

2022.5.25



Construction site of Toranomon-Azabudai Project (May 2022)

01 Overview of Financial Results for FY2021

02 Financial Forecasts for FY2022

03 Initiatives to Realize a Decarbonized Society

04 Reference Materials

Overview of Financial Results for FY2021 (Consolidated)

(Billions of yen)

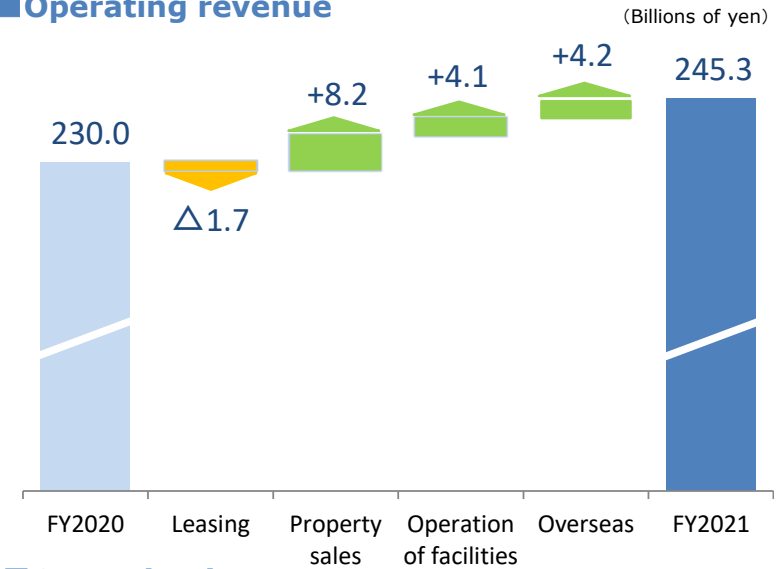
	FY2020	FY2021	change YoY	
			JPY	%
Operating revenue	230.0	245.3	+15.2	+7%
Operating income	50.9	52.7	+1.8	+4%
Ordinary income	48.5	53.7	+5.1	+11%
Profit attributable to owners of parent	31.4	42.2	+10.8	+34%

	FY2020	FY2021	change YoY	
Total assets	2,280.9	2,367.0	+86.0	+4%
Interest-bearing debt	1,427.5	1,430.9	+3.3	+0%
Equity	559.7	616.6	+56.9	+10%
Equity ratio	24.5%	26.1%	+1.5%	-
(After considering equity capital attributes of hybrid securities)	(26.7%)	(28.2%)		
Net D/E ratio	1.89	1.89	△0.01	-
(After considering equity capital attributes of hybrid securities)	(1.65)	(1.67)		

Consolidated Income Statement for FY2021

	(Billions of yen)			
	FY2020	FY2021	change YoY	
Leasing	157.1	155.4	△1.7	
Property sales	41.9	50.2	+8.2	
Operation of facilities	12.9	17.1	+4.1	
Overseas	24.1	28.3	+4.2	
Operating revenue	230.0	245.3	+15.2	+7%
Leasing	32.1	32.2	+0.0	
Property sales	28.1	27.8	△0.2	
Operation of facilities	△ 5.7	△ 4.0	+1.7	
Overseas	8.4	9.8	+1.3	
Operating income	50.9	52.7	+1.8	+4%
Non-operating income	7.8	10.2	+2.3	
Non-operating expenses	10.2	9.2	△0.9	
Ordinary income	48.5	53.7	+5.1	+11%
Extraordinary income	3.6	11.0	+7.3	
Extraordinary losses	5.6	2.3	△3.3	
Income before income taxes	46.5	62.4	+15.9	
Profit attributable to owners of parent	31.4	42.2	+10.8	+34%

Operating revenue



Operating income

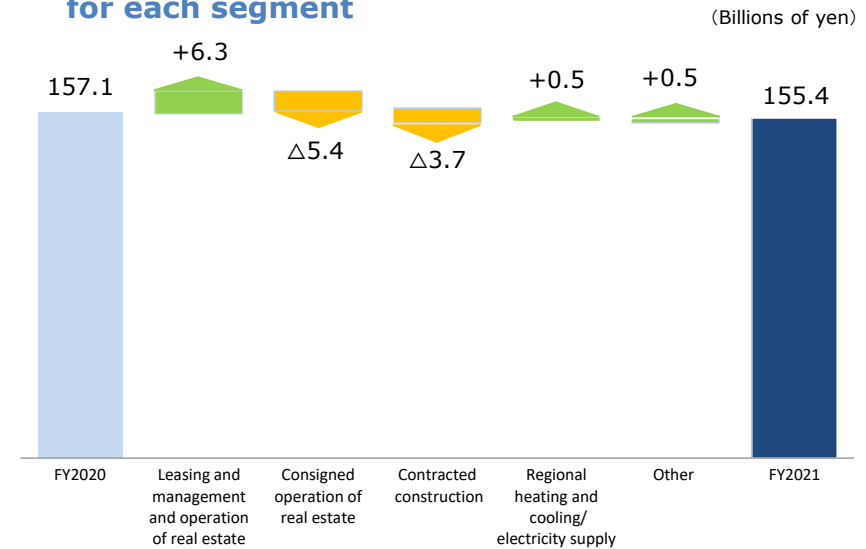


Leasing	Includes revenue gained from leasing and management and operation of real estate, consigned operation of real estate, contracted construction, regional heating and cooling/electricity supply, etc.
Property sales	Includes revenue gained from real estate property sales to investors and individual 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.

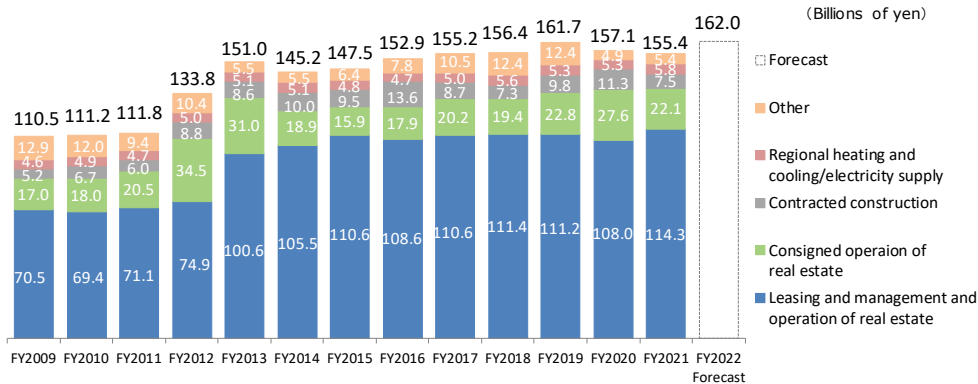
FY2021 ~Segment Overview (Leasing)~

	(Billions of yen)			
	FY2020	FY2021	change YoY	FY2022 Forecast
Operating revenue	157.1	155.4	Δ1.7	162.0
Leasing and management and operation of real estate	108.0	114.3	+6.3	-
Consigned operation of real estate	27.6	22.1	Δ5.4	-
Contracted construction	11.3	7.5	Δ3.7	-
Regional heating and cooling/electricity supply	5.3	5.8	+0.5	-
Other	4.9	5.4	+0.5	-
Operating income	32.1	32.2	+0.0	32.5

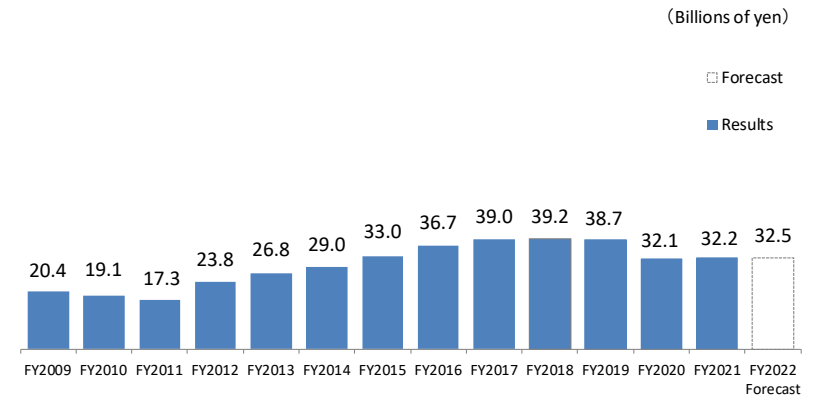
Changes in operating revenue for each segment



Changes in operating revenue

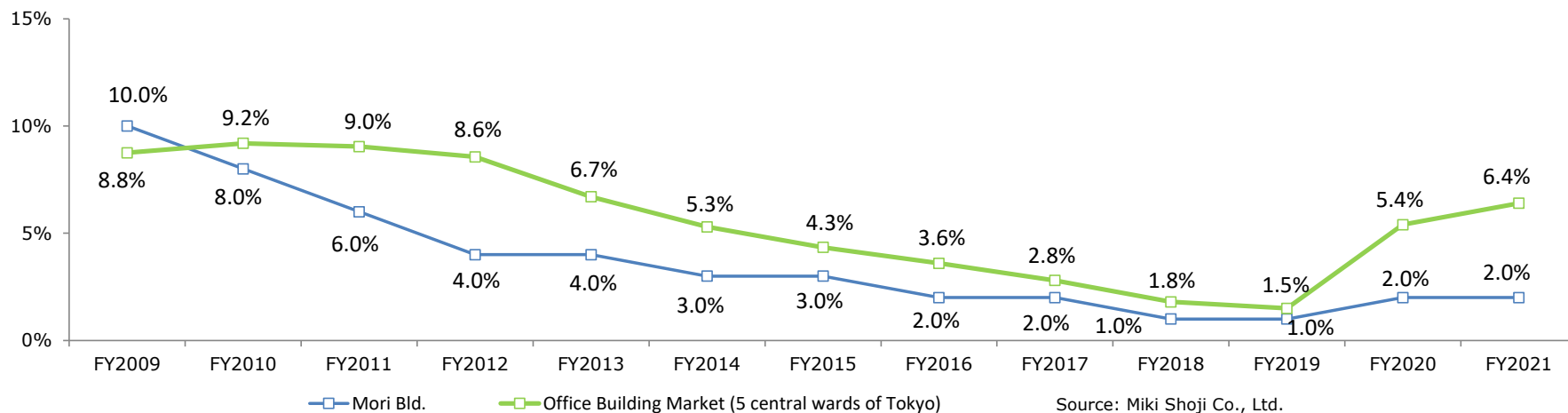


Changes in operating income

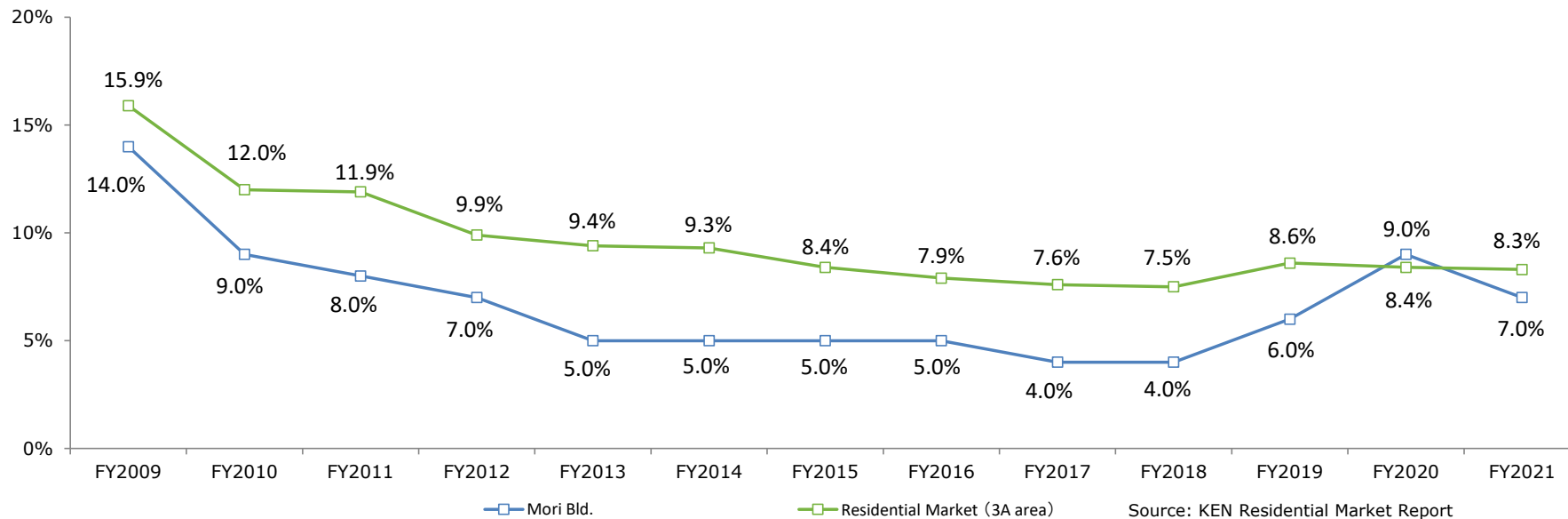


Segment Overview (Leasing) ~Vacancy rate~

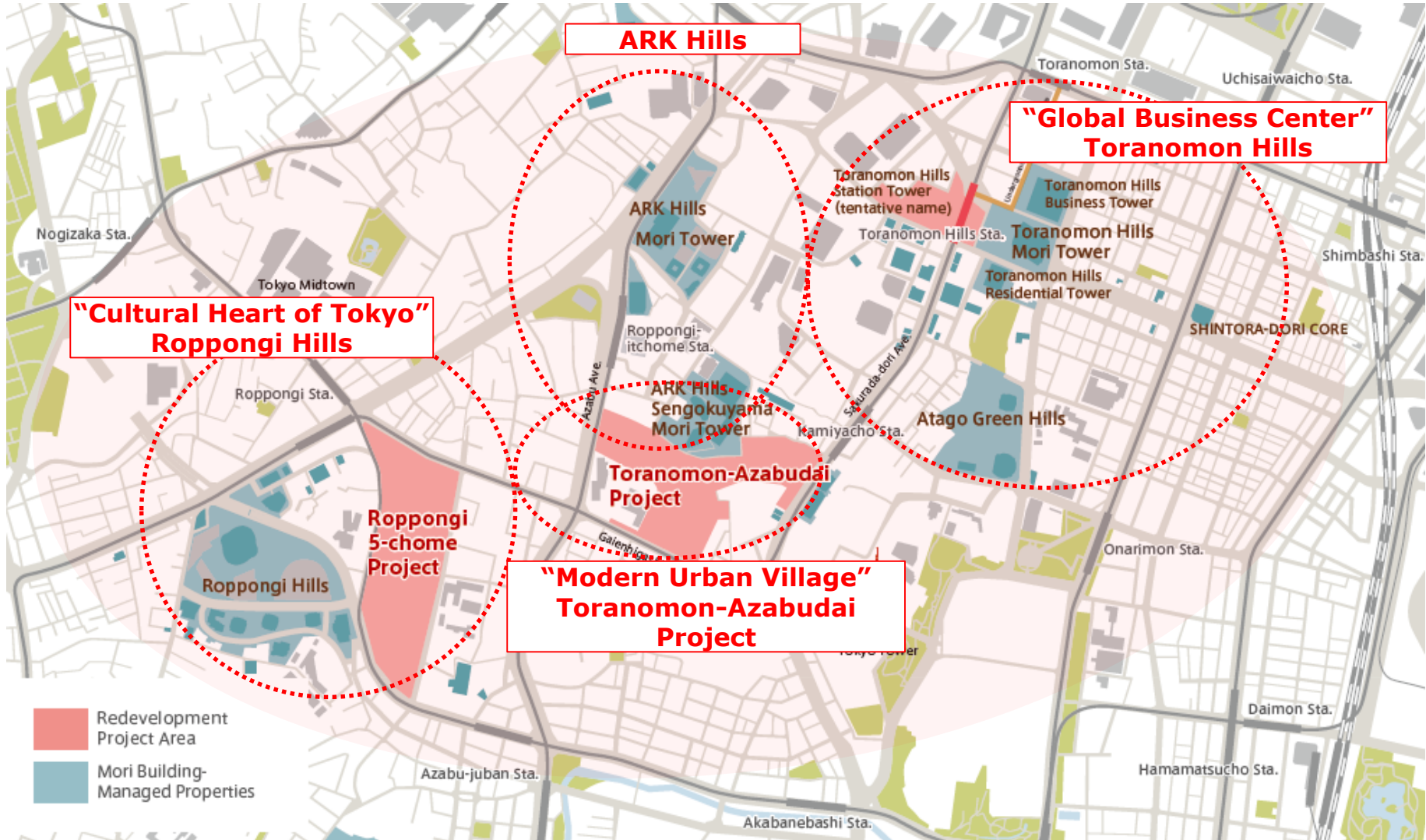
Vacancy rate of offices for lease



Vacancy rate of residential units for lease



Completed and Ongoing Projects



Toranomon-Azabudai Project: "Hills of the Future"

- This "Hills of the future" project will boast an overwhelming scale and impact. Principal construction started in August 2019 and is scheduled to finish in 2023.
- The skyscraper, springing up from a lush green environment at its base, will realize the concept of "Vertical Garden City," integrating diverse urban functions including offices, residences, a hotel, an international school, and retail and cultural facilities.
- Under the "Modern Urban Village" concept, it will be a huge open space in the heart of Tokyo filled with lush greenery. Supported by its "Green" and "Wellness" pillars, it will provide an exceptionally verdant environment where diverse people will gather in harmony with nature to form a new community where people can genuinely enjoy life.



©Dbox for Mori Building Co.
Image of Sakurada-dori Ave.

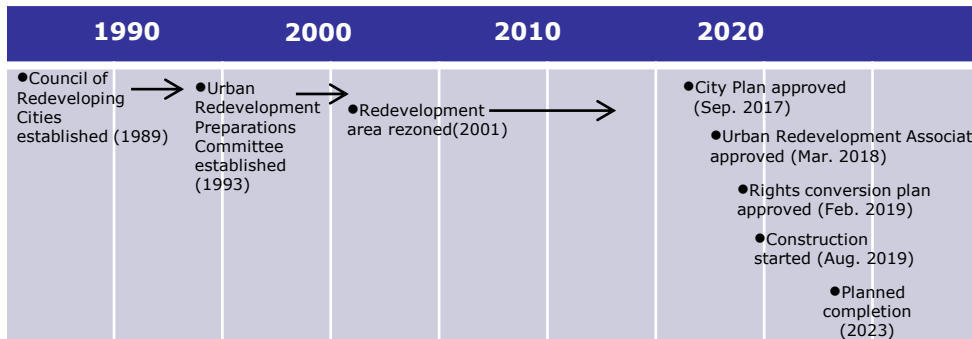


Image of central square

©Dbox for Mori Building Co.



A District construction site (March 2022)



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

Toranomon-Azabudai Project

Site Plan

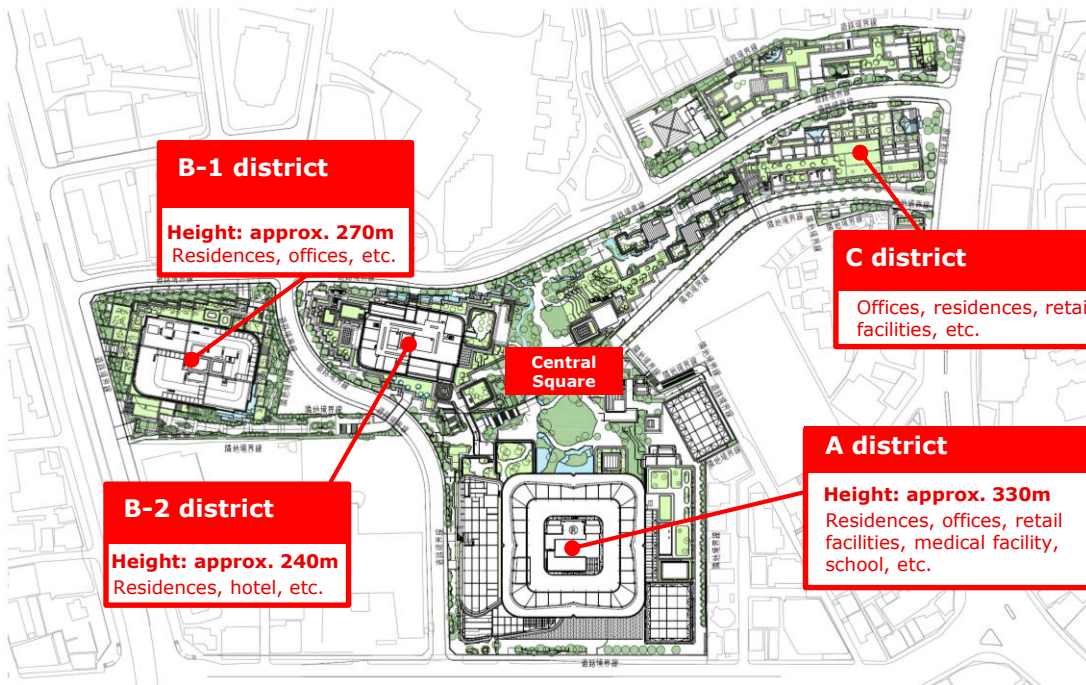


Image of retail facilities ©Dbox for Mori Building Co.



Image of food market ©Dbox for Mori Building Co.

Cross-section Plan

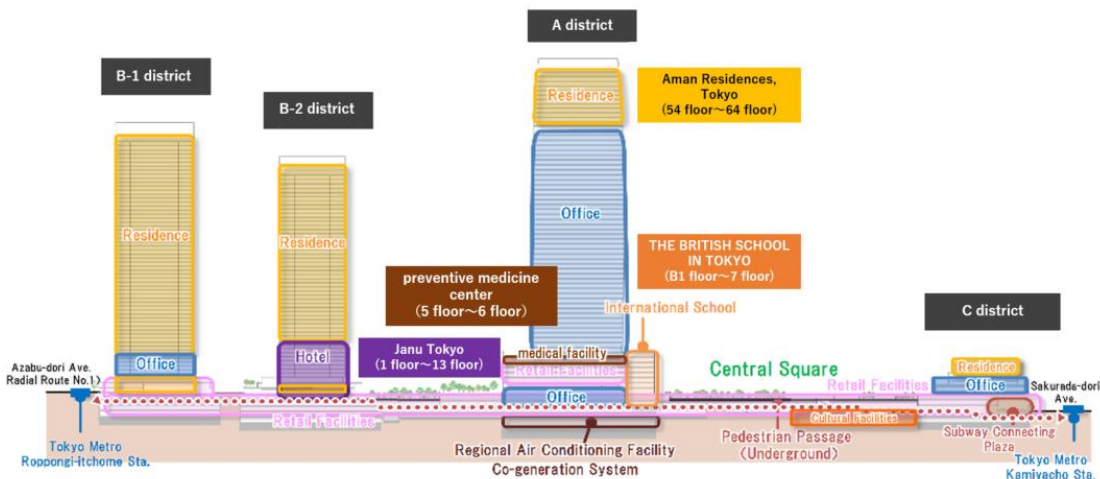
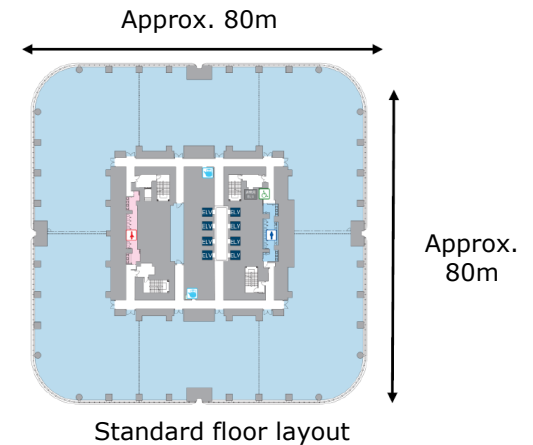


Image of international school



Toranomon-Azabudai Project's "A District" Tower Frame Completed

- The frame of the Toranomon-Azabudai Project A District Tower, a 330-meter, mixed-use high-rise in central Tokyo, was completed and a ceremony marking the occasion was held on April 21.
- Large-scale offices occupying floors 7-52, in total some 204,000m² of rental space, will be arranged in roomy floor layouts measuring from 4,300m² (standard) to 4,840m² (maximum). The shaped, column-free layouts with widths of approximately 18 meters in all directions will allow for freely open offices.



Frame completion ceremony (April 21, 2022)



Image of office entrance

Toranomon-Azabudai Project: Mori Building Launches First Phase of Joint Research with Keio University School of Medicine



- Keio University and Mori Building concluded a basic agreement to relocate/expand the Keio University Center for Preventive Medicine to the Toranomon-Azabudai Project site and launch the "Hills Joint Research Laboratory for Future Preventive Medicine and Wellness."
- The center will provide preventive care meeting personalized needs, membership programs connecting various facilities, and new preventive medicine/wellness services based on the results of joint research. The project aims to help everyone living and working in the community achieve true wellness and contribute to a more active society in which people of all generations lead healthier lives.
- In April 2021, the Hills Joint Research Laboratory for Future Preventive Medicine and Wellness opened and the first phase of joint research, targeting 40 Mori Building employees, launched in February 2022.



©Dbox for Mori Building Co.



Image of membership program



Continuous blood glucose monitor used in joint research

Message from Shingo Tsuji, President and CEO of Mori Building

"Wellness, a core concept of the Toranomon-Azabudai Project, is a global theme that has gained increased importance due in part to the COVID-19 pandemic. Collaborating with Keio University, which has been a leader in the advancement of preventive medicine through clinical and research activities, Mori Building is committed to enhancing urban wellness and contributing to the magnetic power of Tokyo, one of the world's greatest cities."

Toranomon-Azabudai Project: “Aman Residences, Tokyo” and New “Janu Tokyo” Hotel Brand Launched

- Mori Building and Aman, the operator of diverse, world-class luxury hotels and resorts, are collaborating in the Toranomon-Azabudai Project to launch Aman Residences, Tokyo and Janu Tokyo, the latter a sister hotel brand from Aman. The opening of Janu Tokyo will mark as the debut of the luxurious Janu brand in Japan.
- Aman Residences, Tokyo will offer Aman's signature hospitality for extraordinarily peaceful lifestyles in vibrant central Tokyo.
- JANU Tokyo will be designed to help guests restore their inner “soul” (*janu*) through connection and wellness in one setting. The hotel will offer some 120 guestrooms, over 3,000m² of spa facilities and six restaurants, cafes and bars that greet local and overseas guests alike with warm hospitality.



Image of lounge in Aman Residences, Tokyo

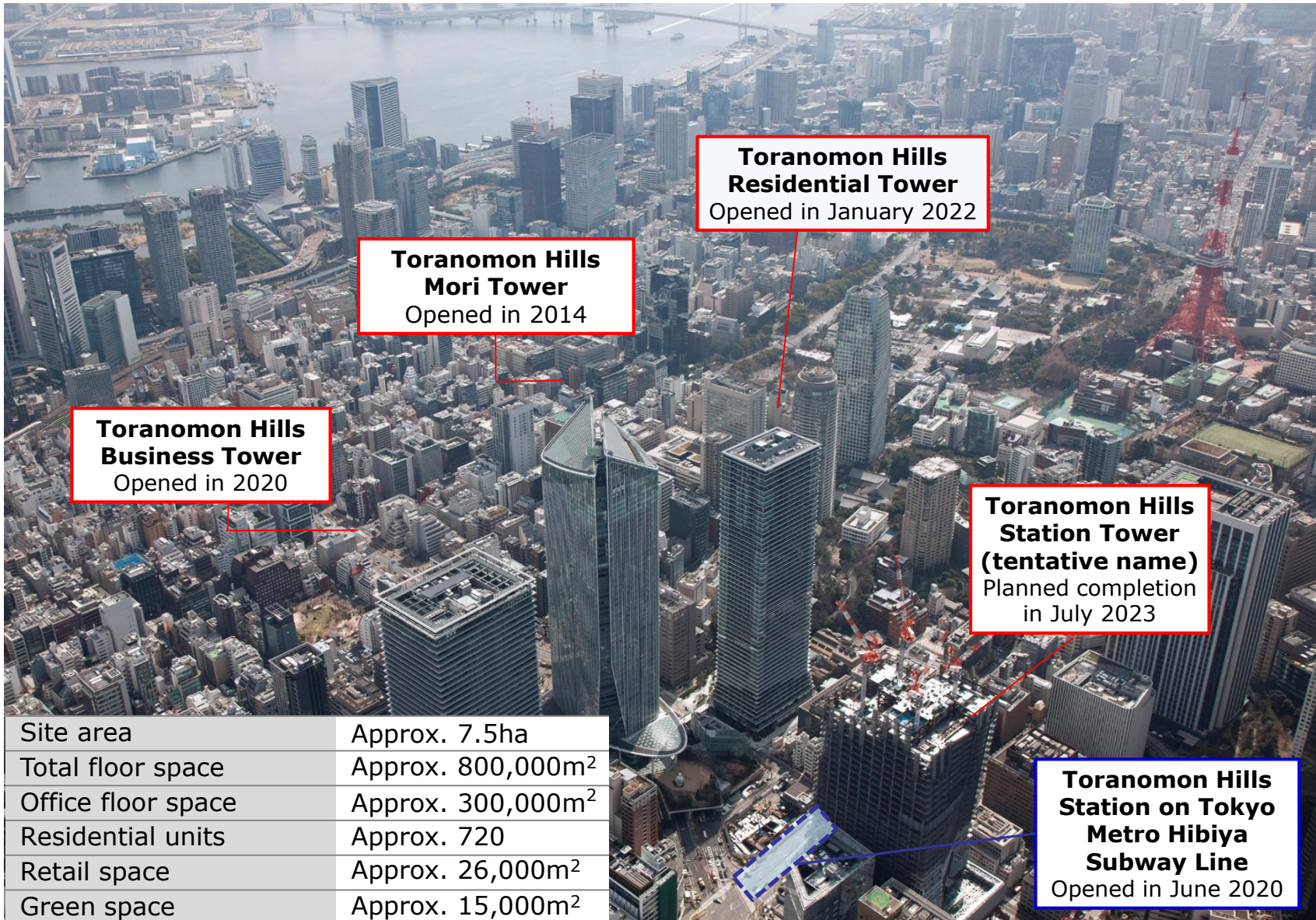


Image of Aman Spa in Aman Residences, Tokyo for residents only

Message from Shingo Tsuji, President and CEO of Mori Building

"Tokyo must add to its magnetic power if it is to succeed in its competition with other great cities. Mori Building is joining hands with Aman, which operates diverse world-class resorts, to provide a world-leading residential environment and hotel unlike anything ever seen in Tokyo, where people will achieve harmony with nature as well as connect with and inspire others through creativity. By realizing this new form of 'urban wellness,' Mori Building will enhance Tokyo's magnetic power."

Toranomon Hills Area: New International Hub and Global Business Center



Toranomon Hills Business Tower
Opened in 2020

Toranomon Hills Mori Tower
Opened in 2014

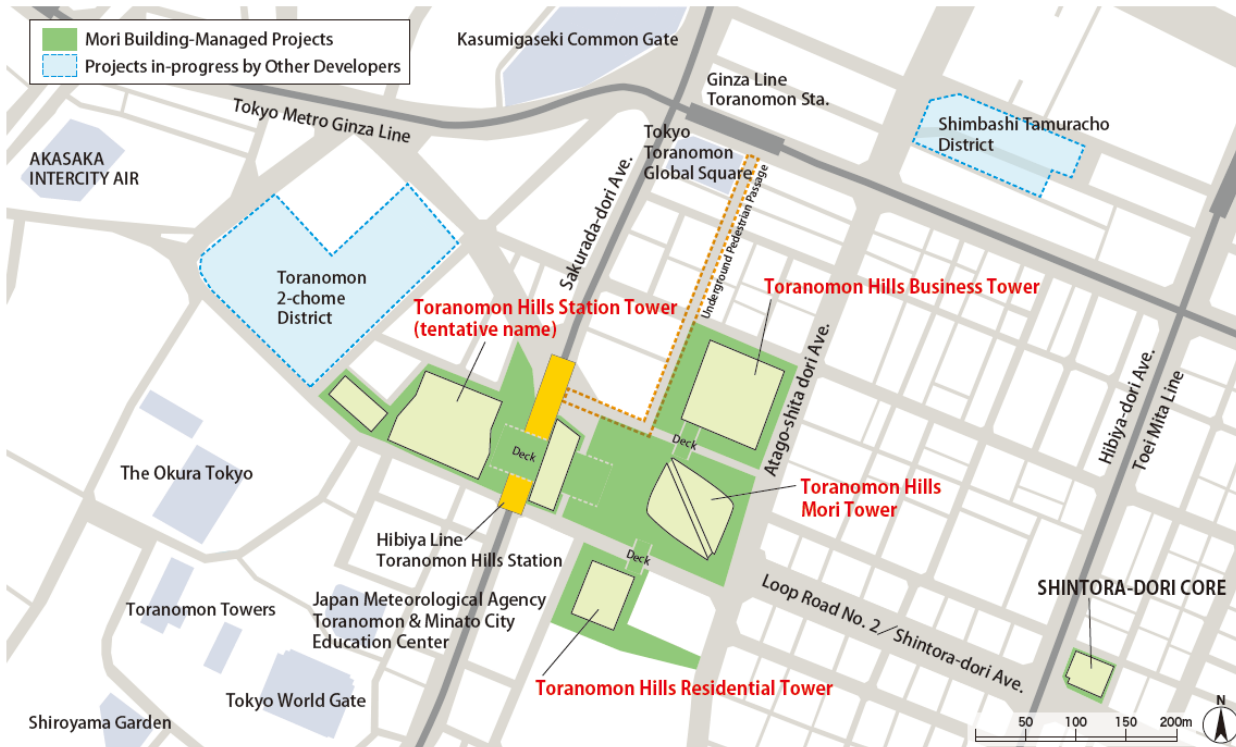
Toranomon Hills Residential Tower
Opened in January 2022

Toranomon Hills Station Tower (tentative name)
Planned completion in July 2023

Toranomon Hills Station on Tokyo Metro Hibiya Subway Line
Opened in June 2020

Site area	Approx. 7.5ha
Total floor space	Approx. 800,000m ²
Office floor space	Approx. 300,000m ²
Residential units	Approx. 720
Retail space	Approx. 26,000m ²
Green space	Approx. 15,000m ²

Toranomon Hills Area: 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 2022

Ground area : Approx. 6,535m²
 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. 253,210m²
 Height : Approx. 266m/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 decided	Jan. Redevelopment association established	Feb. Construction started			Jan. Completion			
Toranomon Hills Residential Tower	Sept. City plan decided		Mar. Construction started					Jan. Completion	
Toranomon Hills Station Tower (tentative name)				Mar. City plan decided	Nov. Redevelopment association established		Nov. Construction started		Jul. Planned completion
SHINTORA-DORI CORE		Jul. Construction started		Sept. Completion					

Toranomon Hills Area: Construction of Toranomon Hills Residential Tower for Global-level Residences Completes



- Toranomon Hills Residential Tower, which will boast 547 residential units, the most of any building in the Toranomon area, as well as a spa, Michelin-starred Japanese restaurant and international school, was completed in January 2022. Mori Building will apply its expertise in the housing business to provide a premium-quality residence unique to Tokyo.
- Accessibility within the area will be enhanced with direct connections to nearby Mori Tower and the Business Tower via pedestrian walkways.
- Christoph Ingenhoven (Ingenhoven Architects) handled architectural designing and Tony Chi (tonychi) designed the interior.



Image of residential unit



Front desk offering 24/7 service

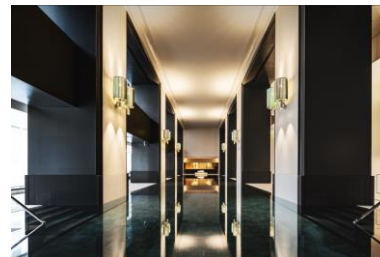
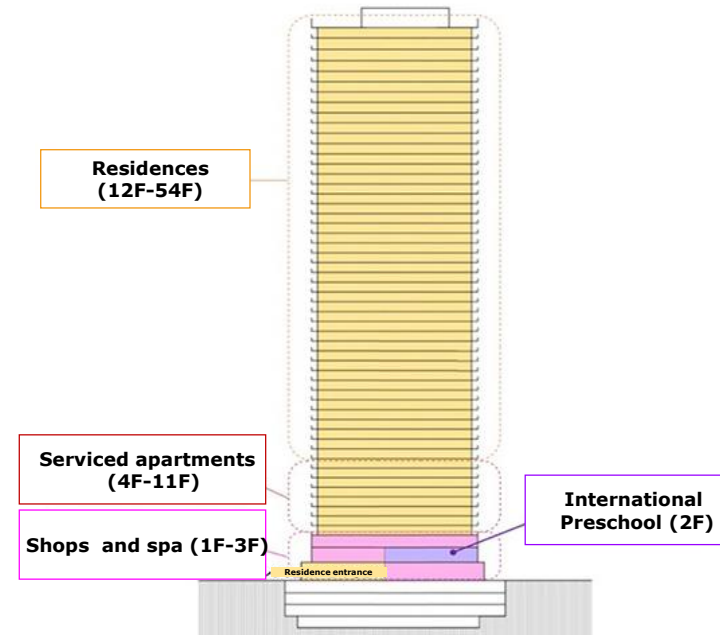


Image of Toranomon Hills Spa



Ground area	Approx. 6,535m ²
Total floor space	Approx. 121,000m ²
Construction start	March 2017
Completion	January 2022

Toranomon Hills Area: Toranomon Hills Station Tower (tentative name)

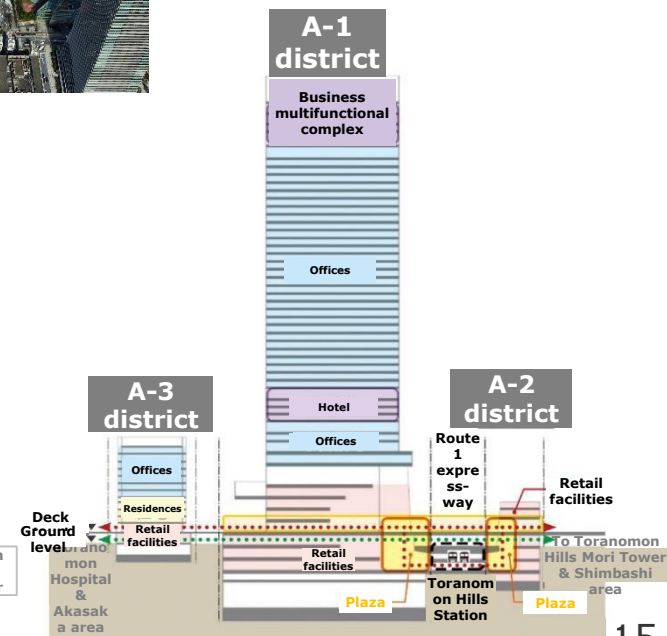
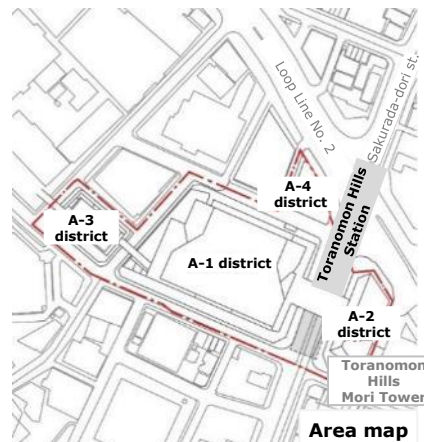
- The tower will have a plaza that connects conveniently to Toranomon Hills Station on the Hibiya Subway Line. A multilayer (underground, ground level and elevated deck) pedestrian network will be developed in conjunction with surrounding projects.
- The building will be a 266m, 49-story skyscraper offering offices, retail facilities and a hotel.
- The top floor of the A-1 district's structure, a multifunctional complex equipped for diverse business events, exhibitions and dining, is expected to become a Tokyo focal point for business and innovation.



Ground area	Approx. 13,960m ²
Total floor space	Approx. 253,210m ²
Construction start	November 2019
Planned completion	July 2023



Construction site (March 2022)



FY2021 ~Segment Overview (Property sales)~

Real estate sales business

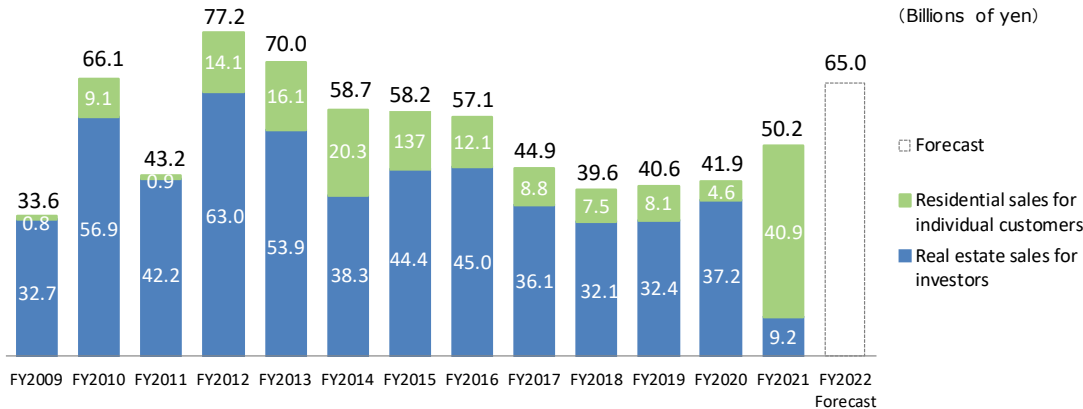


Toranomon Hills Mori Tower

(Billions of yen)

	FY2020	FY2021	change YoY	FY2022 Forecast
Operating revenue	41.9	50.2	+8.2	65.0
Real estate sales business for investors	37.2	9.2	Δ28.0	-
Residential sales business for individual customers	4.6	40.9	+36.2	-
Operating income	28.1	27.8	Δ0.2	30.0

Changes in operating revenue



Residential sales business



Toranomon Hills Residential Tower

(Billions of yen)

	FY2020	FY2021	change YoY	FY2022 Forecast
Operating revenue	12.9	17.1	+4.1	23.0
Hotels	7.4	11.1	+3.6	-
Membership clubs	3.7	3.9	+0.1	-
Golf courses	1.7	2.0	+0.3	-
Operating income	△ 5.7	△ 4.0	+1.7	△ 2.0

Major facilities operated by Mori Building

Hotels

- Grand Hyatt Tokyo



Presidential Suite

- Andaz Tokyo



Andaz Sky Suite

Golf courses

- SHISHIDO HILLS Country Club
「Japan Golf Tour Championship Mori Building Cup Shishido Hills」
Jun3-Jun6 2021



- SHIZU HILLS Country Club
「JLPGA Championship Konica Minolta cup」
Sep9-Sep12 2021



FY2021 ~Segment Overview (Overseas)~

	FY2020	FY2021	change YoY	FY2022 Forecast
Operating revenue	24.1	28.3	+4.2	28.0
Offices	19.7	22.4	+2.7	-
Hotels, etc.	4.3	5.8	+1.4	-
Operating income	8.4	9.8	+1.3	8.5

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.



Shanghai World Financial Center
Completed in August 2008

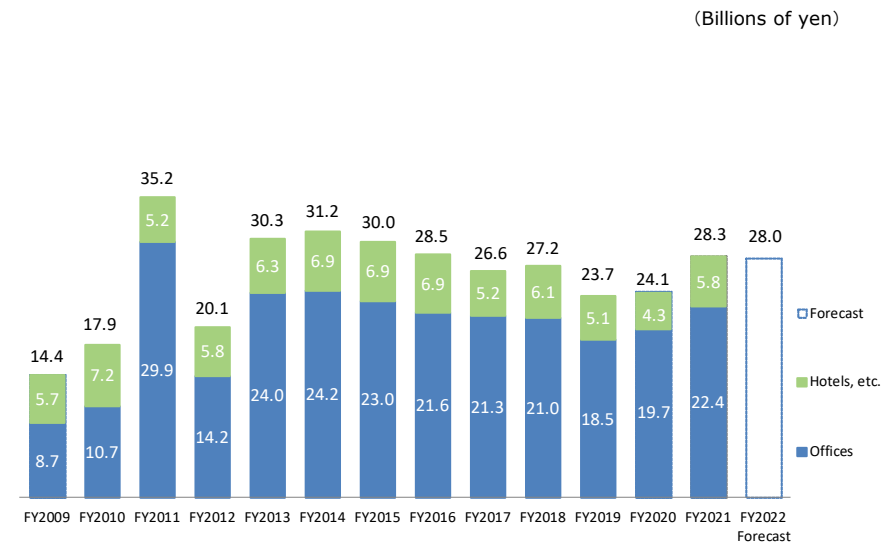


Park Hyatt Shanghai

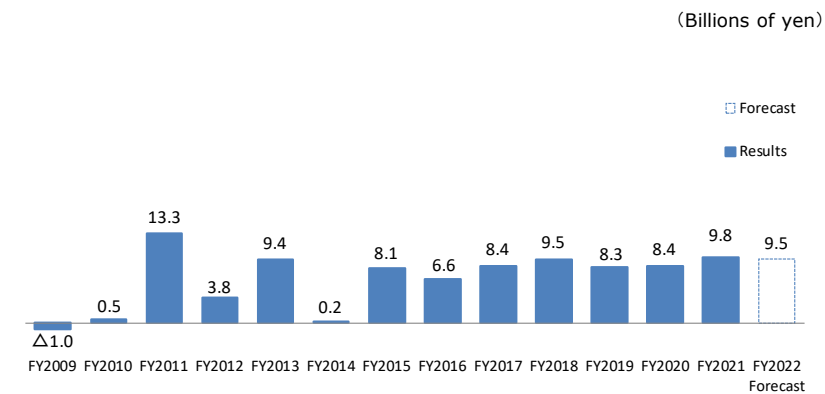


Observatory (Sky walk 100)
474m above ground

Changes in operating revenue



Changes in operating income



Mori Building's First Development in Southeast Asia: The Jakarta Office Tower Project (tentative name)

- Mori Building's first development in Southeast Asia will offer premium-grade facilities in Jakarta, encompassing 58 stories and 190,000m² floor space in a 266m tower.
- It will be ideally located next to Semanggi Flyover on Sudirman Street, the main thoroughfare in the central business district.
- Leveraging Mori Building's urban-development expertise cultivated in numerous projects in Tokyo and Shanghai, the project will contribute greatly to Jakarta's ongoing evolution and development as a rapidly growing international city.



Image of building entrance



Image of office entrance



Image of commercial facilities



Location in Jakarta



Construction site (March 2022)

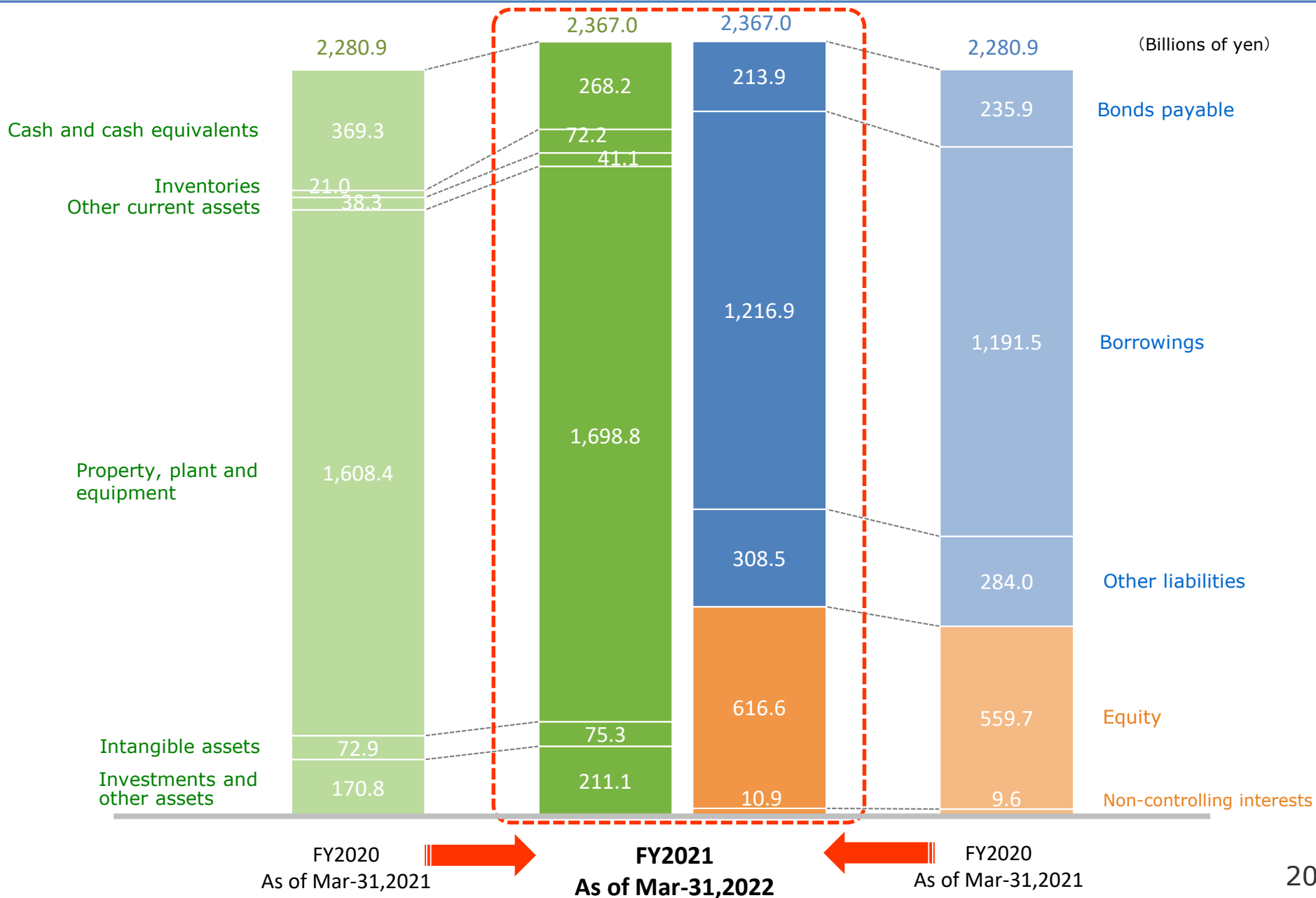


Location	Jakarta, Indonesia
Ground area	8,088m ²
Total floor space	190,000m ²
Construction start	July 2017
Planned completion	2022

Summary of Consolidated Balance Sheet for FY2021



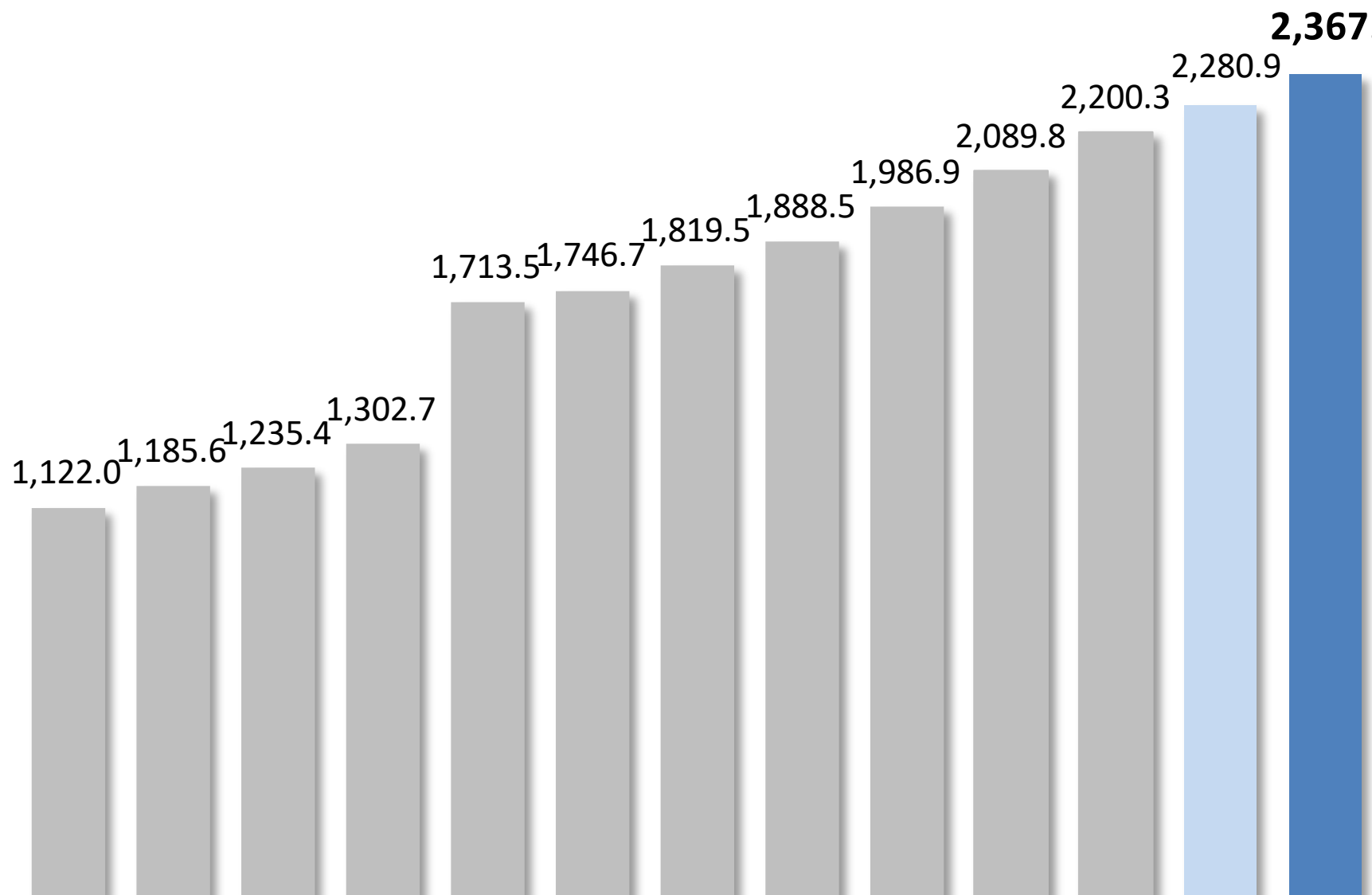
(Billions of yen)



FY2021 Total assets



(Billions of yen)

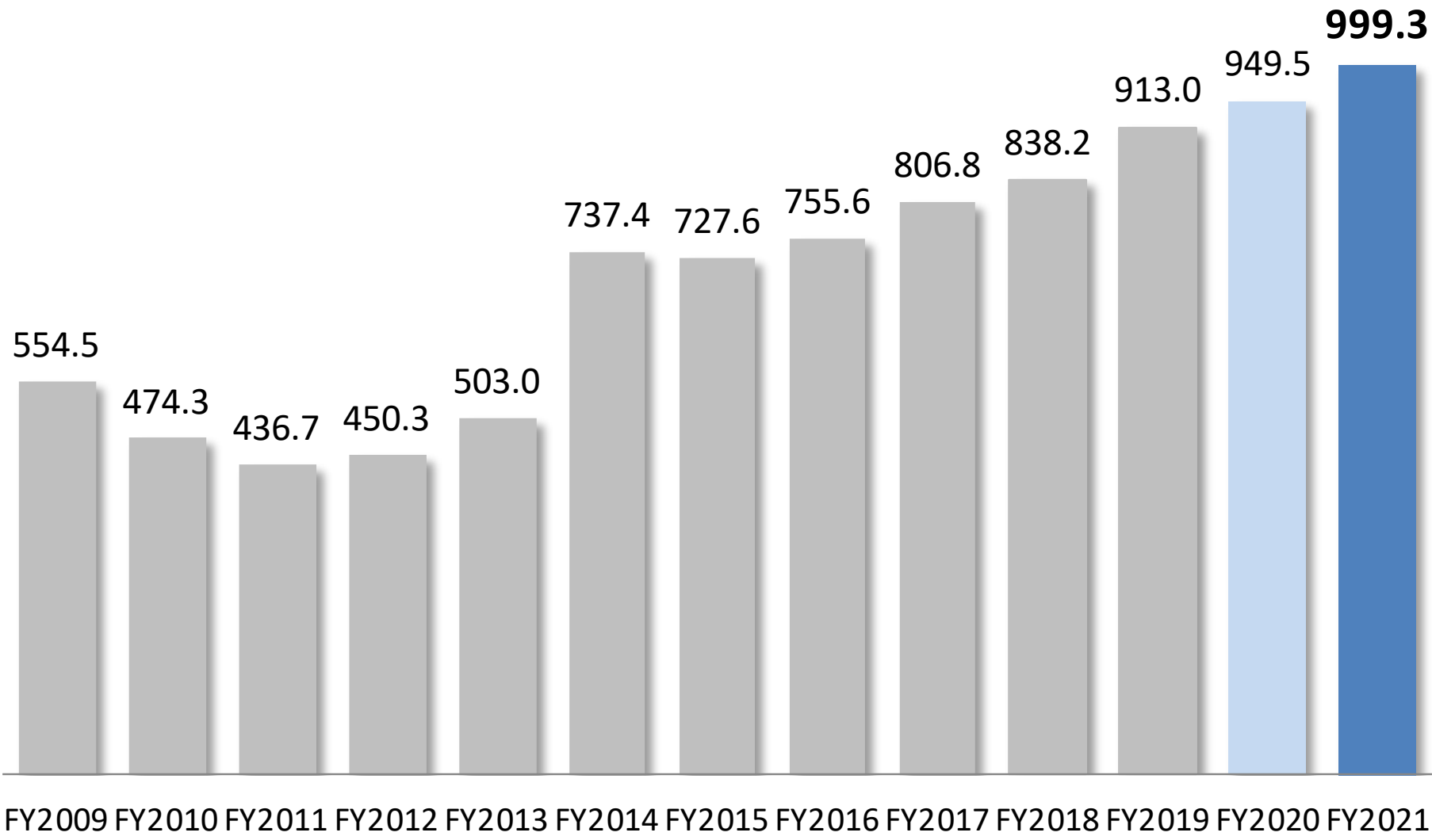


FY2009 FY2010 FY2011 FY2012 FY2013 FY2014 FY2015 FY2016 FY2017 FY2018 FY2019 FY2020 FY2021

FY2021 Income Generating Assets Unrealized Gains

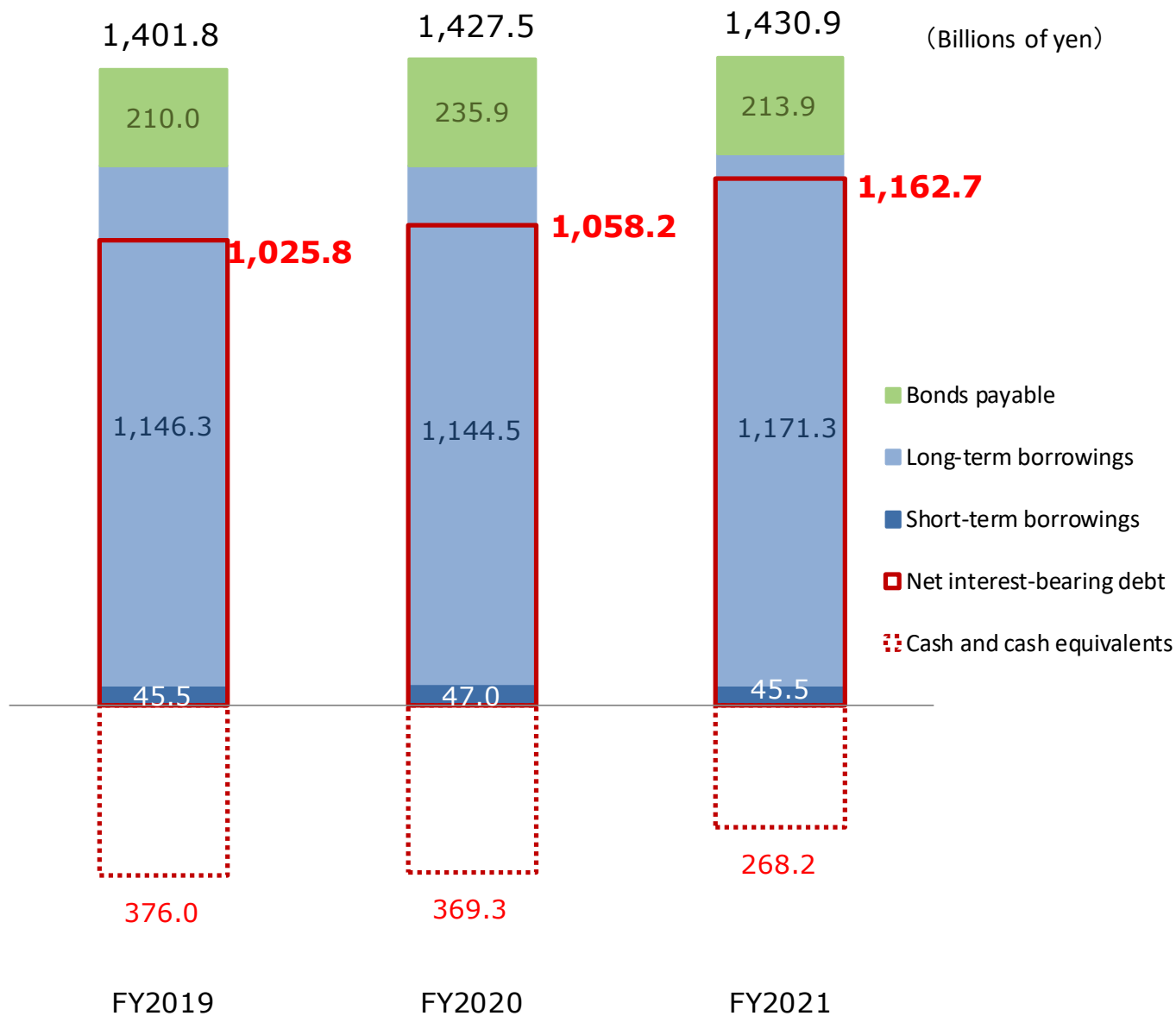


(Billions of yen)



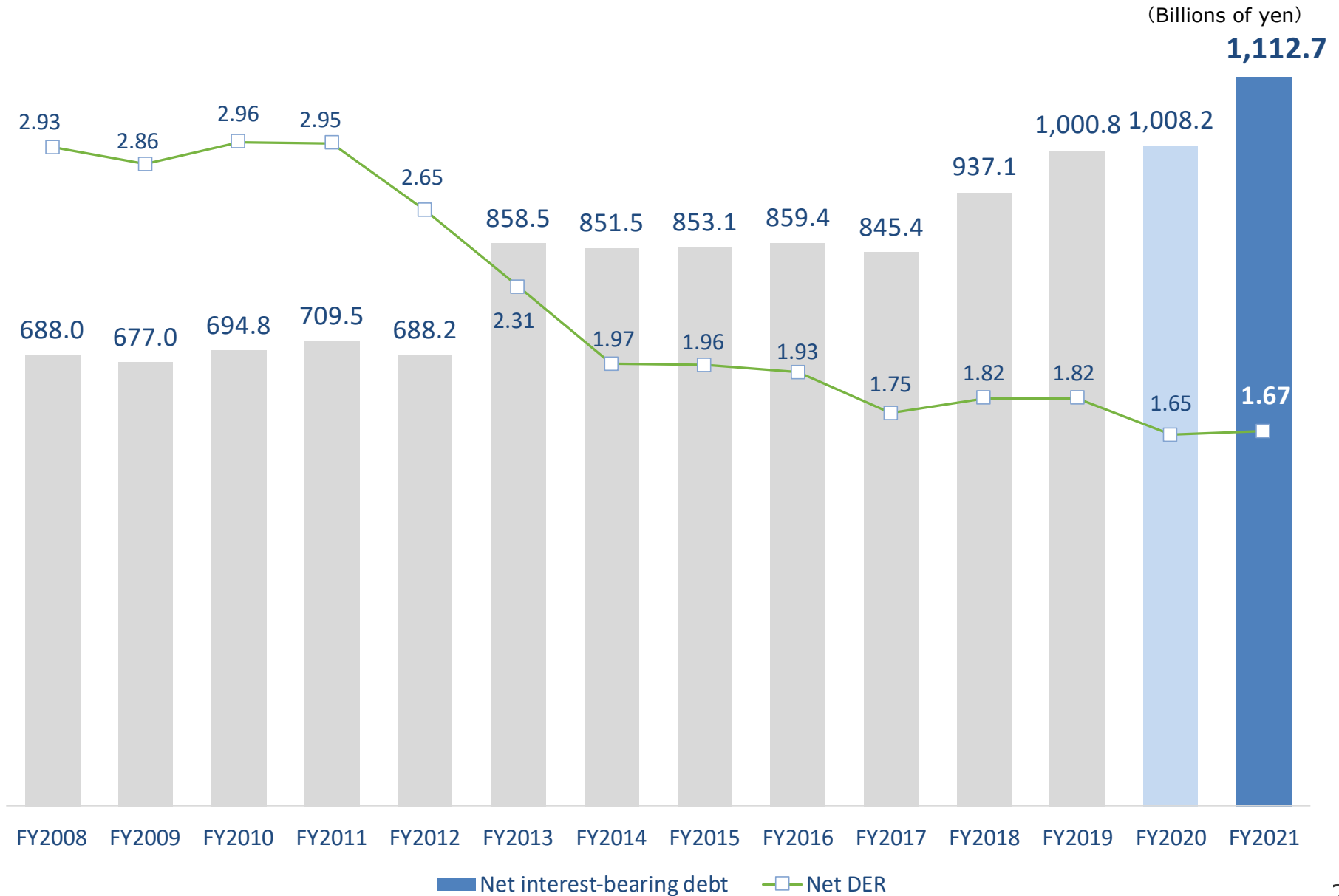
※From the annual securities report

Status of Interest-bearing debt for FY2021

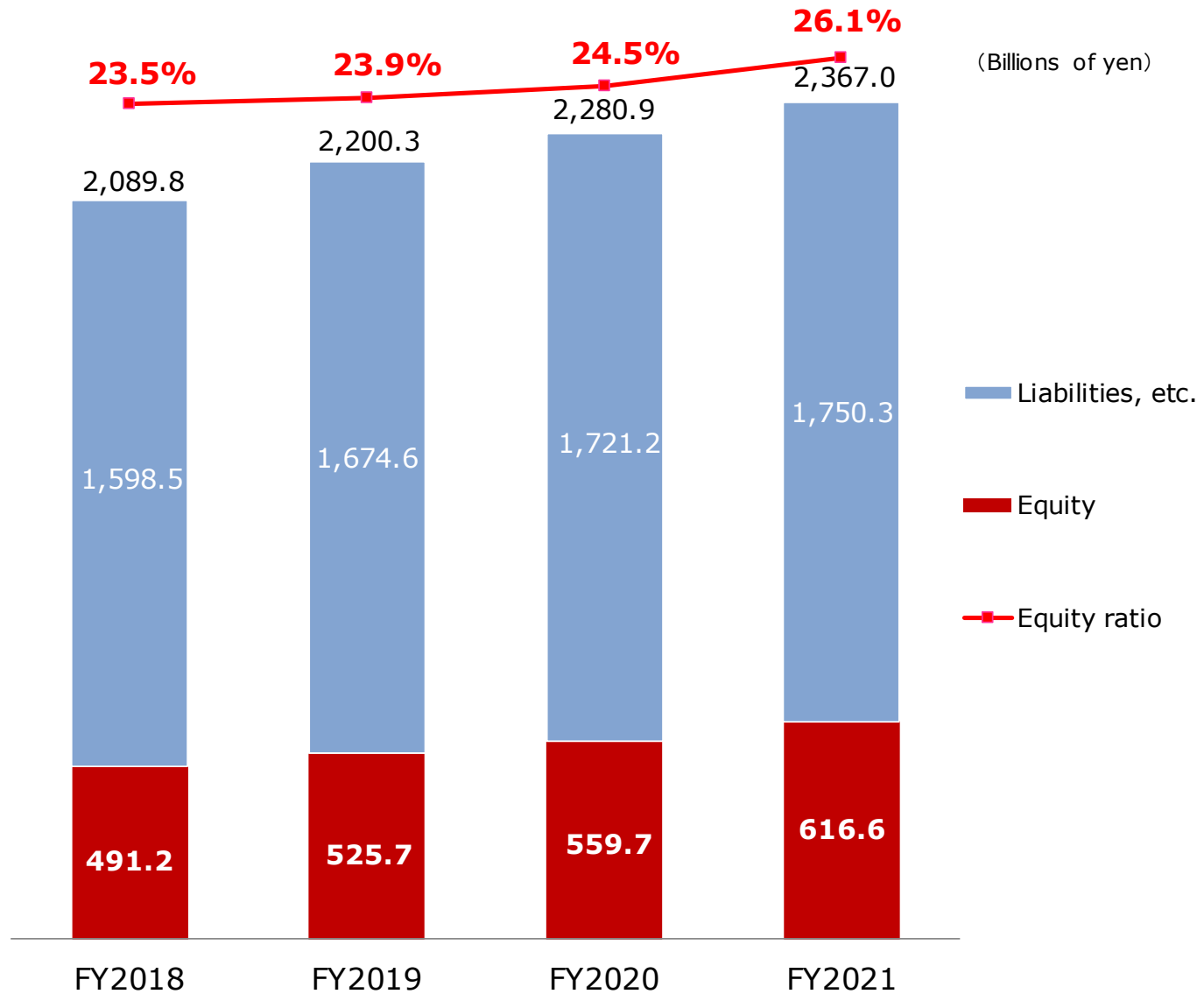


Changes in Net Interest-bearing debt and Net DER

※ After considering equity capital attributes of hybrid securities



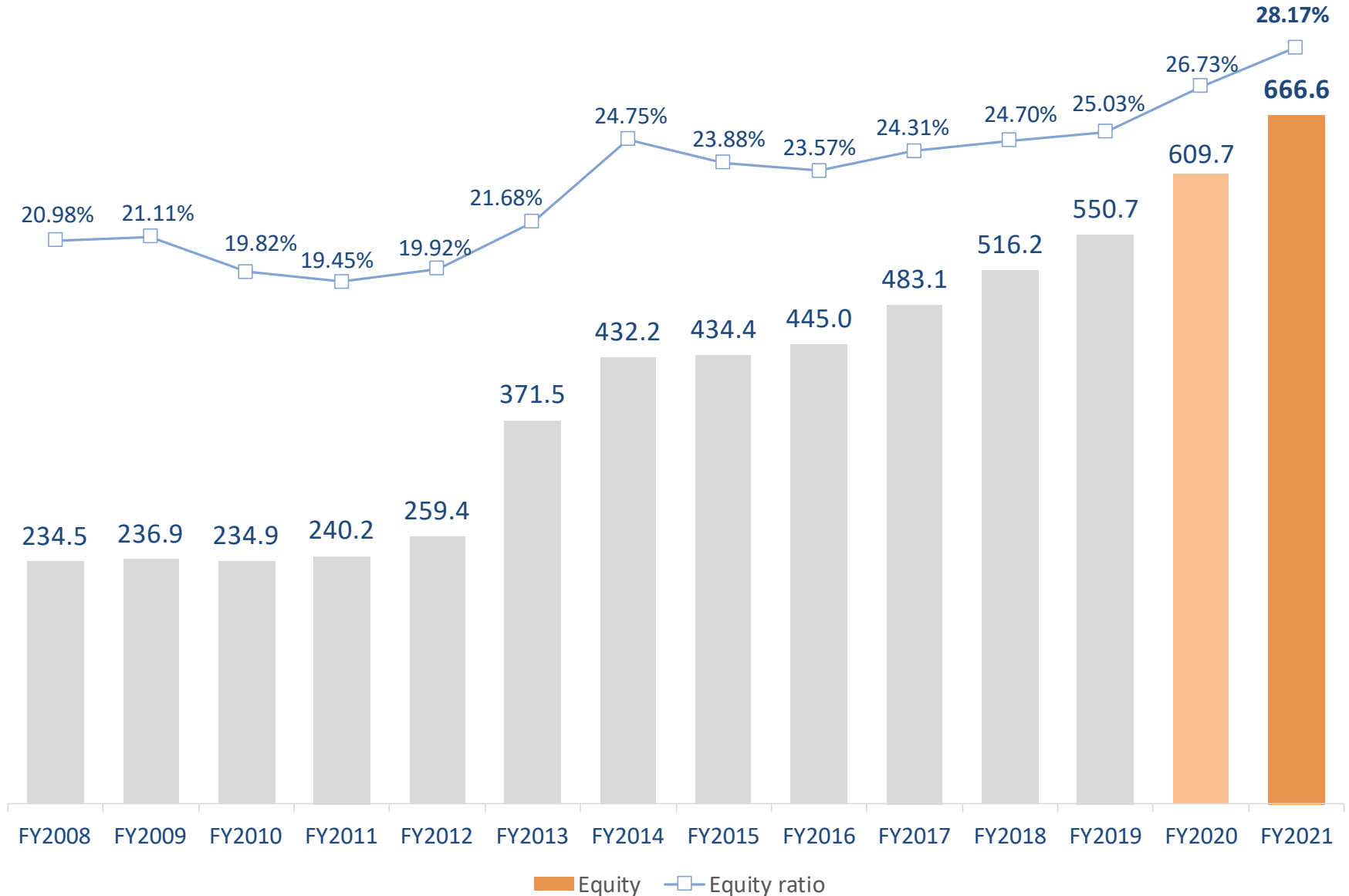
Status of Equity (Ratio) for FY2021



Changes in Equity (Ratio)

※ After considering equity capital attributes of hybrid securities

(Billions of yen)



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02 Financial Forecasts for FY2022

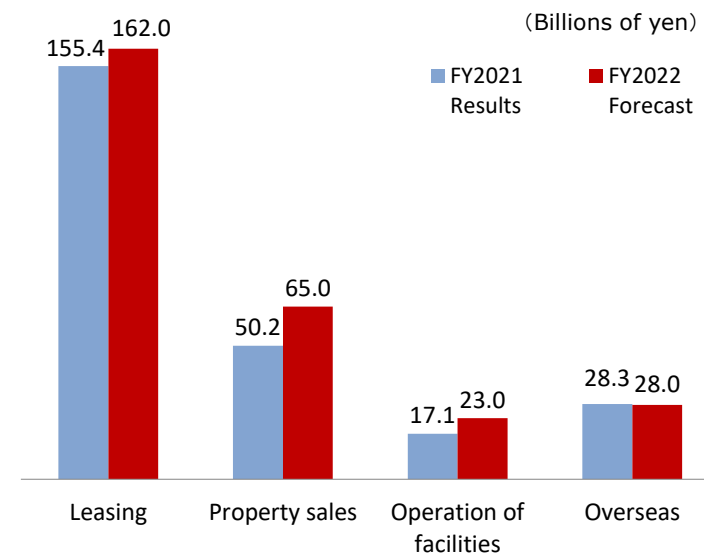
03 Initiatives to Realize a Decarbonized Society

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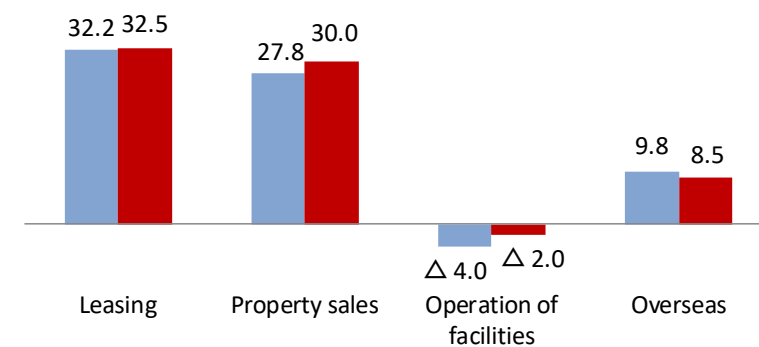
Financial Forecasts for FY2022

	FY2021	FY2022 Forecast	change YoY
(Billions of yen)			
Operating revenue	245.3	273.0	+27.6
Leasing	155.4	162.0	+6.5
Property sales	50.2	65.0	+14.7
Operation of facilities	17.1	23.0	+5.8
Overseas	28.3	28.0	△0.3
Operating income	52.7	53.5	+0.7
Leasing	32.2	32.5	+0.2
Property sales	27.8	30.0	+2.1
Operation of facilities	△ 4.0	△ 2.0	+2.0
Overseas	9.8	8.5	△1.3
Ordinary income	53.7	51.0	△2.7
Profit attributable to owners of parent	42.2	37.0	△5.2

Revenue from operations



Operating income



01 Overview of Financial Results for FY2021

02 Financial Forecasts for FY2022

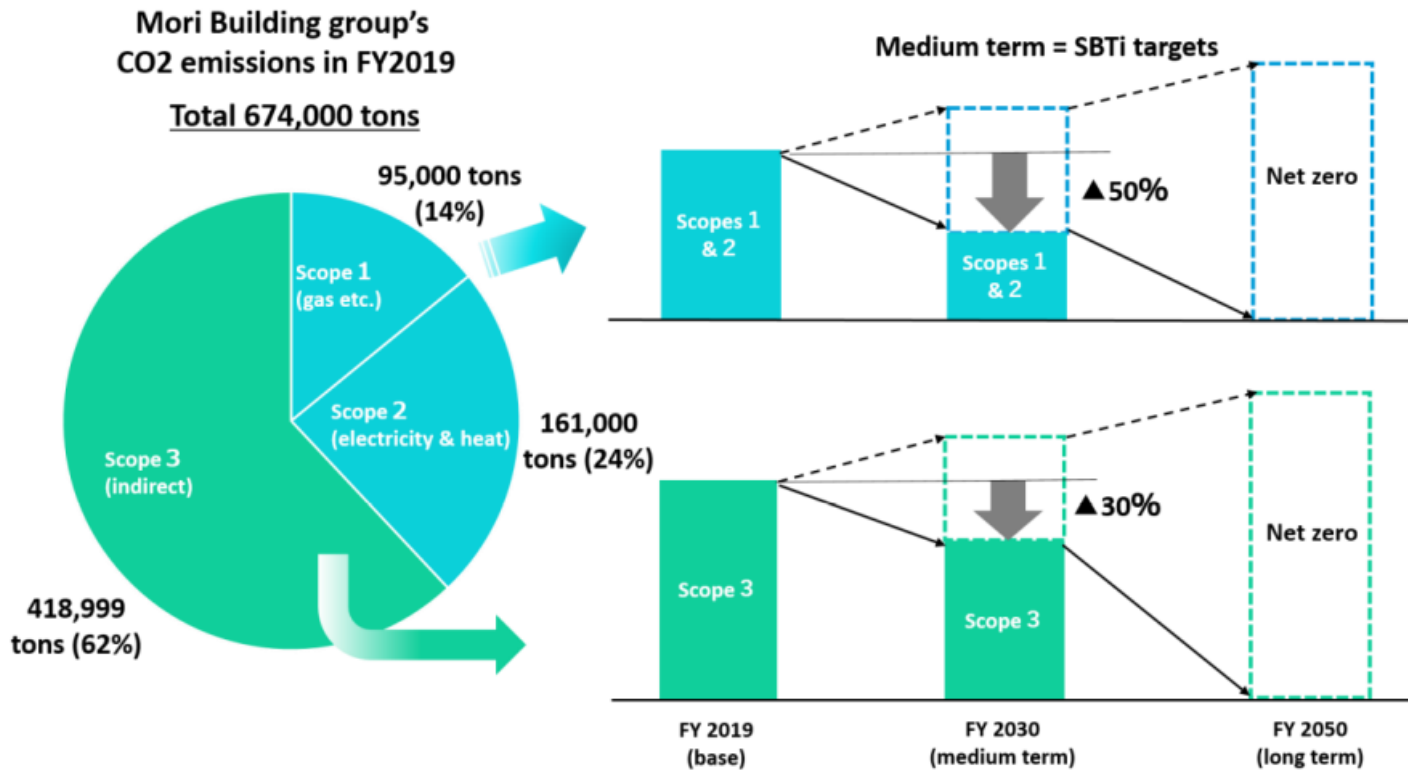
03 Initiatives to Realize a Decarbonized Society

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Mori Building fixes greenhouse gas emission medium & long term targets

Mori Building has set the following group targets to reduce greenhouse gas emissions from business activities in its consolidated group

- 50% reduction by fiscal 2030 (compared to fiscal 2019) under the Greenhouse Gas (GHG) Protocol Scope 1 and Scope 2
- 30% reduction under Scope 3, aiming to reach net-zero emissions by fiscal 2050



Mori Building's endorsement and participation in initiatives

- Confirmed its commitment to the **Science Based Target (SBT) initiative**.¹ Within the fiscal year ending March 2023, Mori Building hopes to be certified as supporting the goal to limit temperature rise to within 1.5 °C of pre-industrial levels.
- Joined **RE100**² and **Japan Climate Leaders' Partnership (JCLP)**³
- Consolidated annual-performance reporting is based on the **CDP**⁴ climate-related information-disclosure platform.
- Supports the **Task Force on Climate-related Financial Disclosures (TCFD)**.⁵ Plans to disclose the required information by around this summer.

<u>STBi Certification</u>	<u>RE100 Participation</u>	<u>Responding to CDP</u>	<u>TCFD Endorsement</u>
Green house gas-reduction targets Committed in April 2022	100% by 2030 Applying for membership by June 2022	Platform for disclosure of climate-related information	Disclosure of climate-related financial information
1.5°C level (based on scientific target of keeping temperature rise within 1.5°C of pre-industry; applying for certification within this year)	 Japan Climate Leaders' Partnership	 Will submit answer to the questionnaires from July 2022	 Became a supporter in April 2022, disclosure from summer 2022

¹Encourages science-based greenhouse gas emission reduction targets in order to achieve the goals of the Paris Agreement. Jointly operated by CDP, World Wide Fund for Nature, World Resources Institute, and United Nations Global Compact.

²Companies committed to using 100% renewable energy for electricity in their operations, run by The Climate Group and the CDP.

³Established in 2009 by Japanese companies in recognition that industry must develop a healthy sense of urgency and initiate action to realize a more decarbonized world. Membership as of May 2022 numbered 211 companies from diverse industries, including some of Japan's best-known corporate names, accounting for total sales of 121.0 trillion yen and consumption of 60.25 terawatt hours of electricity (including overseas bases). JCLP collaborates with local governments and overseas organizations, has signed a comprehensive partnership agreement with Yokohama City and is now a comprehensive point of contact for the RE100, EV100 and EP100 initiatives as a local partner of The Climate Group, an international non-profit.

⁴Global disclosure system, managed by a UK-based charity, for NGOs, investors, corporations, nations and cities to report their environmental impacts.

⁵Established by the Financial Stability Board to examine climate-related disclosures and how financial institutions should respond.

Vertical Garden City

The vertical garden city concept proposed by Mori Building refers to compact urban complexes in which functions for work, residence, recreation, commerce, education and relaxation are highly integrated within walking distances.

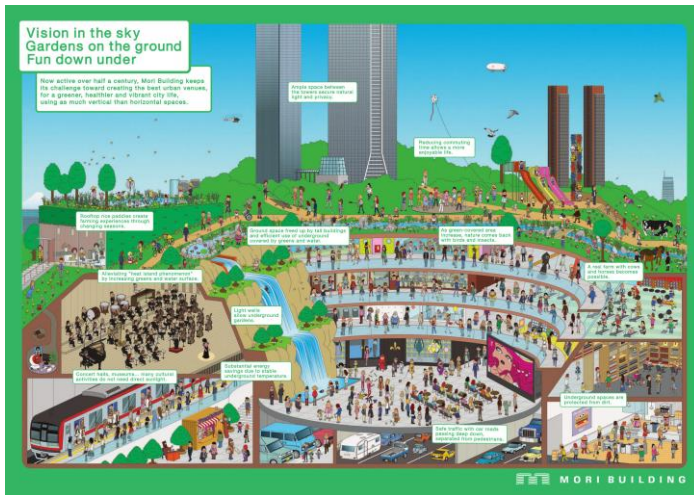
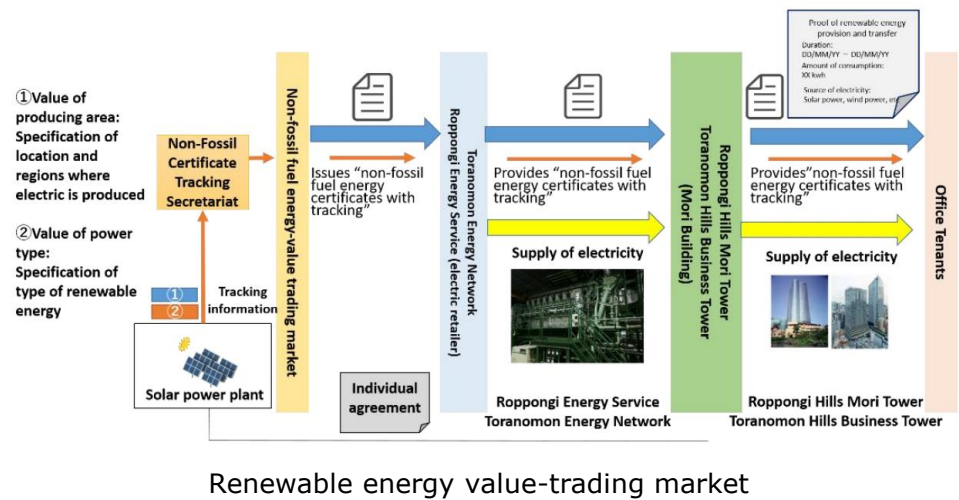


Image of Vertical Garden City

Provision of renewable energy to tenants

Upon request, Roppongi Hills Mori Tower and Toranomon Hills Business Tower can provide tenants with renewable energy electricity using the renewable energy value-trading market. In fact, Roppongi Hills became Japan's first office-leasing company to offer renewable electricity to tenants.

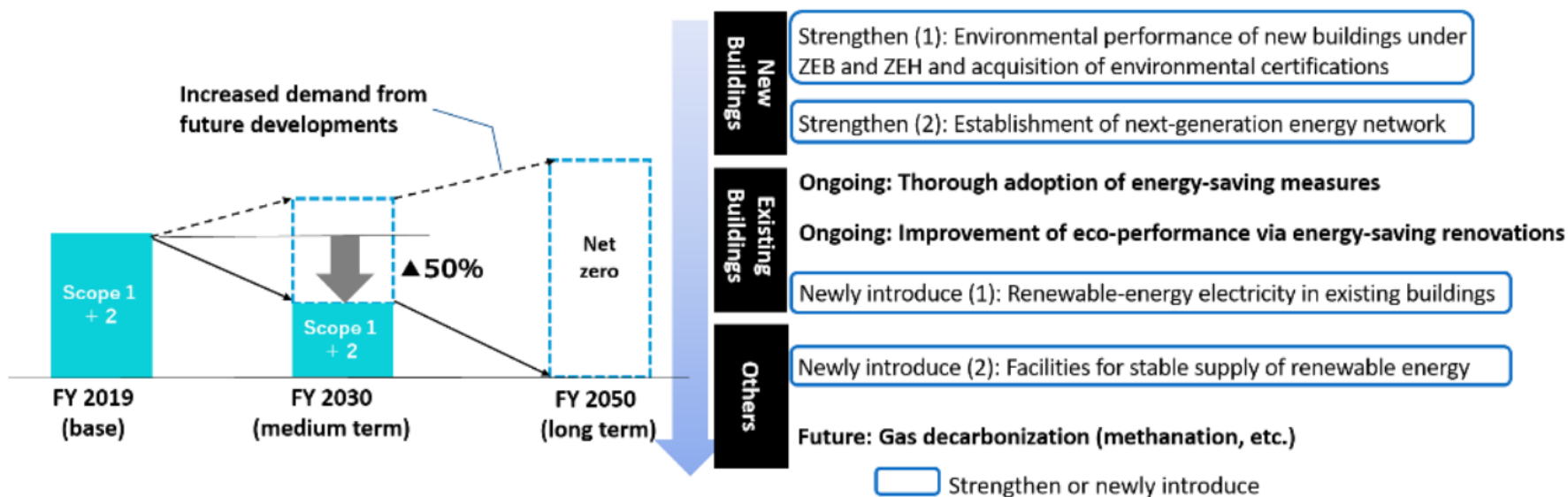


Tenant demand response

Toranomon Hills Business Tower's tenants, owner and energy center collaborate on demand-response control to effectively manage electricity and heat consumption during peak hours as well as supply energy during normal hours.

Both strengthen and newly introduce measures for decarbonization

- **Strengthen (1):** Environmental performance of new buildings under ZEB or ZEH and acquisition of environmental certifications
- **Strengthen (2):** Establishment of next-generation energy network
- **Newly introduce (1):** Renewable-energy electricity in existing buildings
- **Newly introduce (2):** Facilities for stable supply of renewable energy



Note: Under Scope 3, Mori Building will identify and then reduce emissions at the time of construction in cooperation with supply-chain companies.

Strengthen (1): Environmental performance of new buildings under ZEB or ZEH and acquisition of environmental certifications

- By 2030, all new buildings in Japan managed by Mori Building will achieve ZEB or ZEH levels of environmental performance in the design stage.
- Environmental-performance certifications will be sought to ensure that suitable performance levels are maintained. For Hills-branded projects, Mori Building will pursue CASBEE's top "S" level for large properties and the top "Platinum" levels of LEED and WELL, the world's most widely used certifications.
- For existing buildings, Mori Building will pursue environmental certifications, enhance energy-savings measures and renovate existing facilities.

ZEB Certification

The offices portion of the Toranomon Hills Business Tower, which was completed in 2020, has acquired BELS certification, which is equivalent to ZEB Oriented. In addition to the use of a sun-shielding overhanging façade in harmony with the surrounding area, the project was evaluated for its high-efficiency energy center and the introduction of an energy management system through three-way collaboration between the tenant, the building owner, and the energy center.



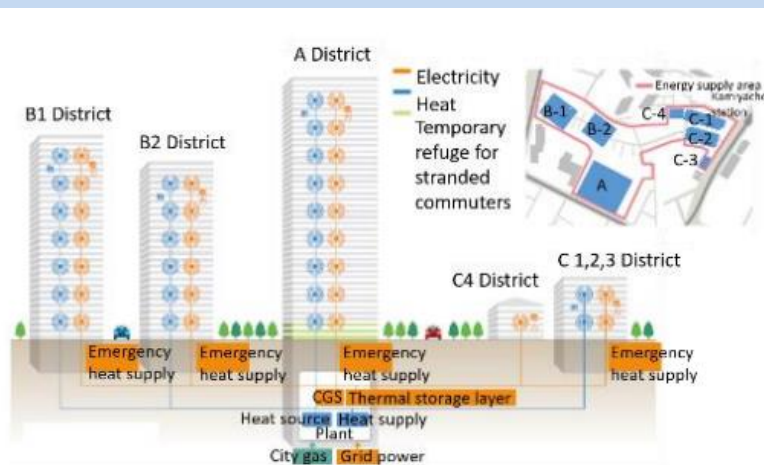
LEED and WELL Precertification

The Toranomon-Azabudai Project and Toranomon Hills Area Project both received top Platinum-level precertifications in the Neighborhood Development (ND) category from LEED (Leadership in Energy and Environmental Design). They also received top Platinum-level precertifications for Building & Design/Core and Shell Development (BD+C) under LEED. In addition, the Toranomon-Azabudai Project's A District and Toranomon Hills Station Tower's A-1 District have received Platinum-level precertifications under the WELL Building Standard (WELL), the world's first performance-based system for measuring, certifying and monitoring features of the built environment that impact human health and wellbeing.



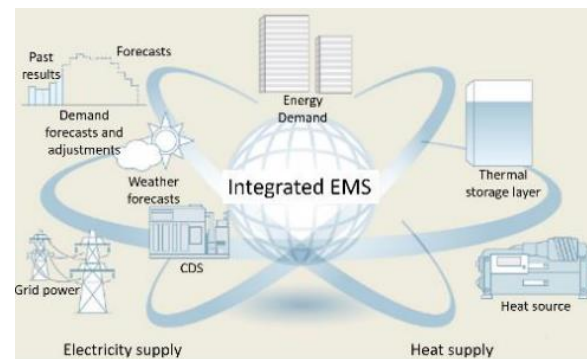
Strengthen (2): Establishment of next-generation energy network

- Mori Building has established highly efficient energy-supply centers and building energy networks in Roppongi Hills and ARK Hills for energy conservation and business-continuity planning.
- The Toranomon-Azabudai project, currently under way, will introduce an AI-supported integrated energy management system (EMS), a sewage heat utilization system, and other systems for high-efficiency energy usage.
- The project's on-site energy center will supply 100% RE100-compliant renewable-energy electricity to support decarbonization throughout the entire complex, not just in individual buildings.

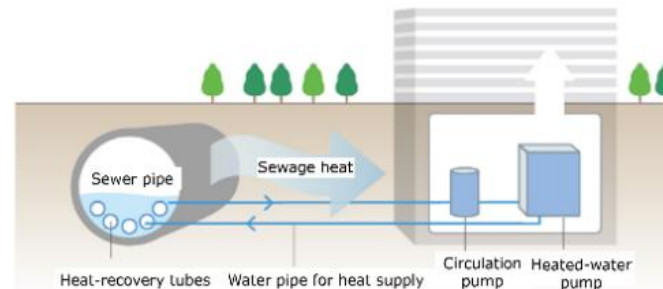


Supply Area	Electricity	Heat	Floor Area	Usage
A District	●	●	461,000m ²	Offices, shops, residential, hotel, etc.
B-1 District	●	●	185,000m ²	Residential, offices & shops
B-2 District	●	●	169,000m ²	Residential, shops, hotel, etc.
C-1,2,3 District	●	●	44,400m ²	Shops, etc.
C-4 District	●	--	1,800m ²	Temple

Toranomon-Azabudai project area next-generation energy network



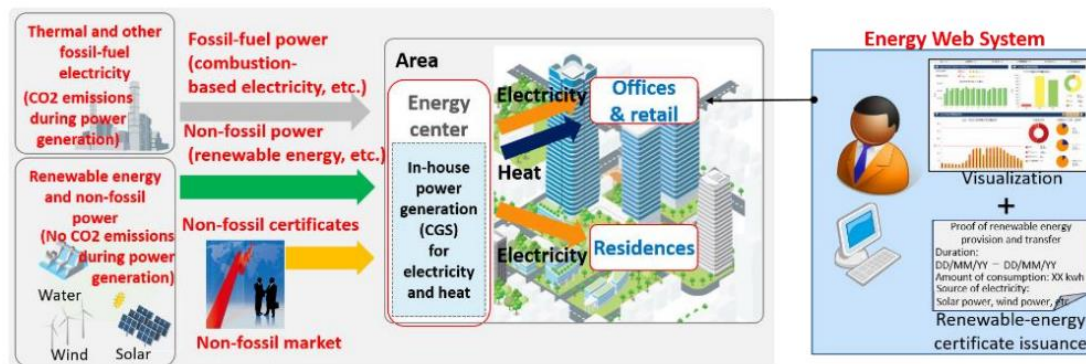
Integrated EMS



Sewage heat utilization system

Newly introduce (1): Renewable-energy electricity in existing buildings

- Mori Building will gradually introduce renewable electricity for all wholly and partially owned properties, including those overseas, by fiscal 2030.
- For large buildings, such as those in Hills-brand complexes, adoption as soon as possible after fiscal 2022 is being considered.
- The Toranomom Azabudai Project and Toranomom Hills Station Tower (tentative name), both currently under construction, will be supplied with 100% renewable electricity immediately upon completion.
- Mori Building plans to use its proprietary Energy Web System to provide tenants with documents, based on tracking information, to certify that their electricity comes from renewable energy.



Renewable-energy certification system in Toranomom-Azabudai project

Newly introduce (2): Facilities for stable supply of renewable energy

- In order to ensure stable supplies of renewable-energy electricity in the future, Mori Building will consider securing solar, wind and other renewable energy facilities through various arrangements, including collaboration and partnership with wide-range businesses such as electric power companies and renewable energy developers.

01 Overview of Financial Results for FY2021

02 Financial Forecasts for FY2022

03 Initiatives to Realize a Decarbonized Society

04 Reference Materials

1. Establishment of internal system to promote environmental initiatives

Mori Building will establish an internal system to facilitate achievement of eco targets and disclosure of related information.

2. Information disclosure regarding TCFD

Regarding the Task Force on Climate-related Financial Disclosure (TCFD) endorsed by Mori Building in April 2022, the company plans to start disclosing required information around this summer.

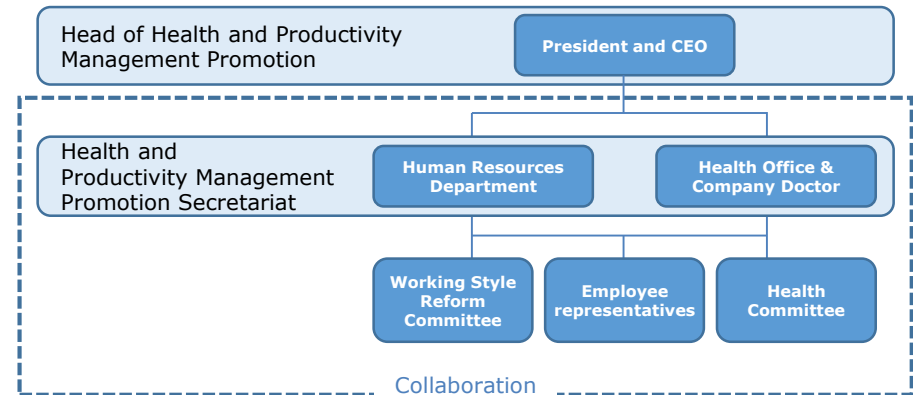
- Mori Building has been named to White 500 list of leading health & productivity management companies in fiscal 2022 by Japan’s Ministry of Economy, Trade and Industry.

Health and Productivity Management Declaration by Mori Building

Mori Building carries out health and productivity management activities from the perspective of employee health management as a business strategy aimed at ensuring that each employee remains physically and mentally healthy to allow them to work enthusiastically. By maintaining and enhancing health, the company reinforces the vitality and performance of both individual employees and the company overall for further growth and development. Also, Mori Building fulfills its social mission to revitalize people and businesses through the work of creating and developing cities. Mori Building continues to advance the development of cities where residents, workers and visitors can spend their lives in good physical and mental health.







Management Structure





Mori Building’s president and CEO oversees groupwide health and productivity management as a business matter. In addition, the Human Resources Department, Health Office & Company Doctor, which also serve as the Health and Productivity Management Promotion Secretariat, cooperate with the Working Style Reform Committee, employee representatives and the Health Committee to develop measures for maintaining and enhancing employee health.



Since 2015, the Ministry of Economy, Trade and Industry has been surveying companies in Japan to determine their current status and changes over time in managing workforce health and productivity. Based on responses to an annual survey, the program certifies Health & Productivity Management brands, from among which White 500 large enterprises are specially recognized as Health & Productivity Management Outstanding Organizations.

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	MORI Tower	Forest Tower	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 	12 
Name of the property	Omotesando Hills	Shanghai World Financial Center	ARK Hills Sengokuyama Mori Tower	Toranomon Hills Mori Tower	Toranomon Hills Business Tower	Toranomon Hills Residential Tower
Location	Jingumae, Shibuya-ku	Pudong District , Shanghai	Roppongi, Minato-ku	Toranomon, Minato-ku	Toranomon, Minato-ku	Atago, Minato-ku
Completion date	January 2006	August 2008	August 2012	May 2014	January 2020	January 2022
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	54 above ground 4 underground
Total floor area	34,062㎡	381,600㎡	143,426㎡	244,360㎡	172,925㎡	121,000㎡



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**
 - Mori building Golf Resort 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.

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 May 2022)

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
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
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	-	-	-	213.0	-	-	-

■ Bond redemption schedule (Billions of yen)



*Excluding subordinated bonds

Consolidated Balance Sheet for FY2021

(millions of yen)

Assets				Liabilities			
Account name	FY2020 As of Mar-31,2021	FY2021 As of Mar-31,2022	change	Account name	FY2020 As of Mar-31,2021	FY2021 As of Mar-31,2022	change
Current assets				Current liabilities			
Cash and deposits	317,345	266,207	△ 51,137	Notes and accounts payable - trade	10,195	11,749	1,554
Notes and accounts receivable - trade	9,633	-	△ 9,633	Short-term borrowings	47,069	45,596	△ 1,472
Accounts receivable - trade	-	9,672	9,672	Current portion of bonds payable	22,950	10,000	△ 12,950
Contract assets	-	692	692	Income taxes payable	2,563	11,969	9,406
Short-term investment securities	52,000	2,000	△ 50,000	Contract liabilities	-	16,248	16,248
Inventories	21,055	72,289	51,233	Provision for bonuses	1,315	1,302	△ 13
Other	28,771	30,847	2,076	Other	50,278	39,896	△ 10,382
Allowance for doubtful accounts	△ 33	△ 16	17	Total current liabilities	134,373	136,763	2,390
Total current assets	428,772	381,693	△ 47,079	Long-term liabilities			
Fixed assets				Bonds payable	213,000	203,950	△ 9,050
Property, plant and equipment				Long-term borrowings	1,144,528	1,171,385	26,857
Buildings and structures	237,872	282,517	44,645	Leasehold and guarantee deposits <i>received</i>	81,266	87,362	6,096
Machinery, equipment and vehicles	11,541	11,098	△ 443	Long-term deposits received	1,575	1,279	△ 296
Tools, furniture and fixtures	6,876	8,591	1,714	Retirement benefit liability	1,745	1,827	81
Land	485,593	489,943	4,349	Provision for retirement benefits for directors	938	1,055	116
Construction in progress	124,058	85,238	△ 38,820	Provision for dismantling cost of fixed assets	3,500	3,490	△ 9
Real estate in progress	153,520	242,130	88,609	Deferred tax liabilities	123,355	126,637	3,281
Beneficial interests in real estate trust	587,222	577,624	△ 9,597	Other	7,267	5,687	△ 1,579
Other	1,722	1,726	4	Total long-term liabilities	1,577,178	1,602,675	25,497
Total Property, plant and equipment	1,608,408	1,698,871	90,463	Total liabilities	1,711,551	1,739,439	27,887
Intangible assets				Net assets			
Leasehold right	55,486	57,176	1,689	Shareholders' equity			
Goodwill	11,896	11,970	73	Capital stock	79,500	79,500	-
Other	5,601	6,166	564	Capital surplus	22,539	22,563	24
Total intangible assets	72,985	75,312	2,327	Retained earnings	443,610	474,267	30,657
Investments and other assets				Treasury stock	△ 11,507	△ 11,507	-
Investment securities	39,799	50,350	10,550	Total shareholders' equity	534,142	564,824	30,681
Equity investments	24,751	25,062	311	Accumulated other comprehensive income			
Long-term loans receivable	58,716	86,856	28,139	Valuation difference on available-for-sale securities	10,688	15,050	4,362
Retirement benefit asset	1,065	987	△ 78	Deferred gains or losses hedges	△ 489	69	558
Deferred tax assets	140	89	△ 51	Foreign currency translation adjustment	15,134	36,650	21,515
Other	47,558	49,138	1,580	Remeasurements of defined benefit plans	275	96	△ 178
Allowance for doubtful accounts	△ 1,201	△ 1,298	△ 96	Total accumulated other comprehensive income	25,609	51,866	26,257
Total investments and other assets	170,828	211,184	40,355	Non-controlling interests	9,691	10,931	1,239
Total fixed assets	1,852,222	1,985,368	133,146	Total net assets	569,443	627,623	58,179
Total assets	2,280,994	2,367,062	86,067	Total liabilities and net assets	2,280,994	2,367,062	86,067

Consolidated Income Statement for FY2021

(millions of yen)

Account name	FY2020	FY2021	change
Revenue from operations	230,082	245,306	15,224
Cost of revenue from operations	156,957	167,873	10,916
Operating gross profit	73,125	77,433	4,307
Selling, general and administrative expenses	22,204	24,674	2,469
Operating income	50,920	52,759	1,838
Interest income	738	955	217
Dividend income	780	203	△ 576
Compensation income	1,927	1,927	△ 0
Equity in earnings of affiliates	1,659	1,945	285
Subsidy income	819	1,576	757
Other	1,962	3,663	1,700
Non-operating income	7,888	10,271	2,383
Interest expenses	7,769	7,800	30
Finance charges and fees	1,263	1,229	△ 34
Other	1,216	246	△ 970
Non-operating expenses	10,250	9,275	△ 974
Ordinary income	48,558	53,755	5,196
Gain on sales of fixed assets	2,078	307	△ 1,770
Compensation received	-	9,149	9,149
Burden charge receivable	1,375	-	△ 1,375
Other	184	1,576	1,391
Extraordinary income	3,637	11,033	7,395
Loss on sales of fixed assets	147	64	△ 83
Loss on reduction of fixed assets	1,800	310	△ 1,490
Impairment loss	413	-	△ 413
Loss on business restructuring	-	844	844
Loss on COVID-19	3,045	861	△ 2,183
Other	260	248	△ 12
Extraordinary losses	5,667	2,329	△ 3,338
Income before income taxes	46,528	62,458	15,930
Income taxes - current	8,514	17,600	9,086
Income taxes - deferred	5,947	1,869	△ 4,077
Profit	32,067	42,988	10,921
Profit attributable to non-controlling interests	649	747	97
Profit attributable to owners of parent	31,417	42,241	10,824

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.

