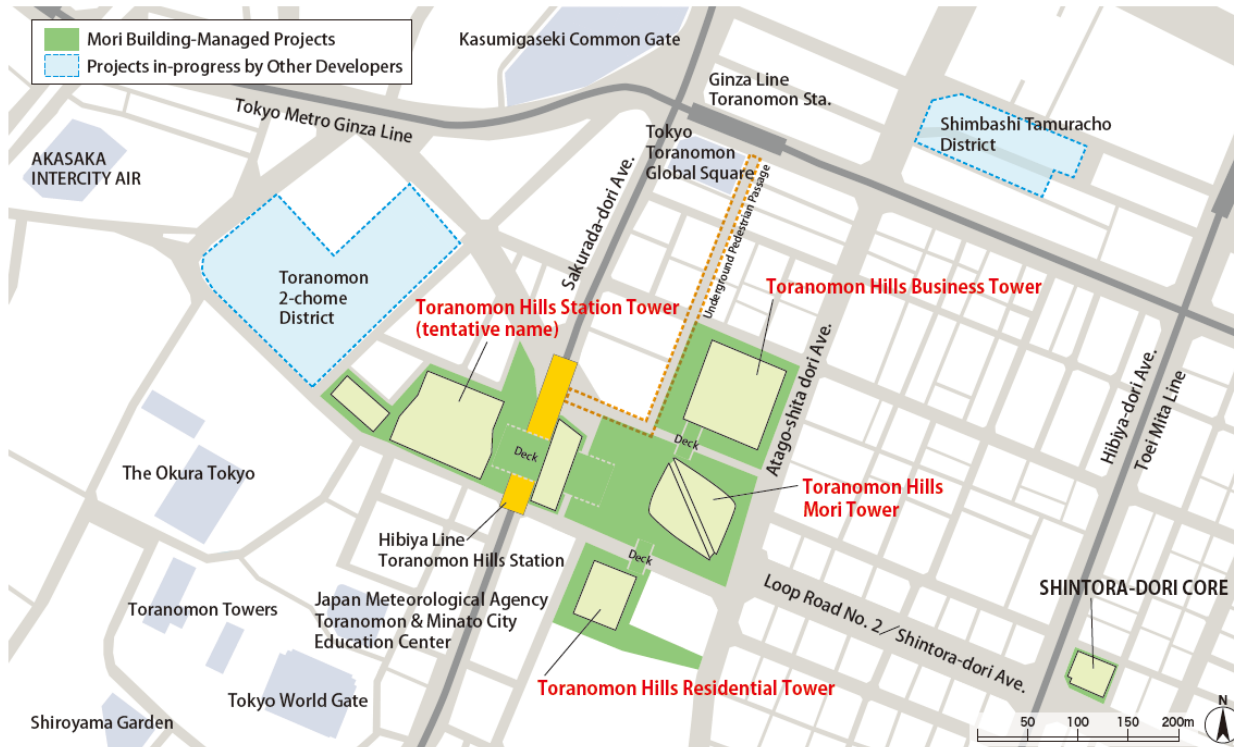
Completed and Ongoing Projects



Toranomon Hills Area Evolving as New International Hub and Global Business Center



Toranomon Hills Area Evolving as New International Hub and Global Business Center



Toranomon Hills Mori Tower

Completed in 2014

Ground area : 17,069m²
 Total floor space : 244,360m²
 Height : 247m/52 floors
 Configuration : Offices, retail facilities, residences, hotel, conference facility, etc.

Toranomon Hills Business Tower

Completed in January 2020

Ground area : Approx. 10,065m²
 Total floor space : Approx. 172,925m²
 Height : Approx. 185m/36 floors
 Configuration : Offices, retail facilities, business incubation center, bus terminal, etc.

Toranomon Hills Residential Tower

Planned completion in January 2021

Ground area : Approx. 6,530m²
 Total floor space : Approx. 121,000m²
 Height : Approx. 220m/54 floors
 Configuration : Residences, retail facilities, parenting support facilities, spa, etc.

Toranomon Hills Station Tower (tentative name)

Planned completion in July 2023

Ground area : Approx. 13,960m²
 Total floor space : Approx. 255,300m²
 Height : Approx. 265m/49 floors
 Configuration : Offices, commercial facilities, hotel, business multifunctional complex, etc.

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Toranomon Hills Business Tower	Jul. City plan decision	Jan. Establishment of redevelopment association	Feb. Start of construction			Jan. Completion			
Toranomon Hills Residential Tower	Sept. City plan decision		Mar. Start of construction				Jan. Completion		
Toranomon Hills Station Tower (tentative name)				Mar. City plan decision	Nov. Establishment of redevelopment association	Nov. Start of construction			Jul. Completion
SHINTORA-DORI CORE		Jul. Start of construction		Sept. Completion					

Toranomon Hills Business Tower Opened in 2020

- The tower, with large office spaces of approx. 3,000 m² per floor, is now fully occupied. The ARCH incubation center supports new business creation by large-scale enterprises.
- Retail facilities catering to global-player lifestyles include Toranomon Yokochō, which boasts branches of 26 famous restaurants in Tokyo, as well as other restaurants, shops and services.
- The bus terminal serves as a key departure/arrival point for airport limousine buses and the Bus Rapid Transit service to/from Tokyo's waterfront. It also features an underground barrier-free pedestrian walkway that connects with Toranomon Station on the Ginza Subway Line and Toranomon Hills Station on the Hibiya Subway Line. Additionally, a pedestrian deck connects with Toranomon Hills Mori Tower.

■ Exterior design



Toranomon Hills Business Tower

Office space measuring approx. 3,000m² per floor and total leasing space of approx. 96,000m² between the 5th and 36th floors for approx. 10,000 workers.



German architect Christoph Ingenhoven designed the Business Tower's exterior as a distinctive landmark that integrates harmoniously with Residential Tower, which is also designed by him.

■ Retail area



The tower's retail area, totaling 7,600 m², offers food and beverages, clothing, daily goods and many services to cater to global-player lifestyles.

■ ARCH incubation center



ARCH is a large incubation center, measuring some 3,800 m², designed to host innovators from diverse fields for collaboration on new business ventures by large-scale enterprises. ARCH is expected to serve as a key base for Japan's unique innovation ecosystem.

■ Bus terminal



The bus terminal, a major transportation node, is a key departure/arrival point for the BRT service to/from Tokyo's waterfront, and also airport limousine buses.

■ Pedestrian network



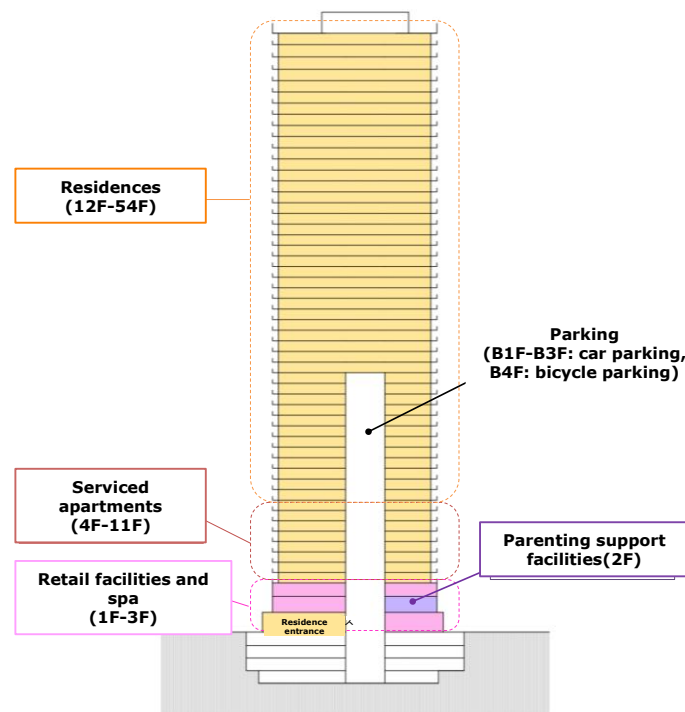
An underground barrier-free pedestrian walkway and separate pedestrian deck form a convenient walking network to integrate the entire area in and around Toranomon Hills.

Toranomon Hills Residential Tower to be Completed in Jan. 2021

- The 54-story Toranomon Hills Residential Tower is designed to harmonize with Toranomon Hills Business Tower and Toranomon Hills Mori Tower.
- Approx. 550 residential units are planned with great attention to detail for sophisticated lifestyles in central Tokyo.
- The tower will include a members-only spa and 1,000m² of practical retail facilities on its lower levels.
- The Mori Tower and Business Tower will be easily accessible via pedestrian walkways. Residents will enjoy highly convenient and rewarding lifestyles afforded by the dynamic Toranomon Hills complex.



Ground area	Approx. 6,530m ²
Total floor space	Approx. 121,000m ²
Construction start	March 2017
Planned completion	January 2021

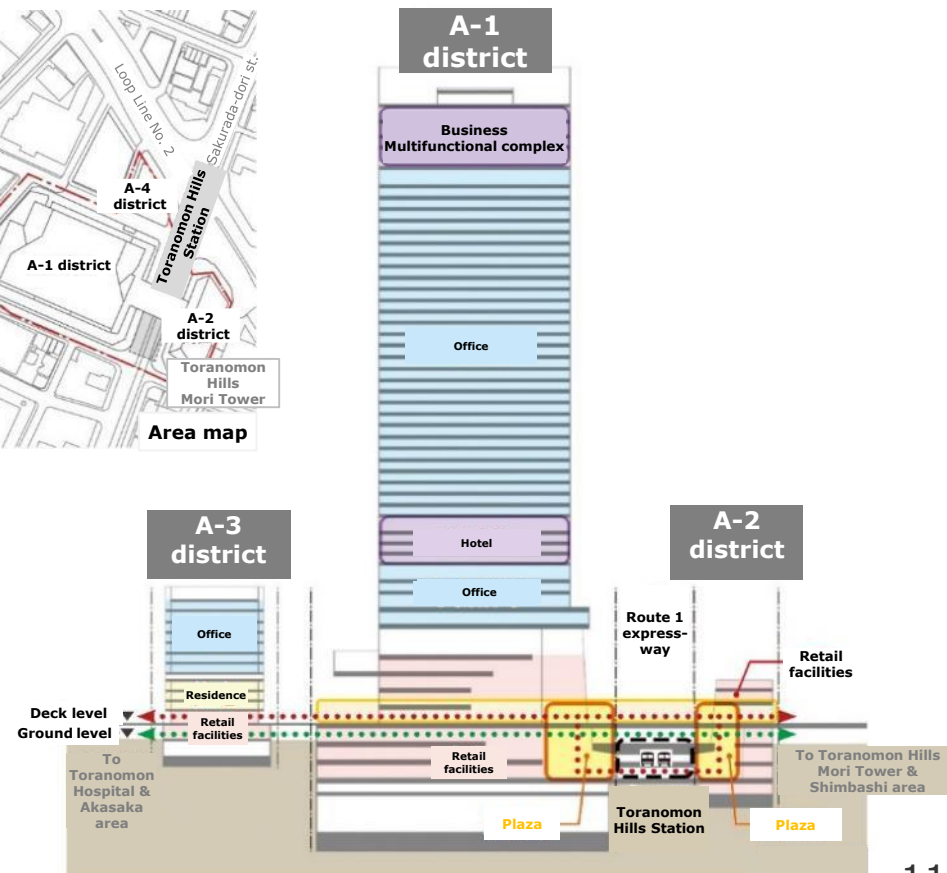
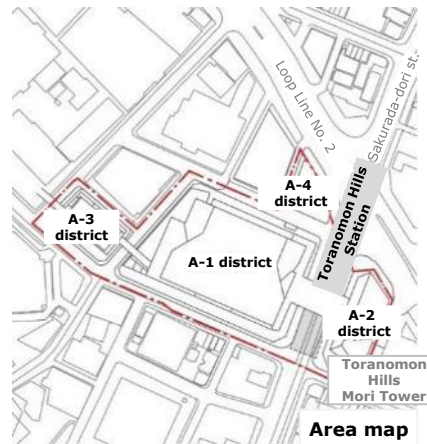


Toranomon Hills Station Tower (tentative name) to be Completed in July 2023

- Construction of Toranomon Hills Station Tower began in November 2019 and is planned to be completed in July 2023.
- The tower features a plaza connected to the Toranomon Hills Station on the Hibiya Subway Line. A multilayer pedestrian network at the ground level, underground and the deck level will be realized in conjunction with surrounding projects.
- The building will be a 265m, 49-story skyscraper offering offices, retail facilities and a hotel.
- The top floor of the A-1 district, a multifunctional complex for forums equipped to handle diverse business events, galleries and restaurant, is expected to become a new focal point for business and innovation.



Ground area	Approx. 13,960m ²
Total floor space	Approx. 255,300m ²
Construction start	November 2019
Planned completion	July 2023



Toranomon-Azabudai Project to be Completed in March 2023

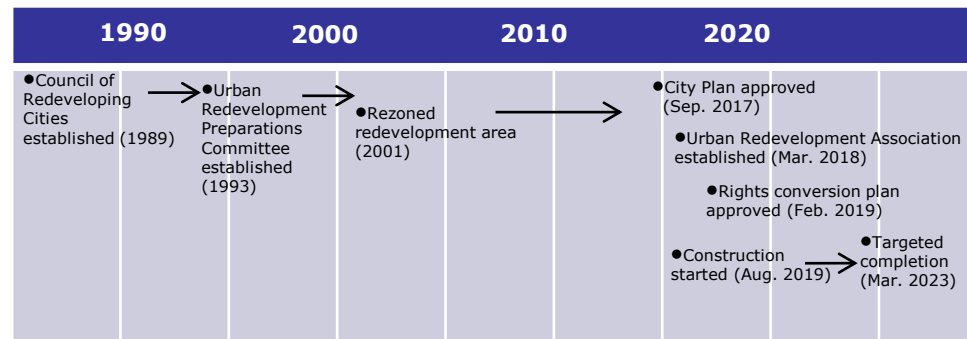
- This "Hills of the future" project boasts overwhelming scale and impact. Principal construction started in August 2019 and is scheduled to be completed in March 2023.
- The vast 8.1 hectare area will be filled with lush greenery totaling some 24,000m², including a 6,000m² central square.
- As a comprehensive development it will comprise diverse urban functions, such as offices, residences, a hotel, an international school, retail and cultural facilities.
- Toranomon-Azabudai project aims to establish a new community where diverse people assemble in a green environment to enjoy active and healthy lives, both mentally and physically.



Project image, as viewed above Sakurada-dori Ave. from the Kamiyacho station



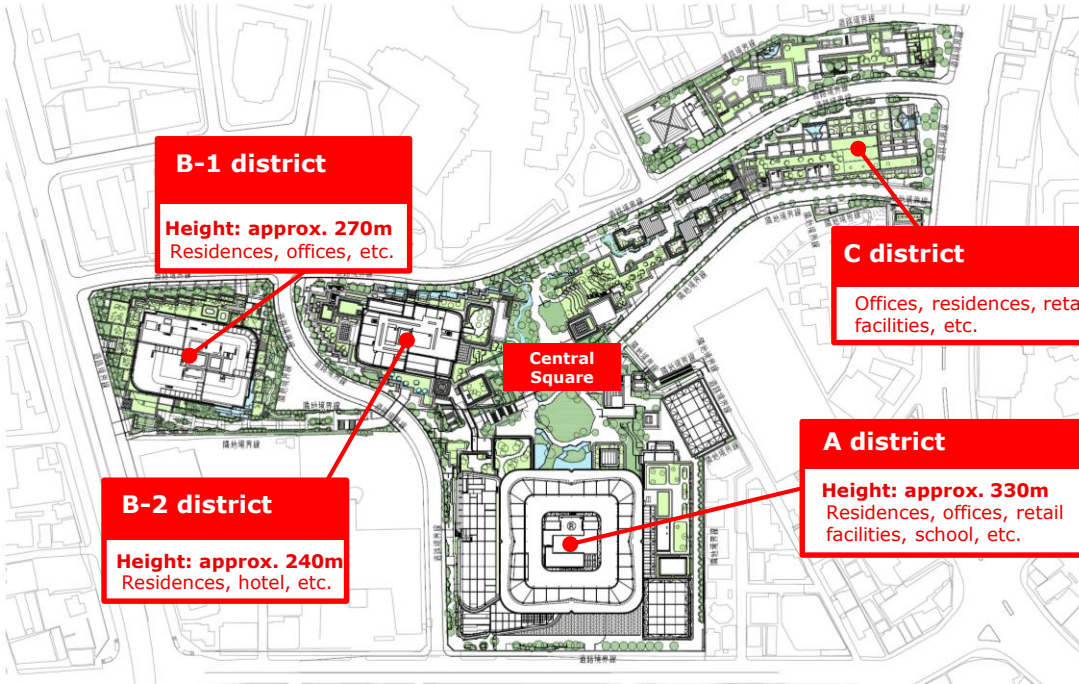
Image of central square



Site area	Approx. 8.1ha
Ground area	Approx. 63,900m ²
Total floor area	Approx. 861,500m ²
Construction start	August 2019
Targeted completion	March 2023

Toranomon-Azabudai Project to be Completed in March 2023

Site Plan



Cross-section Plan

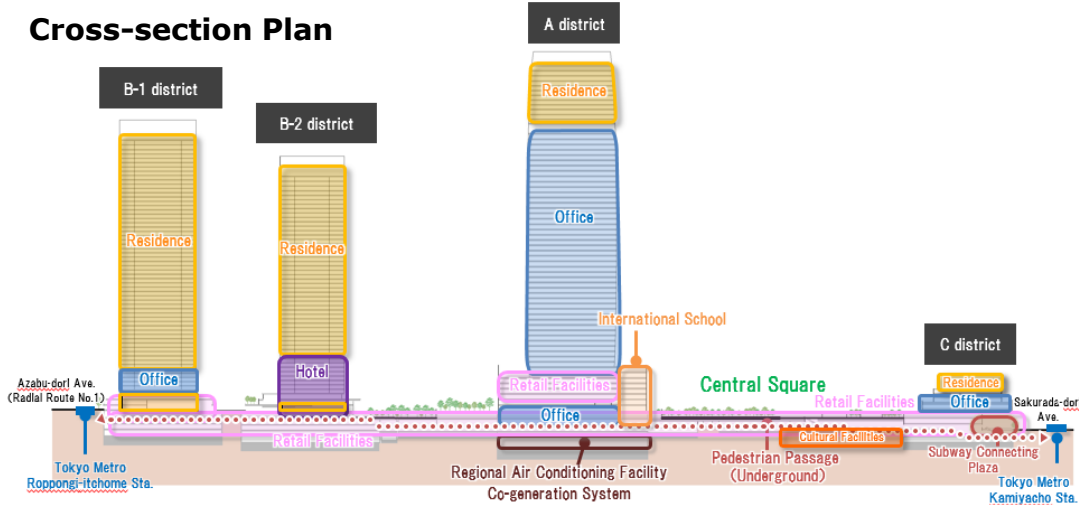


Image of retail facilities



Image of food market



Image of international school



FY2020 First Half Period ~Segment Overview (Property sales)~

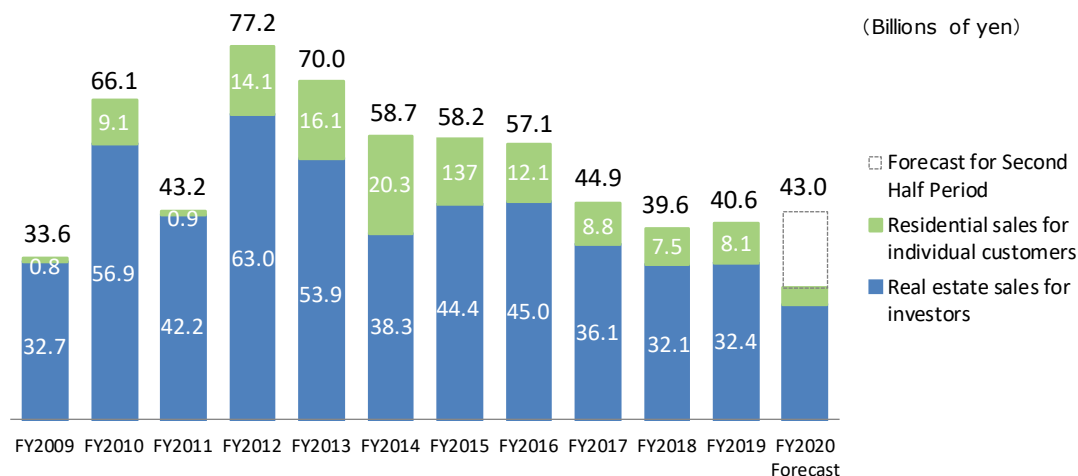
Real estate sales business

	FY2019 1H	FY2020 1H	change	(Billions of yen) FY2020 Forecast
Revenue from operations	18.5	27.2	+8.7	43.0
Real estate sales business for investors	13.9	23.8	+9.8	-
Residential sales business for individual customers	4.5	3.4	△1.0	-
Operating income	11.2	19.5	+8.2	29.0



Toranomon Hills Mori Tower

Changes in revenue from operations



Residential sales business



Motoazabu Hills

(Billions of yen)

	FY2019 1H	FY2020 1H	change	FY2020 Forecast
Revenue from operations	14.9	4.8	△10.0	13.5
Hotels	11.2	2.4	△8.7	-
Membership clubs	2.7	1.7	△1.0	-
Golf courses	0.9	0.6	△0.2	-
Operating income	1.1	△ 3.4	△4.6	△ 5.0

■ Major facilities operated by Mori Building

- Grand Hyatt Tokyo



Presidential Suite

- Andaz Tokyo



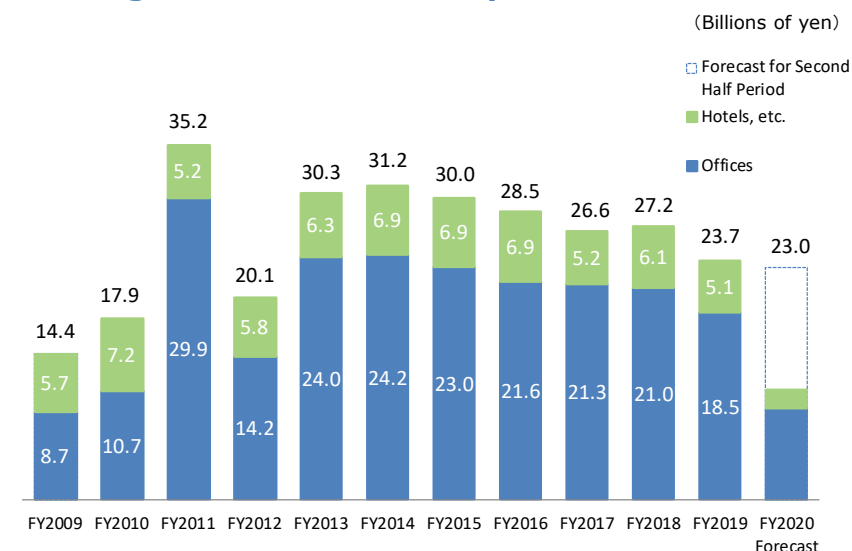
Andaz Sky Suite

FY2020 First Half Period ~Segment Overview (Overseas)~

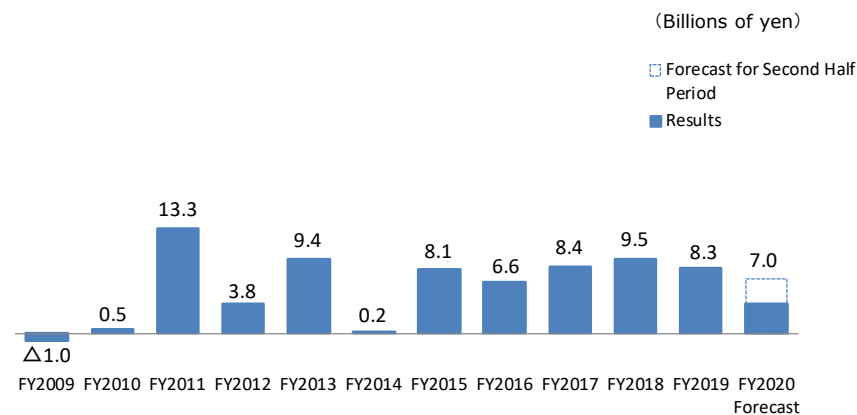
	FY2019 1H	FY2020 1H	change	FY2020 Forecast
Revenue from operations	12.2	11.0	△ 1.2	23.0
Offices	9.3	9.1	△ 0.2	-
Hotels, etc.	2.9	1.8	△ 1.0	-
Operating income	4.5	3.8	△ 0.6	7.0

Offices	Leasing and management of offices and stores such as "Shanghai World Financial Center", "Hang Seng Bank Tower", etc.
Hotels, etc.	Operation of facilities such as "Park Hyatt Shanghai", observatory facilities, etc.

Changes in revenue from operations



Changes in operating income



Shanghai World Financial Center
Completed in August 2008



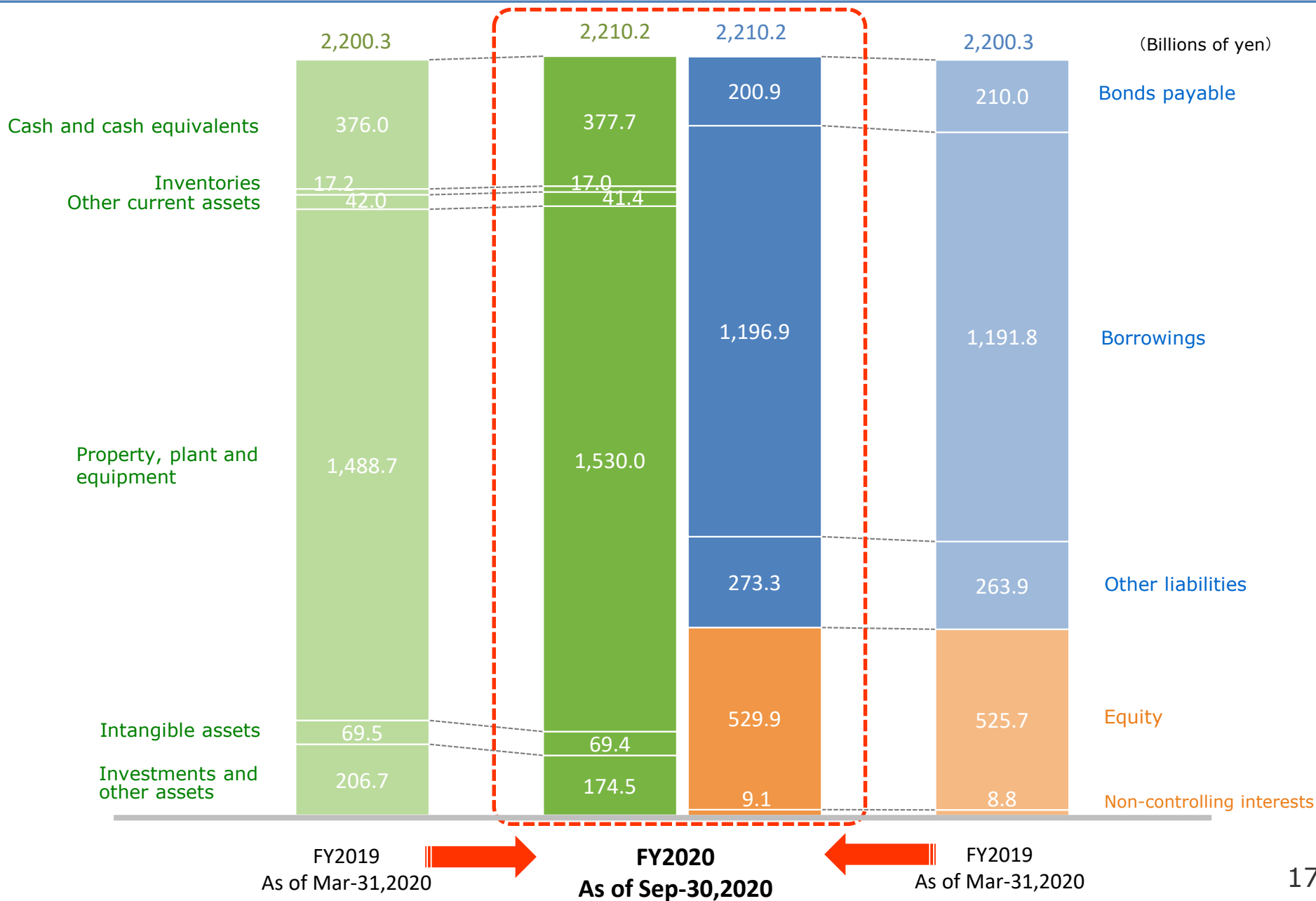
Park Hyatt Shanghai



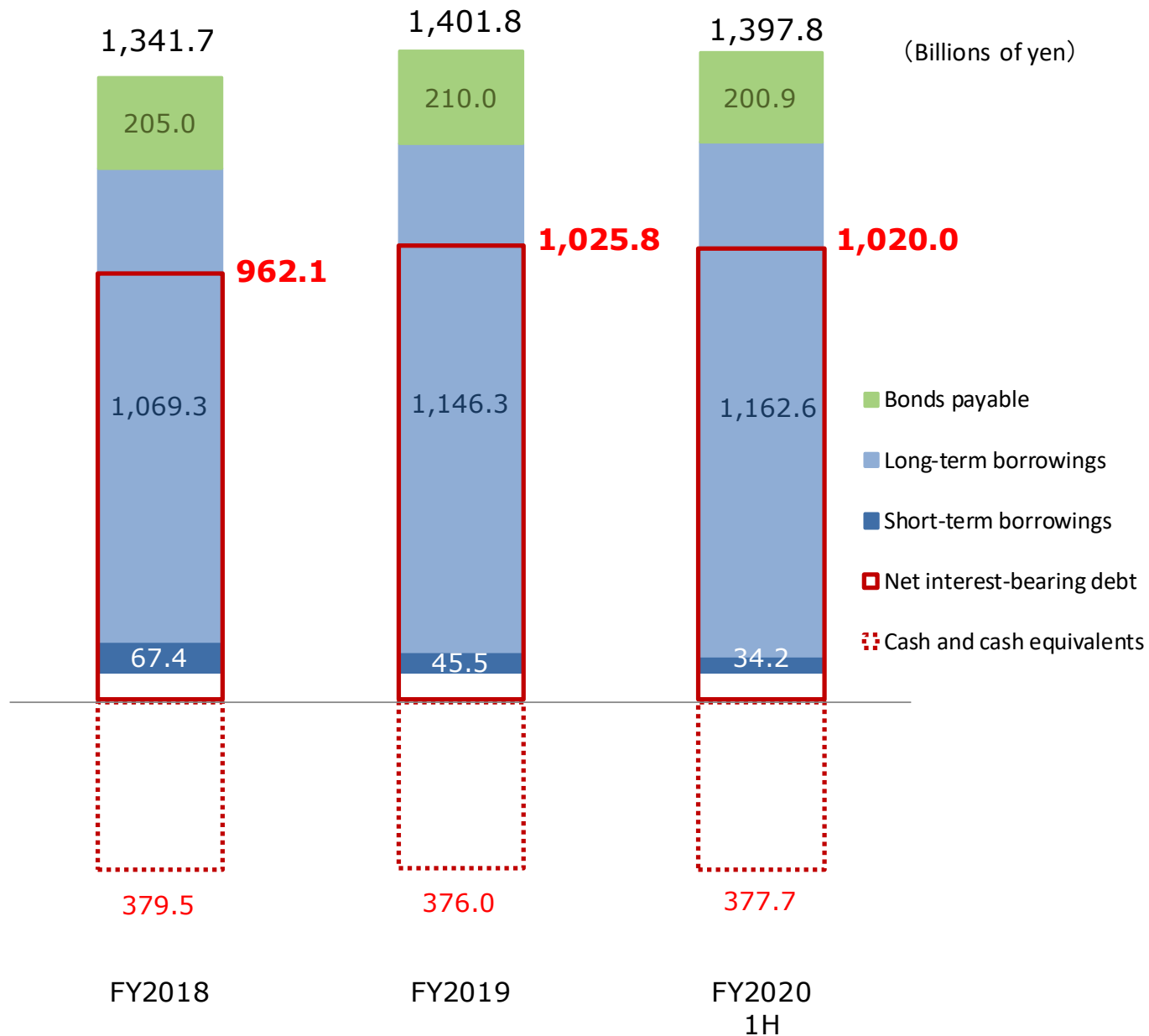
Observatory (Sky walk 100)
474m above the ground

Summary of Consolidated Balance Sheet for FY2020 First Half Period

(Billions of yen)



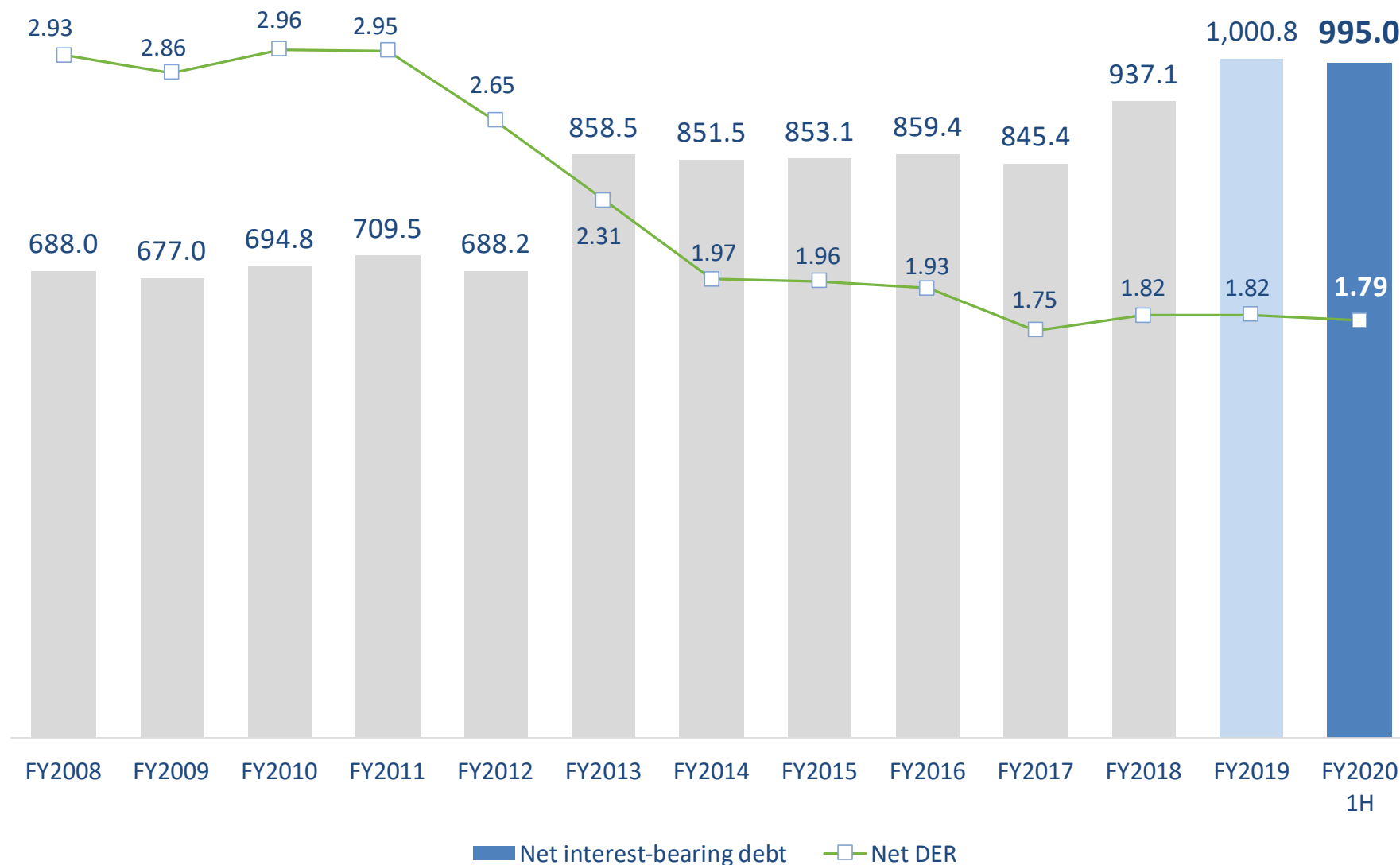
Status of Interest-bearing debt for FY2020 First Half Period



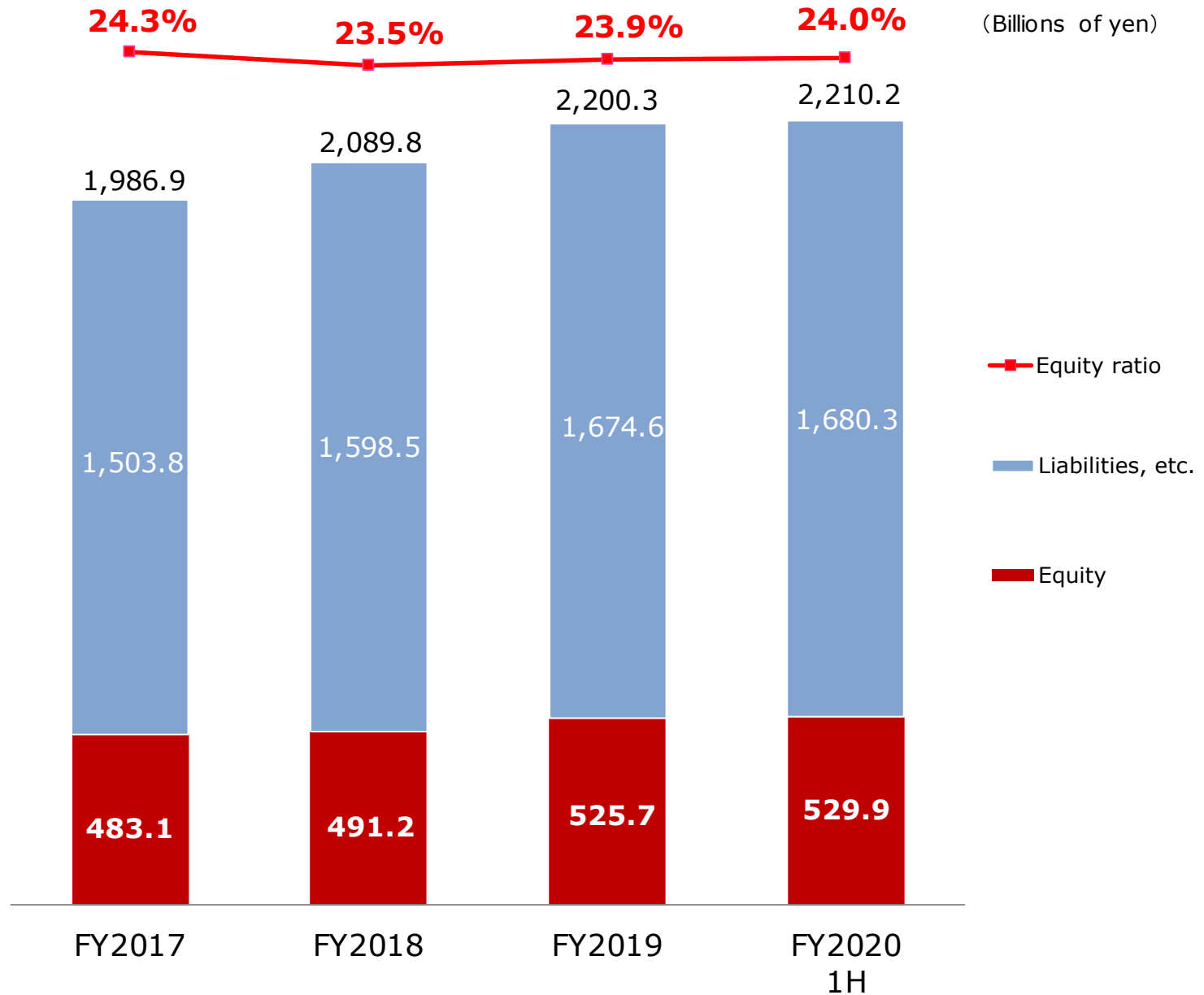
Changes in Net Interest-bearing debt and Net DER

※ After considering equity capital attributes of hybrid securities

(Billions of yen)

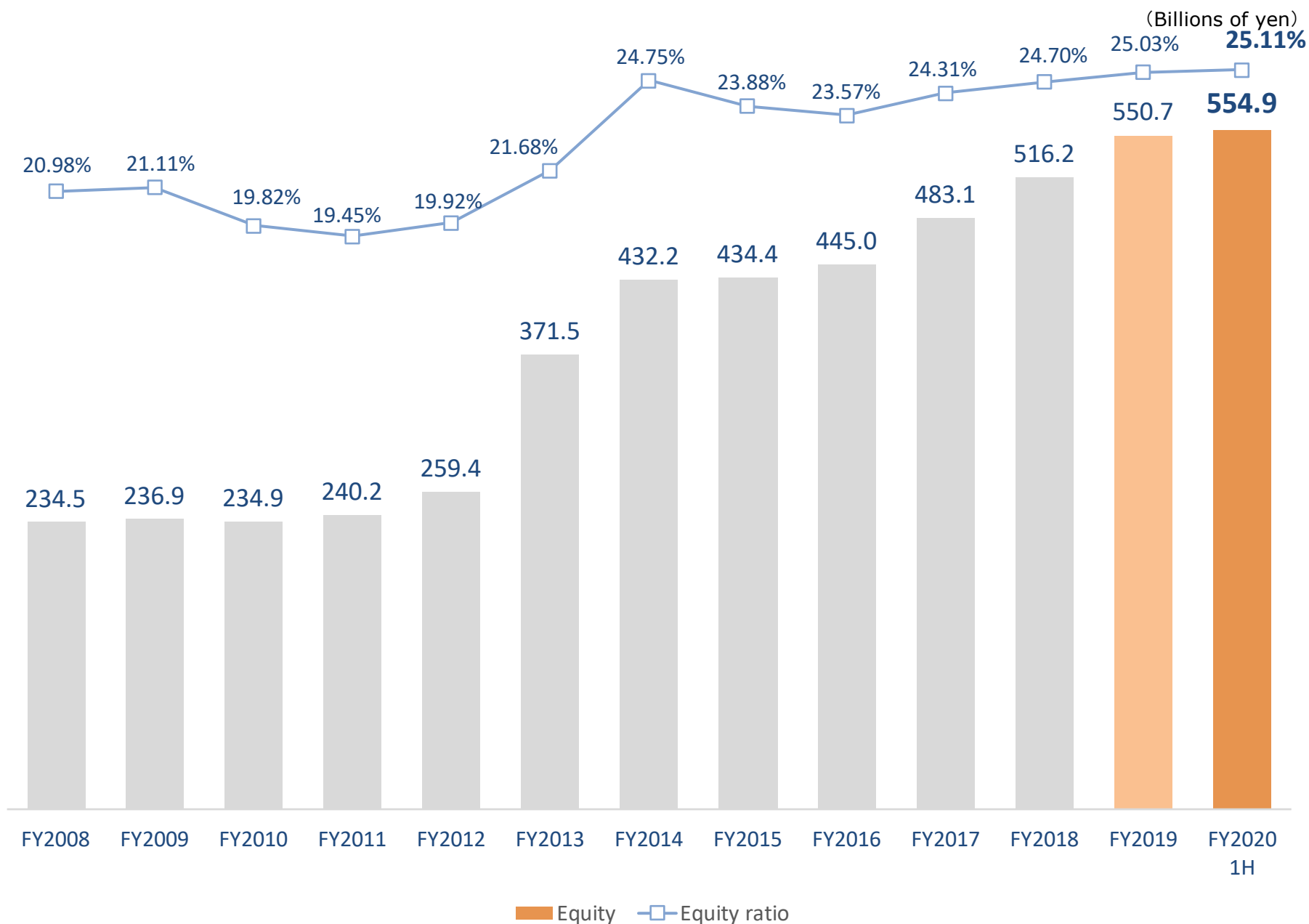


Status of Equity (Ratio) for FY2020 First Half Period



Changes in Equity (Ratio)

※ After considering equity capital attributes of hybrid securities



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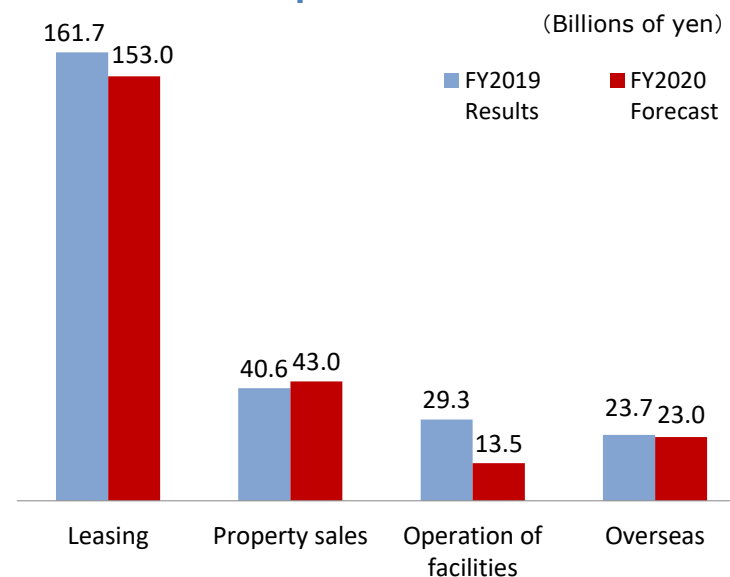
03 Environmental Initiatives

04 Referential Materials

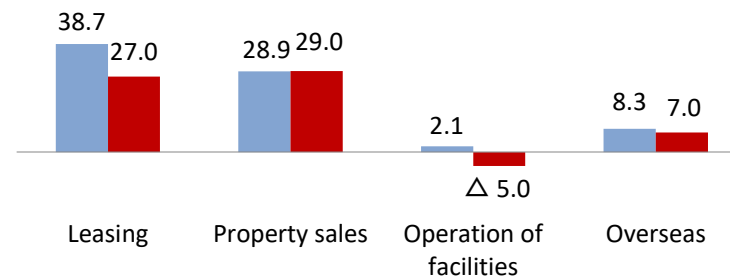
Financial Forecasts for FY2020

	FY2019 Results	FY2020 Forecast	change
(Billions of yen)			
Revenue from operations	250.2	225.5	△24.7
Leasing	161.7	153.0	△8.7
Property sales	40.6	43.0	+2.3
Operation of facilities	29.3	13.5	△15.8
Overseas	23.7	23.0	△0.7
Operating income	65.7	44.0	△21.7
Leasing	38.7	27.0	△11.7
Property sales	28.9	29.0	+0.0
Operation of facilities	2.1	△ 5.0	△7.1
Overseas	8.3	7.0	△1.3
Ordinary income	60.7	40.0	△20.7
Profit attributable to owners of parent	31.3	28.0	△3.3

Revenue from operations



Operating income



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Policy for acquiring environmental certifications

When constructing flagship-level buildings, Mori Building aims to secure top-level evaluation through certifications for environmental performance and urban greenery, and thereafter strives to acquire and maintain CASBEE, LEED, etc. certifications.

Acquisition plan of certifications for new construction projects

Based on the above policy, Mori Building plans to obtain the following environmental certifications.

Project name	Construction Completion	Environment				Health and comfort	
		LEED ND (Neighborhood development)	LEED BD+C (Building Design and Construction)	BGA Green Mark	CASBEE- for Building (new construction)	WELL Building Standard	CASBEE-Wellness Office
							
Toranomon Hills area		●					
Toranomon Hills Business Tower	2020				●		
Toranomon Hills Station Tower (tentative name)	2023		●		●		
Toranomon-Azabudai project		●					
A district	2023		●		●	●	●
Abroad				●		●	
The Jakarta Office Tower Project	2021			●		●	

Note: The information above is subject to change.

Projects that have acquired CASBEE certification

【CASBEE- for Building (new construction)】

Toranomon Hills Mori Tower



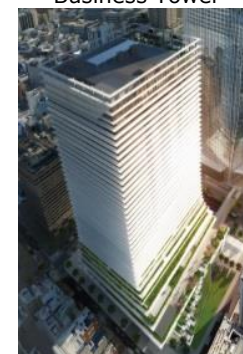
Rank S (certified in 2011)

ARK Hills Sengokuyama Mori Tower



Rank S (certified in 2010)

Toranomon Hills Business Tower



Rank S (certified in 2017)

Projects and real estate certified for environmental performance

CASBEE- for Building (new construction)



- Toranomon Hills Mori Tower (rank S)
- ARK Hills Sengokuyama Mori Tower (rank S)
- Toranomon Hills Business Tower (rank S)
- Toranomon-Azabudai Project A district (rank S)

CASBEE Real Estate



- Toranomon Hills Mori Tower (rank S)
- ARK Hills Sengokuyama Mori Tower (rank S)
- Hirakawacho Mori Tower (rank S)
- Roppongi Hills Mori Tower (rank S)
- ARK Mori Building (rank S)
- Atago Green Hills Mori Tower (rank S)
- Holland Hills Mori Tower (rank S)
- Akasaka Tameike Tower (rank A)
- Koraku Mori Building (rank S)

Confirming Mori Building's urban development achievements world-wide

Mori Building pursues LEED and WELL global-standard certifications to convey the attractiveness of its urban developments globally. The company's urban development initiatives are highly in tune with the ideals represented in these certifications.

Aiming at top rating levels in global certifications

Complexes where everyone can feel fulfillment and minimize their environmental impact



Environmental Achievements evaluated in LEED

- Compact urban developments that organically integrate diverse urban functions
- Walkable, Safe and lively streets
- Creation of rich open spaces
- Use of renewable energy
- Effective use of rainwater and water saving
- Comfortable, safe, secure and sustainable complex



Mori Building aims to be the first to acquire LEED's top Platinum level certification in a business area.



LEED: Leadership in Energy & Environmental Design

LEED is a globally recognized green building rating system that focuses on the strategy to build high-level environment for architects and cities. It authenticates buildings and developments which promote sustainable clean energy, and is considerate of one's health, while reducing costs and capital as well (Reference: Green Building Japan).

LEED ND (Neighborhood Development) evaluates from the plan phase to the construction phase of complex area development.

Measures for the environment and employees as core corporate values



Health achievements evaluated in WELL

- Providing safe, good-tasting water
- Lighting according to biological rhythms
- Healthful meals
- Exercise opportunities
- Places and materials that support mental health



Mori Building's Projects has registered WELL certifications on the world's largest scale to support people's health and comfort.

WELL Building Standard™

An evaluation system that aims to create a better environment by incorporating consideration for the concept of "human health" in the design, construction and operation of living spaces. Complementing the evaluation of environmental performance by bodies such as LEED and CASBEE, this is the world's first building and indoor environmental evaluation system that focuses on the health and comfort of those living and working in specific environments. In particular, various aspects of design with a potential impact on residents' health are evaluated and verified from a medical standpoint as well as from an environmental engineering perspective. (Reference: Green Building Japan).

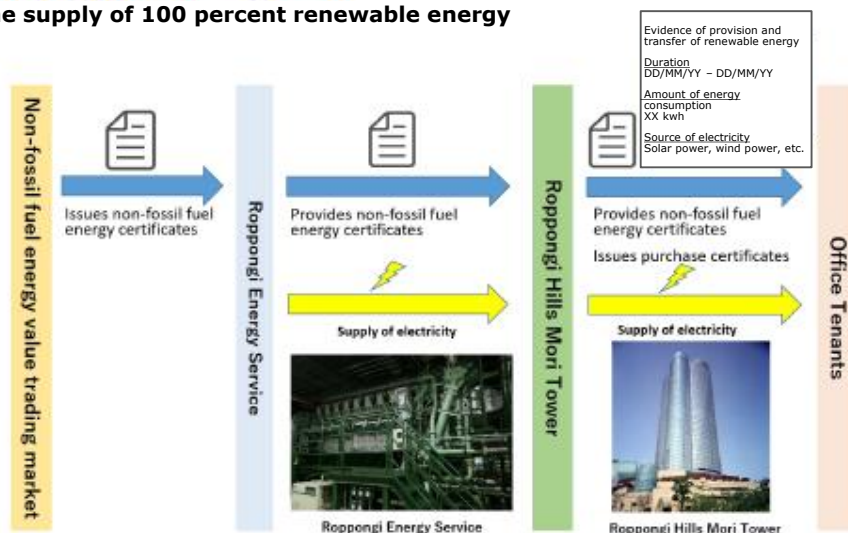
Excerpt from press release
issued by Mori Building on September 2, 2019:

Mori Building Commences Supply of Electricity from Renewable Sources to Roppongi Hills

Aiming to promote the realization of low-carbon urban environments
Compliant with global corporate initiatives such as RE100

Mori Building has begun to supply electricity from renewable sources to tenants in the Roppongi Hills Mori Tower in Tokyo through the utilization of Japan's non-fossil fuel energy value trading market, the first initiative in Japan by an office leasing company to supply electricity from renewable sources to its tenants. This was made possible by the fact that Roppongi Hills has its own energy plant and a registered electricity retailer, Roppongi Energy Service Co., Ltd., that operates the plant.

The supply of 100 percent renewable energy



Customers supplied non-fossil energy by Mori Building
(as of November 11, 2020):

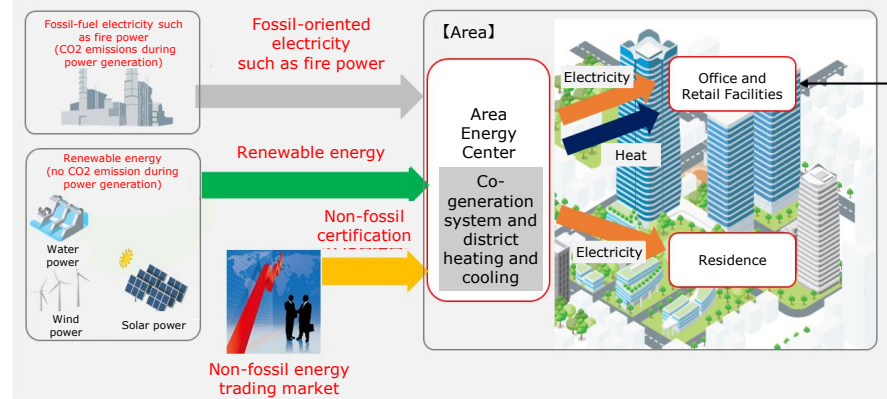
■ Roppongi Hills Mori Tower
8 cases

■ Toranomon Hills Business Tower
3 cases

Note: Includes planned cases



In addition to the above, all electricity to be supplied in the Toranomon-Azabudai project will be renewable energy, compliant with "RE100" (100% renewable energy).

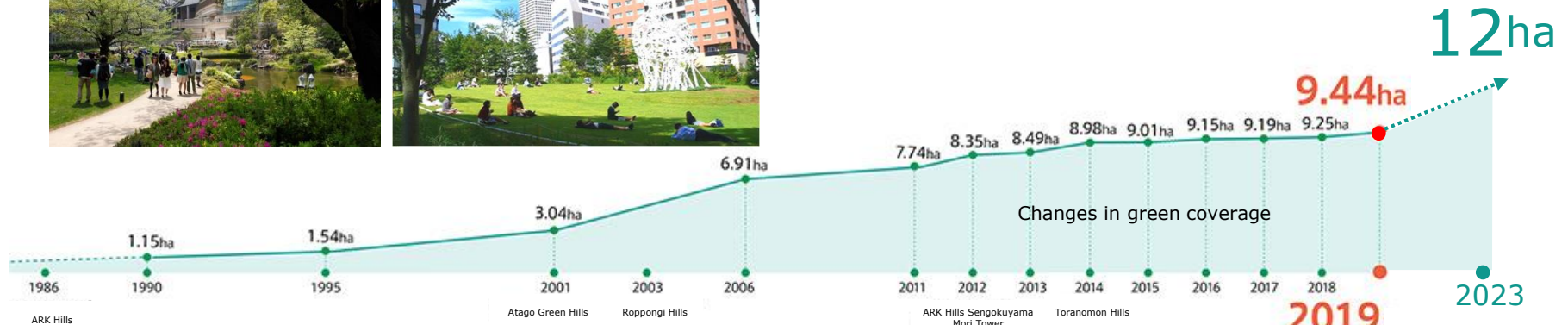


After the completion of the Toranomon-Azabudai project, the renewable energy ratio* of the Mori Building Group is expected to be approximately 30%.

*Proportion of renewable energy to all electricity used by Mori Building Group in Japan, including projected energy provision at Roppongi Hills and Toranomon Hills Business Tower

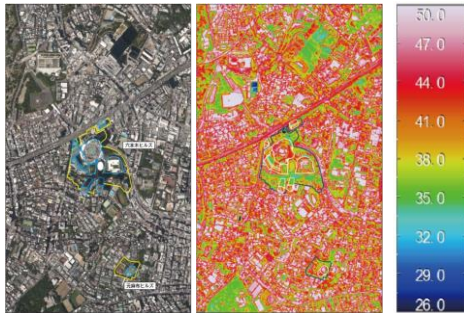
Large-scale urban greenery

- Beginning with ARK Hills in 1986, Mori Building has been implementing large-scale greenery initiatives.
- As of 2019, green areas at major Hills properties totaled 9.44ha.
- Including future developments, these green areas are expected to expand to approximately 12ha by 2023.



Addressing Heat Island phenomenon

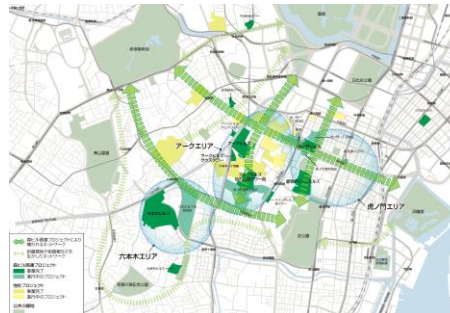
Major Hills properties average 42.2% green coverage rate (Minato Ward overall average is: 21.8%). Greenery helps to suppress the urban heat-island phenomenon and lowers ground surface temperatures compared to surrounding areas.



Surface temperatures at Roppongi Hills is 5°C to 15°C lower than those in surrounding areas.

Creating Ecological Networks

Linking green area of each Hills Projects to foster a local ecosystem.



Greenery certifications

Certification cases

JHEP certification AAA
(Ecosystem Conservation Society-Japan)



ARK Hills
Sengokuyama Mori
ToTower,
Toranomon Hills Mori
Tower

ABINC certification
(Association for Business Innovation in harmony with Nature and Community)



Roppongi Hills Cross
Point

EDO-MIDORI
Registered green area
(Bureau of Environment,
Tokyo Metropolitan
Government)



ARK Hills
Sengokuyama Mori
Tower

"Urban Oasis" in Social
and Environmental
Green Evaluation System
(Organization for Landscape
and Urban Green
Infrastructure)



ARK Mori Building,
Roppongi Hills Mori
Tower, Toranomon
Hills Mori Tower



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03 Environmental Initiatives

04 Referential Materials

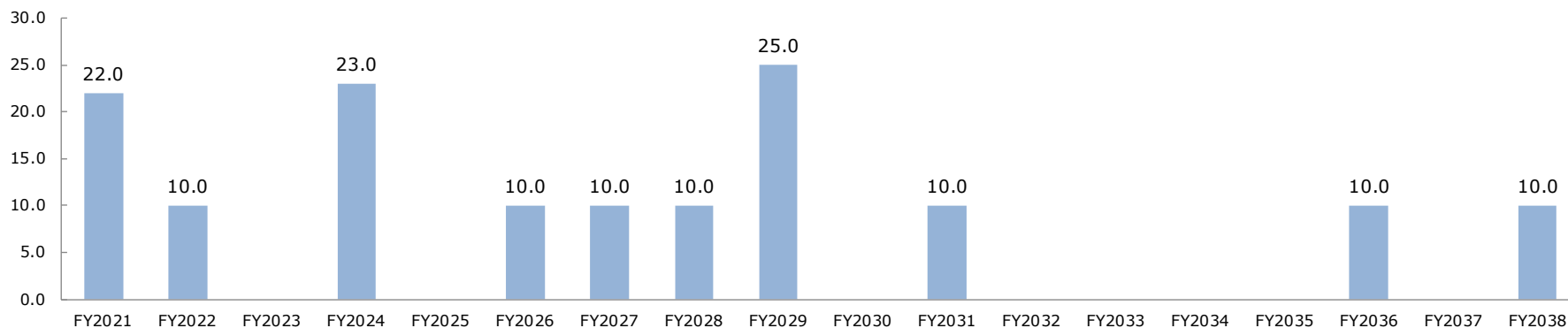
Bond Issuance Policy

Corporate bonds will be issued in a flexible manner, taking into account the level of other companies in the same industry and other factors, with a limit of 20% to 25% of non-consolidated interest-bearing debt for the time being, depending on market trends.

■ Details of bonds in issue (as of November 30, 2020)







Issue No.	Launch date	Maturity date	Years of maturity (Year)	Amount of bonds issued (Billions of yen)	Coupon Interest	Bp against government bonds	Bp against SWAP
14th Bond	8/8/2014	8/14/2024	10	13.0	0.861%	34.0bp	15.1bp
15th Bond	2/6/2015	2/13/2025	10	10.0	0.784%	43.0bp	16.4bp
16th Bond	4/24/2015	4/30/2027	12	10.0	1.002%	56.0bp	30.2bp
17th Bond	8/7/2015	8/13/2021	6	10.0	0.523%	39.0bp	16.3bp
18th Bond	4/20/2016	4/25/2031	15	10.0	0.800%	75.0bp	48.4bp
19th Bond	7/5/2016	7/11/2036	20	10.0	0.830%	78.0bp	66.4bp
20th Bond	10/19/2016	10/25/2021	5	12.0	0.120%	32.5bp	12.8bp
21st Bond	2/10/2017	2/16/2027	10	10.0	0.440%	34.5bp	10.0bp
22nd Bond	3/2/2018	3/8/2023	5	10.0	0.180%	30.1bp	2.9bp
23rd Bond	5/11/2018	5/17/2038	20	10.0	0.970%	44.7bp	28.0bp
24th Bond	8/10/2018	8/16/2028	10	10.0	0.460%	35.0bp	7.5bp
25th Bond	7/25/2019	7/31/2029	10	10.0	0.340%	48.6bp	26.7bp
26th Bond	11/8/2019	11/14/2029	10	15.0	0.320%	37.0bp	15.9bp
1st Subordinated bond	1/17/2019	1/31/2056	37	50.0	1.430%	158.0bp	137.0bp
2nd Subordinated bond	10/13/2020	10/19/2056	36	45.0	1.170%	127.1bp	120.0bp
Total Bond Balance	-	-	-	235.0	-	-	-


■ Bond redemption schedule (Billions of yen)



*Excluding subordinated bonds

Portfolio (Major Properties)

	1		2		3		4		5		6	
Name of the property	ARK Mori Building		Hang Seng Bank Tower		Atago Green Hills		Motoazabu Hills Forest Tower		Roppongi Hills Mori Tower		Holland Hills Mori Tower	
Location	Akasaka, Minato-ku		Pudong , Shanghai		Atago, Minato-ku		Motoazabu, Minato-ku		Roppongi, Minato-ku		Toranomon, Minato-ku	
Completion date	March 1986		April 1998		July 2001	October 2001	May 2002		April 2003		February 2005	
Number of floors	37 above ground 4 underground		46 above ground 4 underground		42 above ground 2 underground	42 above ground 5 underground	29 above ground 3 underground		54 above ground 6 underground		24 above ground 2 underground	
Total floor area	181,833㎡		116,824㎡		86,570㎡	62,475㎡	45,023㎡		379,408㎡		35,656㎡	

	7		8		9		10		11	
Name of the property	Omotesando Hills		Shanghai World Financial Center		ARK Hills Sengokuyama Mori Tower		Toranomon Hills Mori Tower		Toranomon Hills Business Tower	
Location	Jingumae, Shibuya-ku		Pudong District , Shanghai		Roppongi, Minato-ku		Toranomon, Minato-ku		Toranomon, Minato-ku	
Completion date	January 2006		August 2008		August 2012		May 2014		January 2020	
Number of floors	6 above ground 6 underground		101 above ground 3 underground		47 above ground 4 underground		52 above ground 5 underground		36 above ground 3 underground	
Total floor area	34,062㎡		381,600㎡		143,426㎡		244,360㎡		172,925㎡	



Leasing

■ Leasing and management and operation of real estate

- Silent Partnership Roppongi Hills Financial Corp
- Silent Partnership AR・ONE
- Aomi T Special Purpose Company
- Aomi S1 Special Purpose Company
- ※ Mori Hills REIT Investment Corporation

■ Consigned operation of real estate

- Mori Building Investment Management Co., Ltd.
- Mori Urban Planning Corporation

■ contracted construction

■ Regional heating and cooling/electricity supply

- Roppongi Energy Service Co., Ltd.
- ARK Hills Heating & Cooling Supply Co., Ltd.
- Toranomon Energy Network Co., Ltd.

■ Other

Investment, observation deck, forum, etc.

Property sales

■ Real estate sales business for investors

■ Residential sales business for individual customers

Operation of facilities

■ Hotel & Membership club

- Mori Hospitality Corporation

■ Golf

- Shishido Golf Club Co., Ltd.

■ Nursing home

- ※ Prime Stage Co., Ltd.

Overseas

■ Offices

- Shanghai World Financial Center Co., Ltd.
- Shanghai Senmao International Real Estate Co., Ltd.

■ Hotels, etc.

- Shanghai Hills Hotel Management Co., Ltd.
- Shanghai Hills Forum & City View Co., Ltd.
- Mori Building China (Shanghai) Co., Ltd.
- Shanghai World Financial Center Investment Co., Ltd.
- Shanghai World Financial Center Investment No.1 (Cayman) Limited
- Shanghai World Financial Center Investment No.2 (Cayman) Limited
- Shanghai World Financial Center Investment No.3 (Cayman) Limited
- Mori Building Asia Pte. Ltd.

Consolidated Balance Sheet for FY2020 First Half Period

(millions of yen)

Assets				Liabilities			
Account name	FY2019 As of Mar-31,2020	FY2020 As of Sep-30,2020	change	Account name	FY2019 As of Mar-31,2020	FY2020 As of Sep-30,2020	change
Current assets				Current liabilities			
Cash and deposits	340,998	355,795	14,796	Notes and accounts payable - trade	10,748	9,026	△ 1,722
Notes and accounts receivable - trade	10,200	19,862	9,662	Short-term borrowings	45,517	34,244	△ 11,272
Short-term investment securities	35,084	21,999	△ 13,085	Current portion of bonds payable	20,000	20,000	-
Inventories	17,232	17,062	△ 170	Income taxes payable	9,462	2,155	△ 7,307
Other	31,884	21,592	△ 10,292	Provision for bonuses	1,596	1,416	△ 180
Allowance for doubtful accounts	△ 36	△ 34	1	Other	31,600	35,520	3,919
Total current assets	435,364	436,277	912	Total current liabilities	118,926	102,362	△ 16,563
Fixed assets				Long-term liabilities			
Property, plant and equipment				Bonds payable	190,000	180,950	△ 9,050
Buildings and structures	241,378	235,238	△ 6,139	Long-term borrowings	1,146,376	1,162,687	16,310
Machinery, equipment and vehicles	12,274	12,101	△ 173	Leasehold and guarantee deposits received	83,962	80,160	△ 3,801
Tools, furniture and fixtures	7,259	7,165	△ 94	Long-term deposits received	2,029	1,582	△ 446
Land	440,674	488,009	47,334	Retirement benefit liability	1,727	1,754	26
Construction in progress	126,674	127,854	1,179	Provision for retirement benefits for directors	903	877	△ 25
Real estate in progress	109,038	110,403	1,364	Provision for dismantling cost of fixed assets	3,500	3,500	-
Beneficial interests in real estate trust	549,717	547,507	△ 2,209	Deferred tax liabilities	114,822	118,631	3,808
Other	1,740	1,727	△ 12	Other	3,547	18,720	15,173
Total Property, plant and equipment	1,488,758	1,530,007	41,249	Total long-term liabilities	1,546,867	1,568,865	21,997
Intangible assets				Total liabilities	1,665,794	1,671,227	5,433
Leasehold right	54,572	54,569	△ 3	Net assets			
Goodwill	12,084	11,786	△ 298	Shareholders' equity			
Other	2,892	3,093	200	Capital stock	79,500	79,500	-
Total intangible assets	69,550	69,449	△ 101	Capital surplus	22,516	22,516	-
Investments and other assets				Retained earnings	428,398	431,324	2,925
Investment securities	34,398	33,492	△ 906	Treasury stock	△ 11,507	△ 11,507	-
Equity investments	82,946	46,393	△ 36,552	Total shareholders' equity	518,907	521,833	2,925
Long-term loans receivable	43,565	46,984	3,418	Accumulated other comprehensive income			
Retirement benefit asset	317	465	148	Valuation difference on available-for-sale securities	4,187	4,757	569
Deferred tax assets	676	583	△ 93	Deferred gains or losses hedges	△ 730	△ 806	△ 76
Other	45,365	47,128	1,763	Foreign currency translation adjustment	3,541	4,260	719
Allowance for doubtful accounts	△ 564	△ 518	45	Remeasurements of defined benefit plans	△ 183	△ 136	46
Total investments and other assets	206,705	174,529	△ 32,175	Total accumulated other comprehensive income	6,815	8,074	1,259
Total fixed assets	1,765,013	1,773,985	8,972	Non-controlling interests	8,860	9,127	266
Total assets	2,200,378	2,210,263	9,885	Total net assets	534,583	539,035	4,451
				Total liabilities and net assets	2,200,378	2,210,263	9,885

Consolidated Income Statement for FY2020 First Half Period

(millions of yen)

Account name	FY2019 1H (Apr-Sep)	FY2020 1H (Apr-Sep)	change
Revenue from operations	120,305	118,613	△ 1,692
Cost of revenue from operations	76,810	77,938	1,128
Operating gross profit	43,495	40,674	△ 2,821
Selling, general and administrative expenses	12,978	10,593	△ 2,384
Operating income	30,517	30,080	△ 436
Interest income	243	296	53
Dividend income	350	741	391
Compensation income	991	963	△ 28
Equity in earnings of affiliates	906	830	△ 75
Subsidy income	-	568	568
Other	826	710	△ 115
Non-operating income	3,317	4,111	794
Interest expenses	3,906	3,821	△ 84
Finance charges and fees	1,686	606	△ 1,079
Foreign exchange losses	772	-	△ 772
Other	187	82	△ 104
Non-operating expenses	6,552	4,510	△ 2,041
Ordinary income	27,282	29,681	2,399
Gain on sales of fixed assets	132	708	575
Other	34	85	51
Extraordinary income	166	793	627
Loss on sales of fixed assets	258	36	△ 222
Loss on reduction of fixed assets	-	483	483
Loss on COVID-19	-	3,037	3,037
Other	415	12	△ 403
Extraordinary losses	674	3,570	2,895
Income before income taxes	26,774	26,905	130
Income taxes - current	5,464	3,931	△ 1,532
Income taxes - deferred	3,085	3,665	579
Profit	18,225	19,308	1,083
Profit attributable to non-controlling interests	220	177	△ 43
Profit attributable to owners of parent	18,004	19,131	1,126

Description regarding future forecast in this report are based on information available on the day of the announcement, as analyzed and judged by Mori Building. Therefore, these forecasts are subject to inherent risks and uncertainty, and actual results may differ due to changes in various factors.

