

2022.11.24



Construction site of Toranomon Hills Area Project (October 2022)

## 01 Overview of Interim Financial Results for FY2022

02 Financial Forecast for FY2022

03 Sustainability and ESG Initiatives

04 Ongoing Projects

05 Referential Materials

# Overview of Interim Financial Results for FY2022 (Consolidated)



(Billions of yen)

	FY2021 1H	FY2022 1H	change YoY	
			JPY	%
Operating revenue	108.1	156.1	+47.9	+44%
Operating income	21.7	39.1	+17.3	+79%
Ordinary income	22.0	38.8	+16.7	+76%
Profit attributable to owners of parent	13.6	26.0	+12.4	+91%

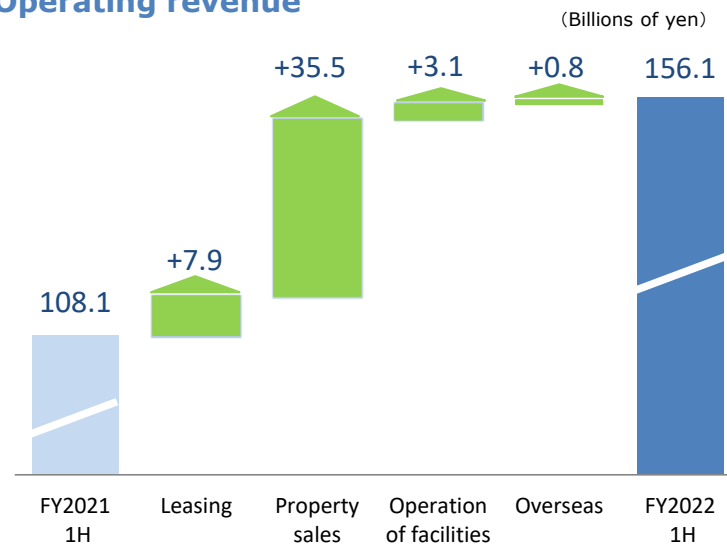
	FY2021	FY2022 1H	change	
Total assets	2,367.0	2,388.4	+21.4	+1%
Interest-bearing debt	1,430.9	1,425.5	△5.3	△0%
Equity	616.6	643.1	+26.4	+4%
Equity ratio	26.1%	26.9%	+0.9%	-
(After considering equity capital attributes of hybrid securities)	(28.2%)	(29.0%)		
Net D/E ratio	1.89	1.79	△0.09	-
(After considering equity capital attributes of hybrid securities)	(1.67)	(1.59)		

# Consolidated Income Statement for FY2022 First Half Period

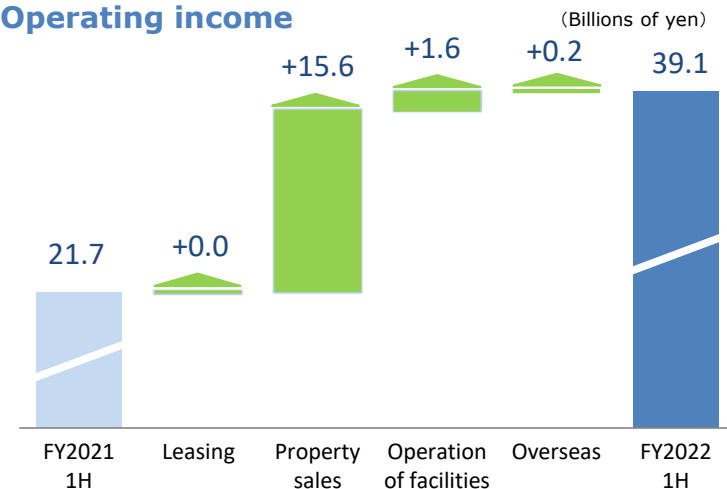


	FY2021 1H	FY2022 1H	change YoY	
			(Billions of yen)	
			JPY	%
Leasing	75.9	83.9	+7.9	
Property sales	14.6	50.2	+35.5	
Operation of facilities	8.0	11.1	+3.1	
Overseas	12.7	13.5	+0.8	
<b>Operating revenue</b>	<b>108.1</b>	<b>156.1</b>	<b>+47.9</b>	<b>+44%</b>
Leasing	17.6	17.6	+0.0	
Property sales	8.6	24.2	+15.6	
Operation of facilities	△ 2.3	△ 0.6	+1.6	
Overseas	4.3	4.6	+0.2	
<b>Operating income</b>	<b>21.7</b>	<b>39.1</b>	<b>+17.3</b>	<b>+79%</b>
Non-operating income	4.5	4.3	△0.1	
Non-operating expenses	4.2	4.6	+0.4	
<b>Ordinary income</b>	<b>22.0</b>	<b>38.8</b>	<b>+16.7</b>	<b>+76%</b>
Extraordinary income	1.2	0.3	△0.8	
Extraordinary losses	1.6	0.4	△1.1	
Income before income taxes	21.6	38.6	+17.0	
<b>Profit attributable to owners of parent</b>	<b>13.6</b>	<b>26.0</b>	<b>+12.4</b>	<b>+91%</b>
※depreciation	12.6	14.5	+1.9	

## Operating revenue

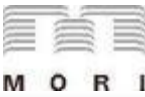


## Operating income



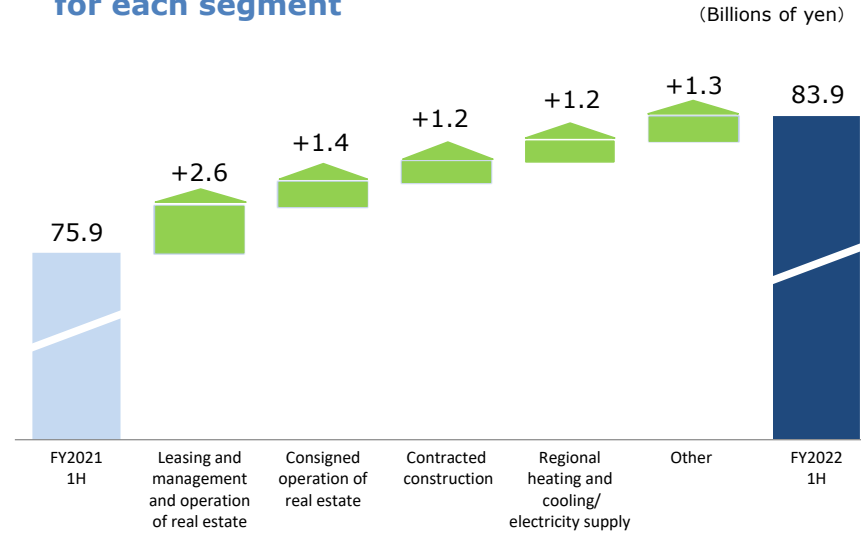
<b>Leasing</b>	Includes revenue gained from leasing and management and operation of real estate, consigned operation of real estate, contracted construction, regional heating and cooling/electricity supply, etc.
<b>Property sales</b>	Includes revenue gained from real estate property sales to investors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

# FY2022 First Half Period ~Segment Overview (Leasing)~

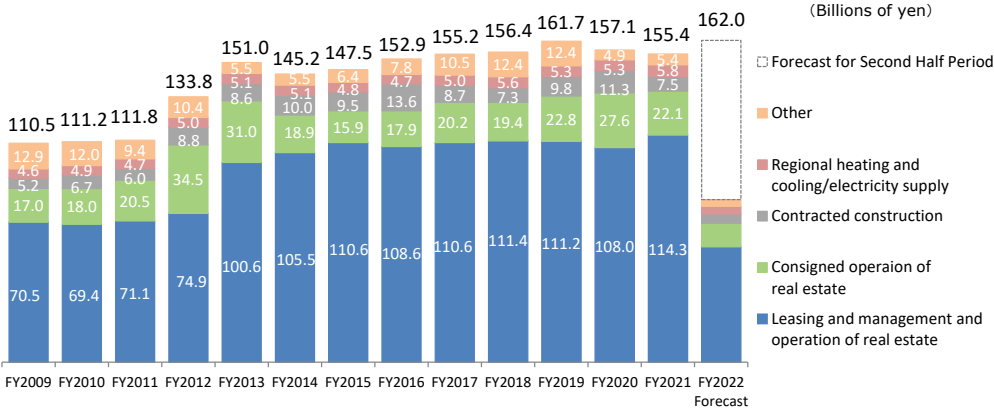


	FY2021 1H	FY2022 1H	change	(Billions of yen) FY2022 Forecast
Operating revenue	75.9	83.9	+7.9	162.0
Leasing and management and operation of real estate	56.4	59.1	+2.6	-
Consigned operation of real estate	10.9	12.3	+1.4	-
Contracted construction	3.2	4.4	+1.2	-
Regional heating and cooling/electricity supply	2.8	4.1	Δ1.2	-
Other	2.4	3.7	+1.3	-
Operating income	17.6	17.6	+0.0	32.5

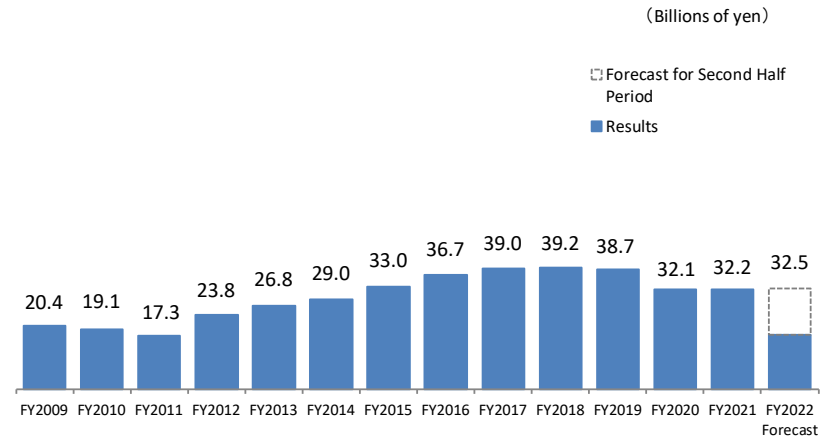
## Changes in operating revenue for each segment



## Changes in operating revenue

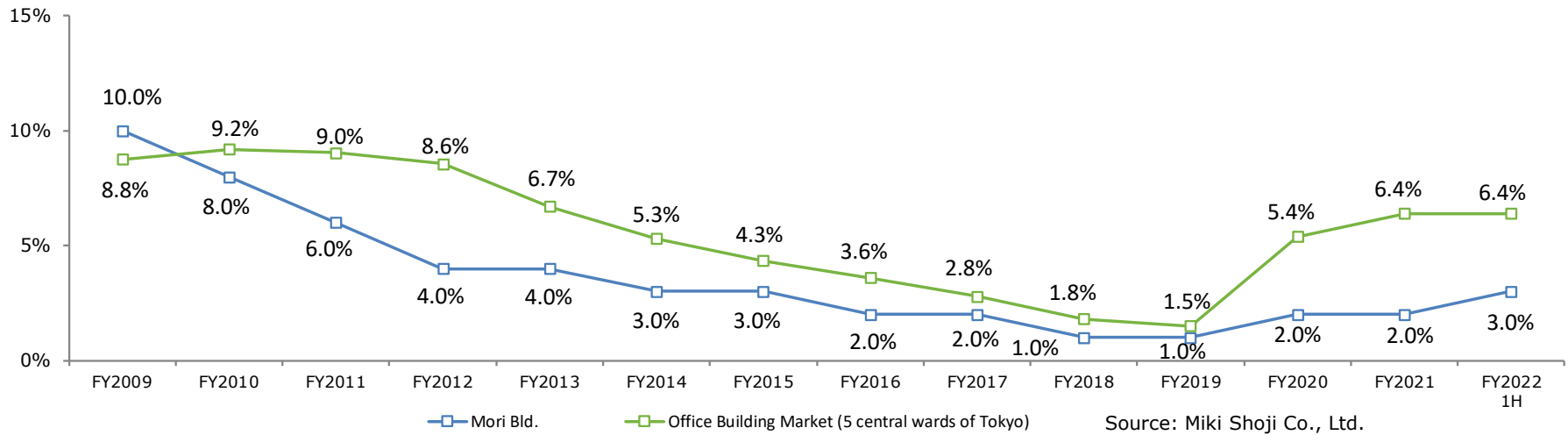


## Changes in operating income

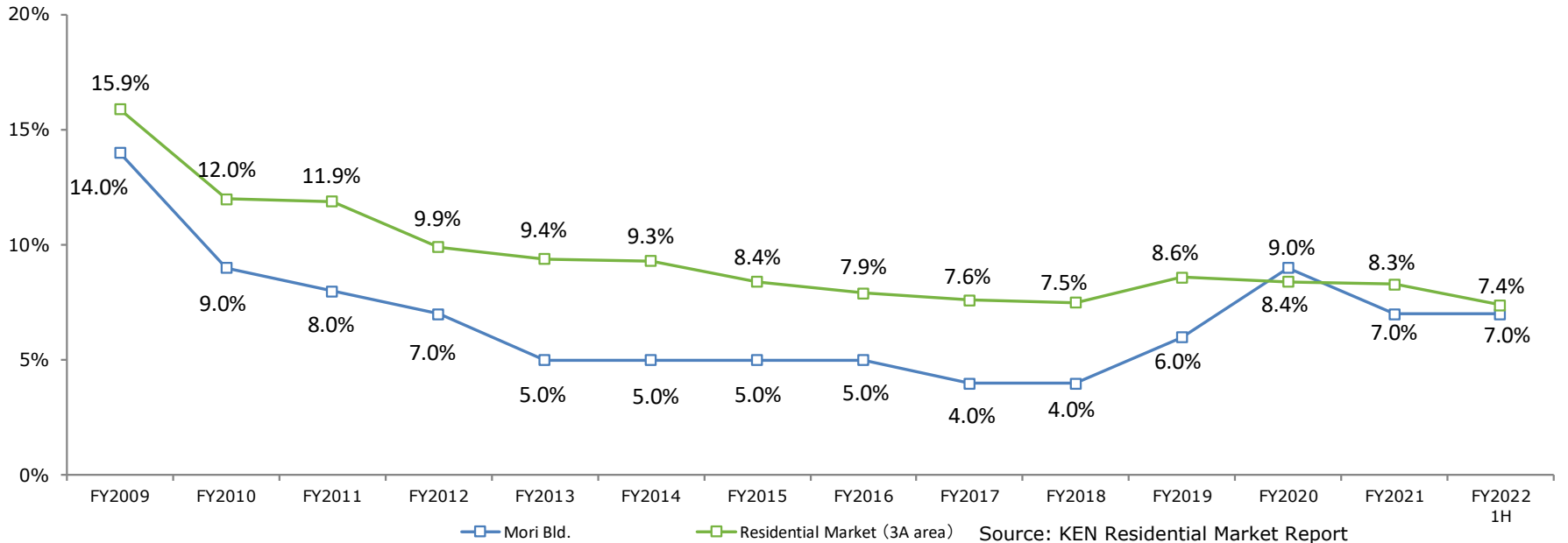


# Segment Overview (Leasing) ~Vacancy rate~

## ■ Vacancy rate of offices for lease



## ■ Vacancy rate of residential units for lease



# FY2022 First Half Period ~Segment Overview (Property sales)~

(Billions of yen)

	FY2021 1H	FY2022 1H	change	FY2022 Forecast
Operating revenue	14.6	50.2	+35.5	65.0
Real estate sales business for investors	9.2	-	△9.2	-
Residential sales business for individual customers	5.4	50.2	+44.8	-
Operating income	8.6	24.2	+15.6	30.0

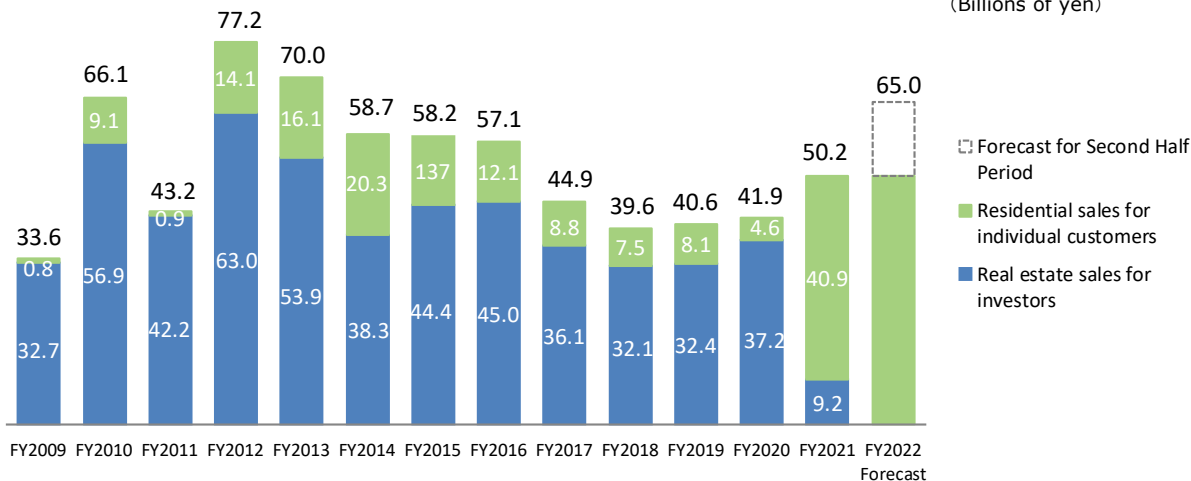
## Residential sales business



Toranomon Hills Residential Tower

## Changes in operating revenue

(Billions of yen)



(Billions of yen)

	FY2021 1H	FY2022 1H	change	FY2022 Forecast
Operating revenue	8.0	11.1	+3.1	23.0
Hotels	5.3	7.6	+2.2	-
Membership clubs	1.6	2.5	+0.8	-
Golf courses	0.9	1.0	+0.0	-
Operating income	△ 2.3	△ 0.6	+1.6	△ 2.0

## Golf courses

- SHISHIDO HILLS Country Club  
「BMW Japan Golf Tour Championship  
Mori Building Cup 2022」  
2-5 Jun 2022



## Major facilities operated by Mori Building

### Hotels

- Grand Hyatt Tokyo



Presidential Suite

- Andaz Tokyo



Andaz Sky Suite

- 「SHISHIDO HILLS LADIES MORI  
BUILDING CUP」  
26-28 Oct 2022





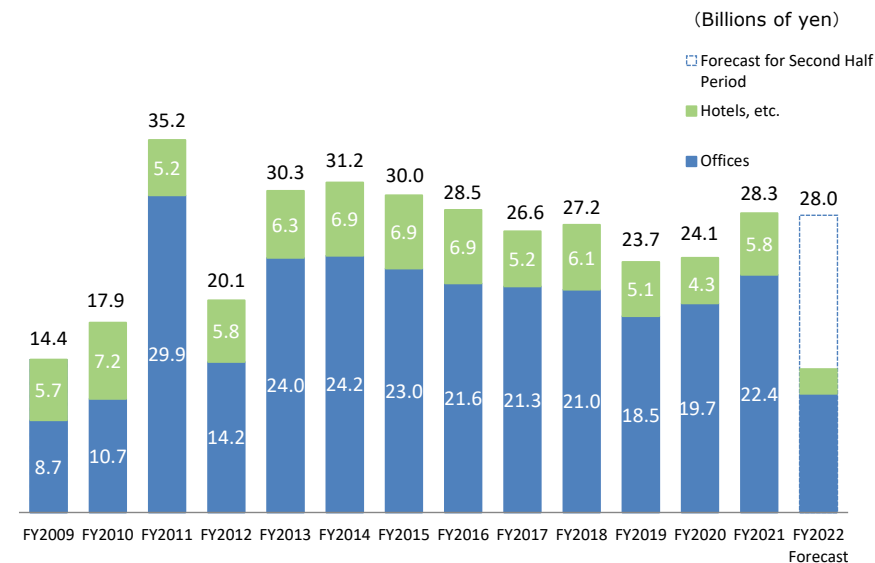
# FY2022 First Half Period ~Segment Overview (Overseas)~



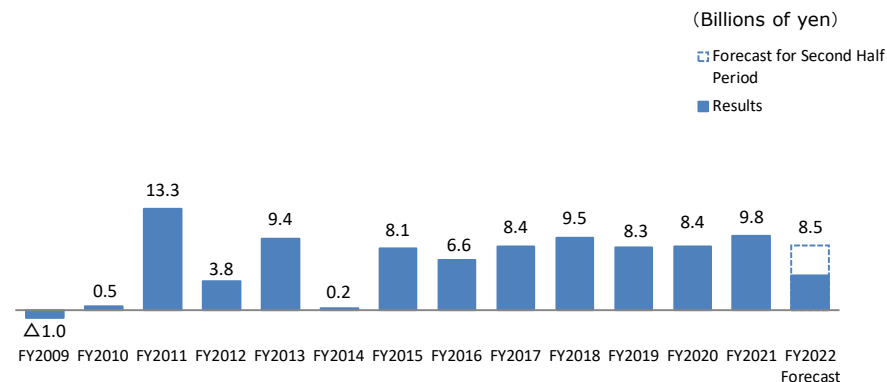
	FY2021 1H	FY2022 1H	change	FY2022 Forecast
Operating revenue	12.7	13.5	+0.8	28.0
Offices	10.0	11.2	+1.1	-
Hotels, etc.	2.7	2.3	Δ0.3	-
Operating income	4.3	4.6	+0.2	8.5

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

## Changes in operating revenue



## Changes in operating income



Shanghai World Financial Center  
Completed in August 2008



Park Hyatt Shanghai

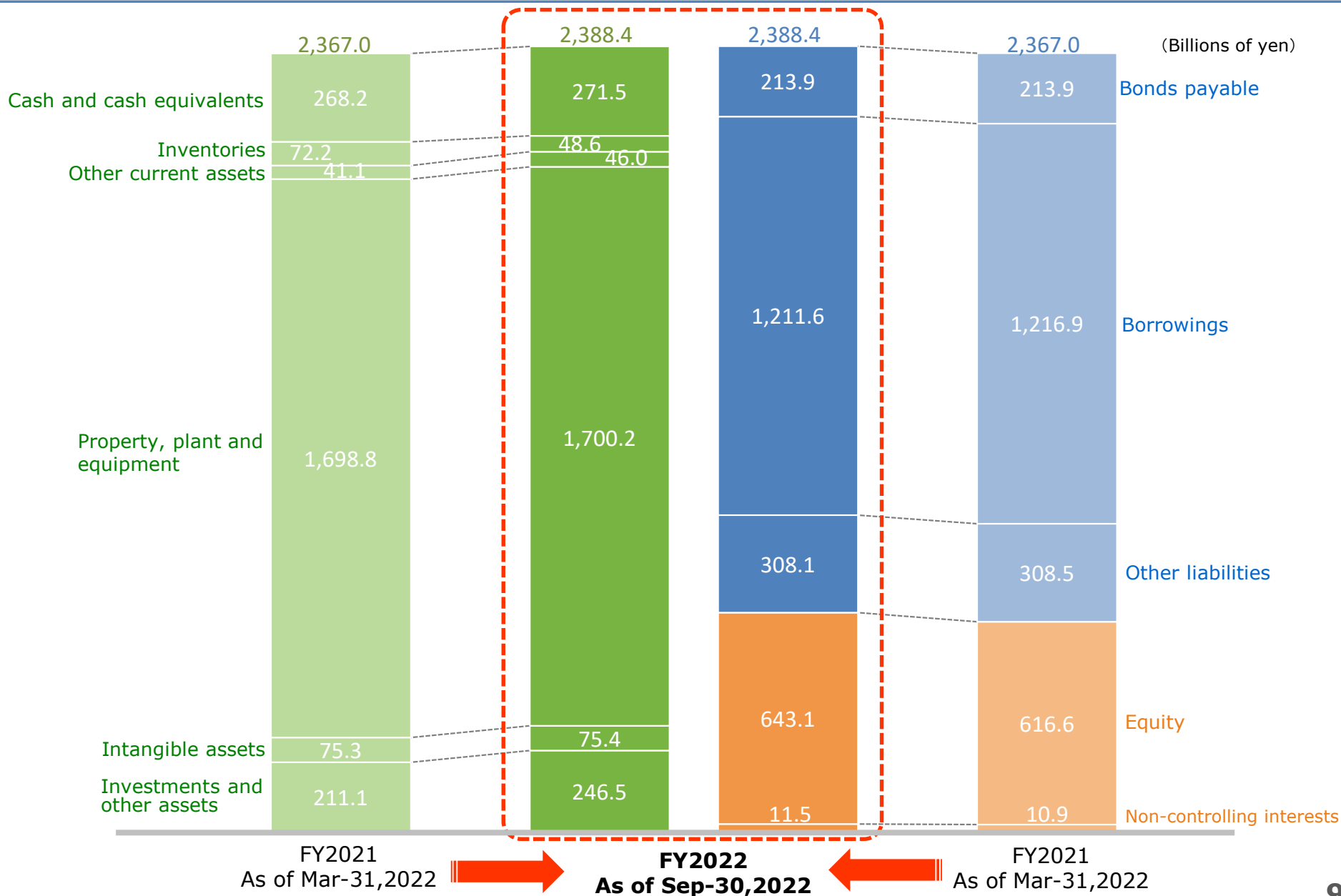


Observatory (Sky walk 100)  
474m above the ground

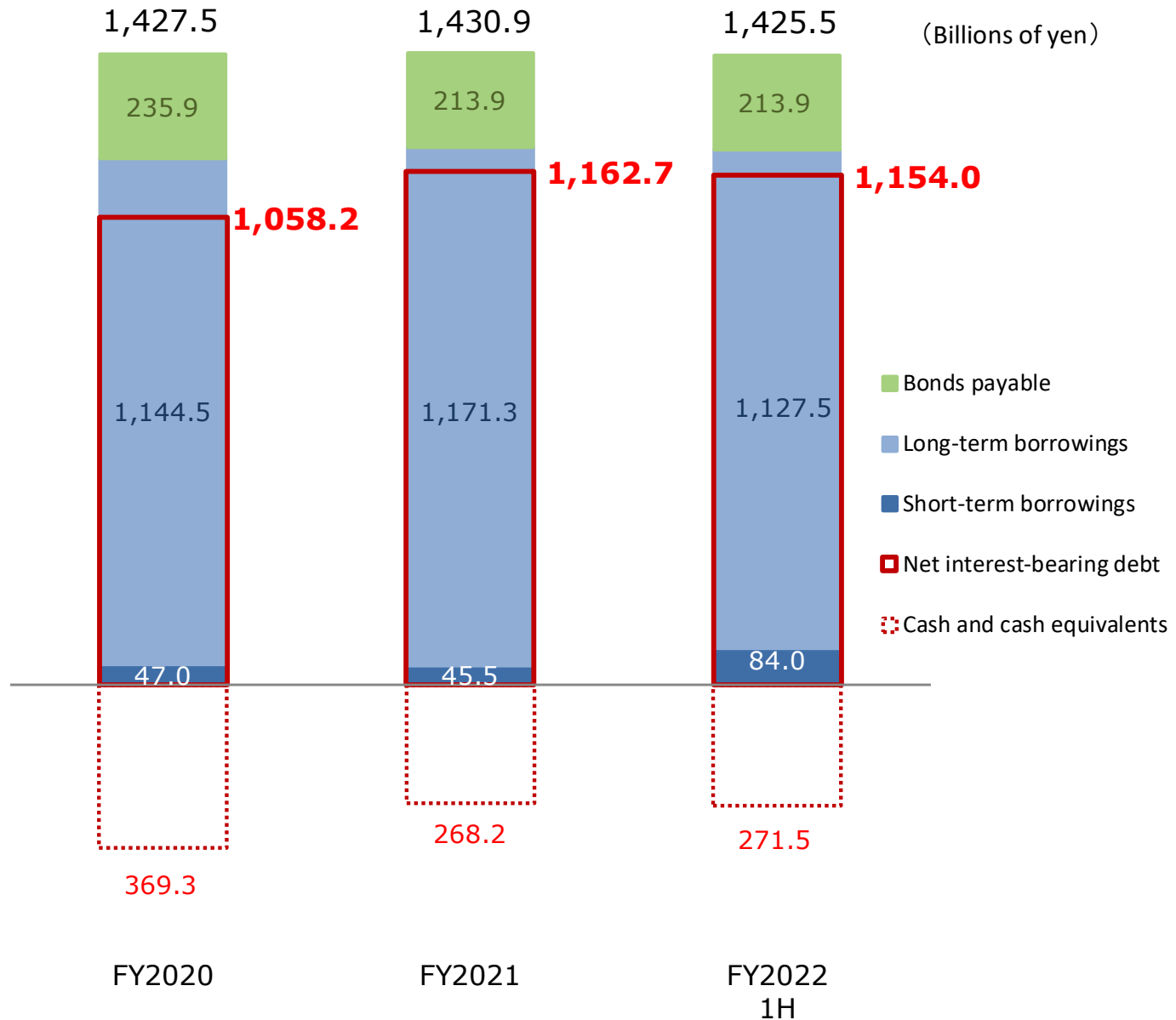
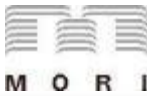
# Summary of Consolidated Balance Sheet for FY2022 First Half Period



(Billions of yen)

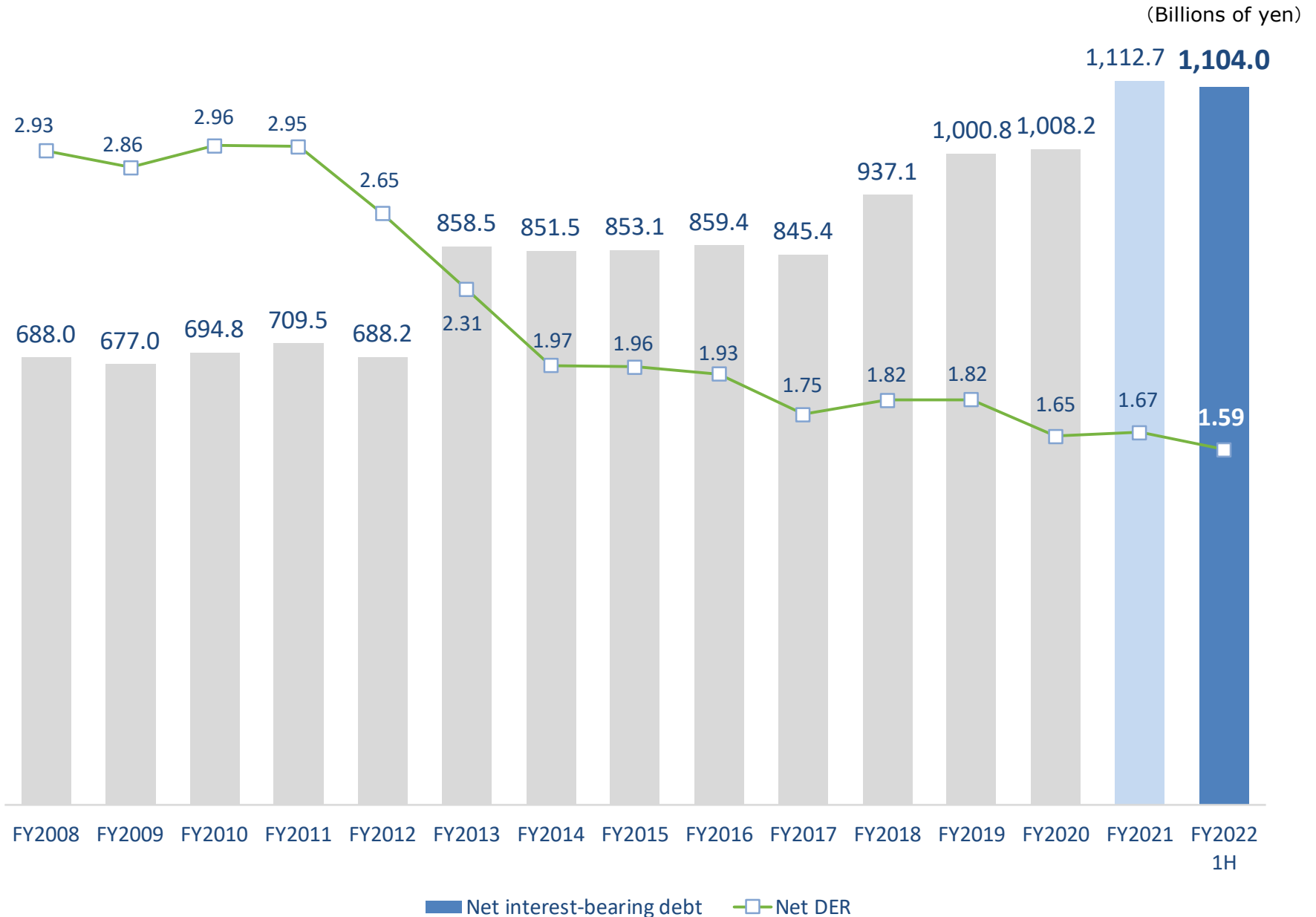
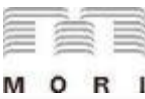


# Status of Interest-bearing Debt for FY2022 First Half Period

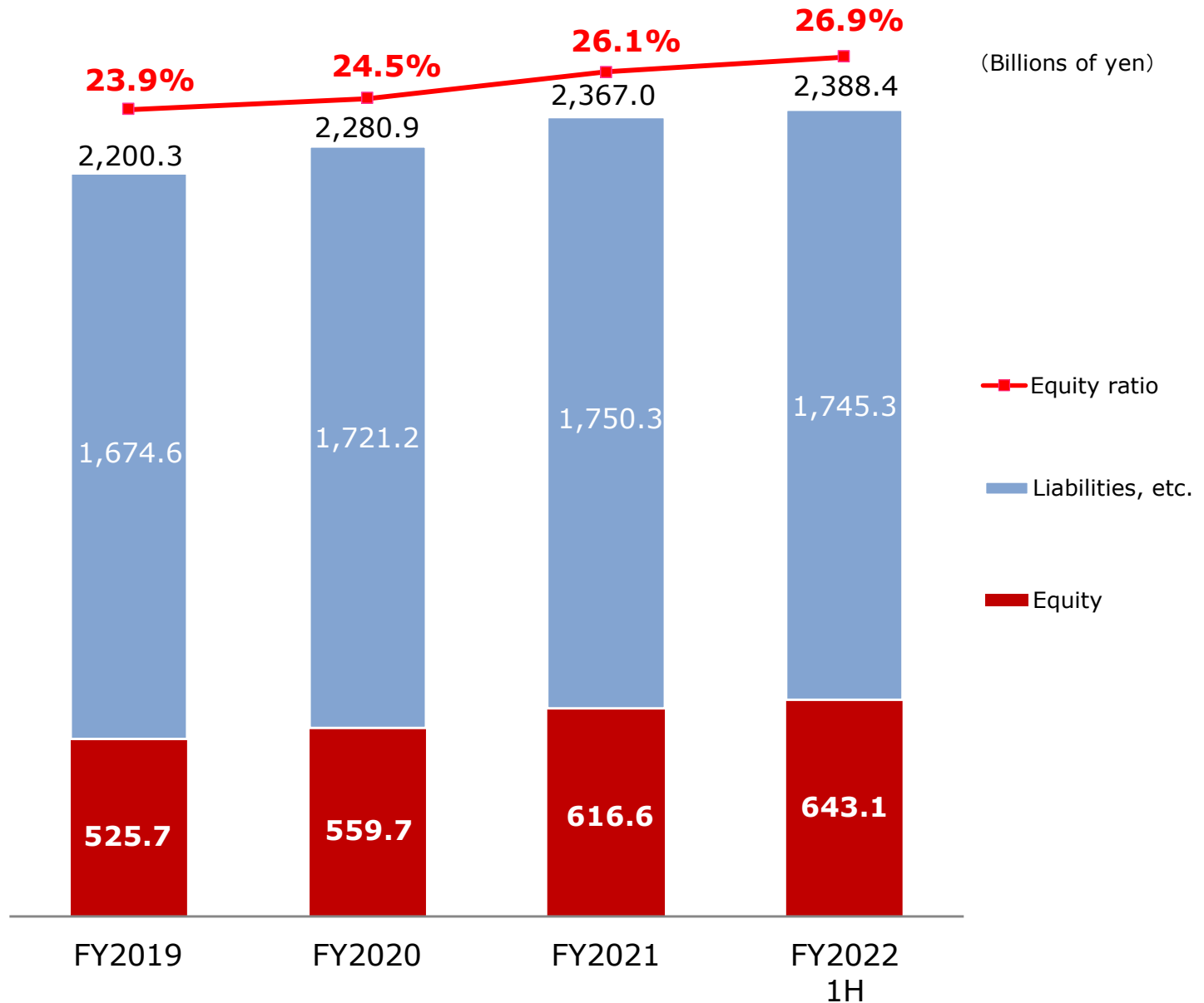
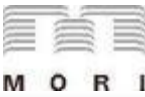


# Changes in Net Interest-bearing Debt and Net DER

※ After considering equity capital attributes of hybrid securities

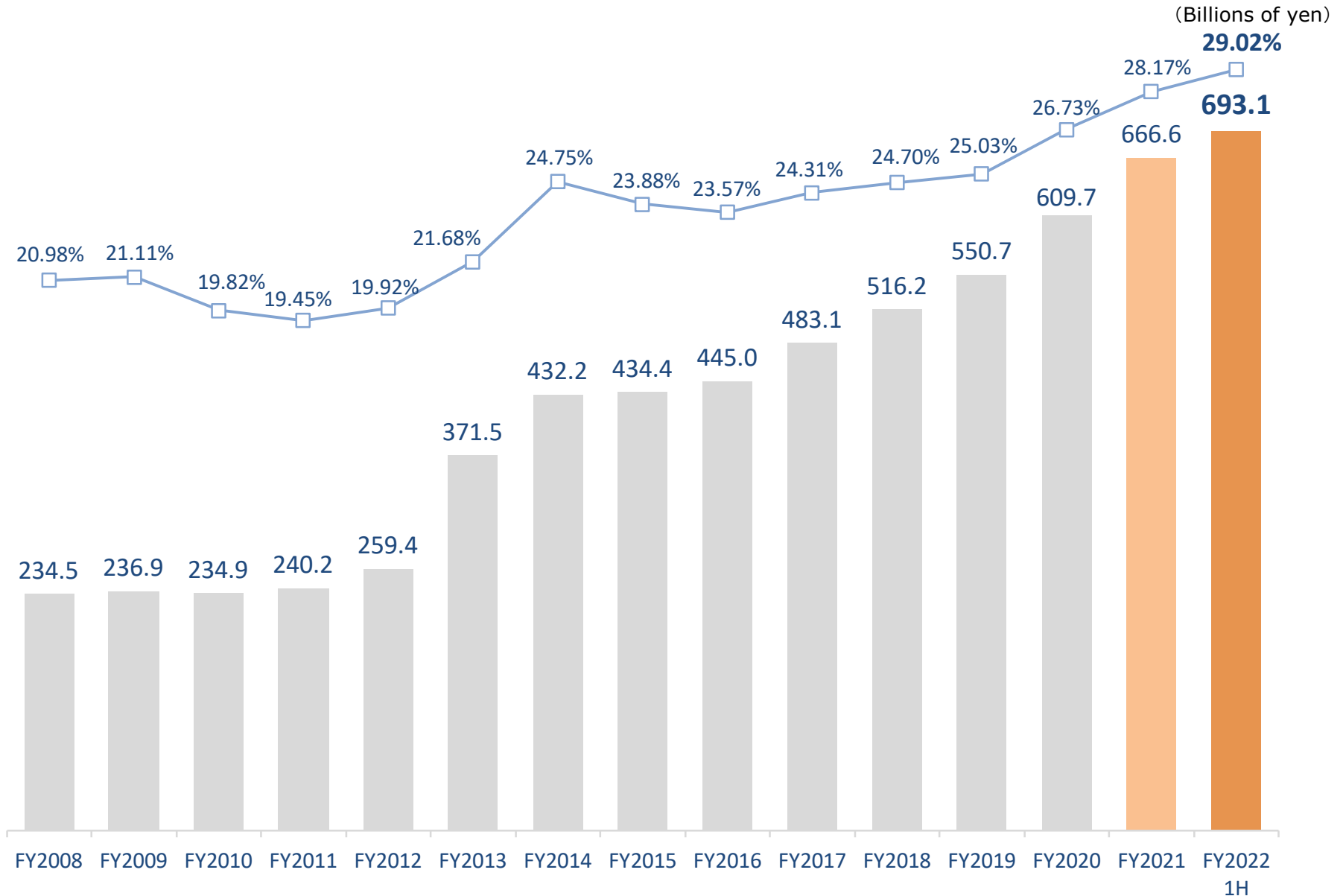


# Status of Equity (Ratio) for FY2022 First Half Period



# Changes in Equity (Ratio)

※ After considering equity capital attributes of hybrid securities



Equity Equity ratio

01 Overview of Interim Financial Results for FY2022

02 Financial Forecast for FY2022

03 Sustainability and ESG Initiatives

04 Ongoing Projects

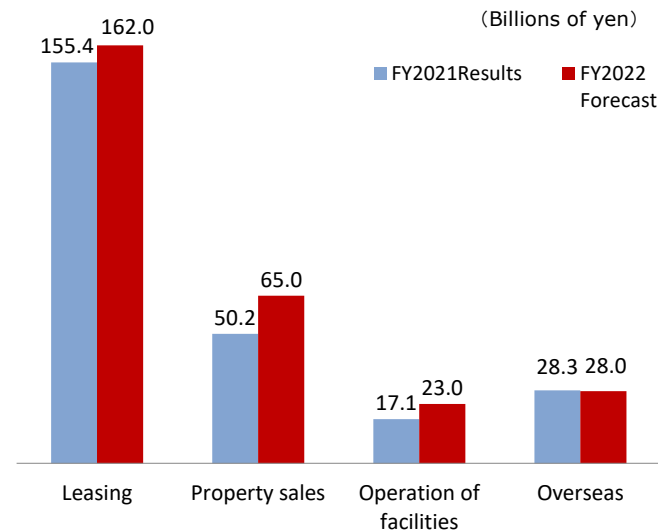
05 Referential Materials

# Financial Forecasts for FY2022

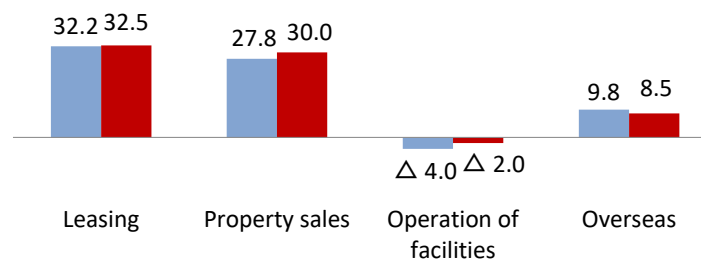
(Billions of yen)

	FY2021 Results	FY2022 Forecast	change
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

## Operating revenue



## Operating income





01 Overview of Interim Financial Results for FY2022

02 Financial Forecast for FY2022

**03 Sustainability and ESG Initiatives**

04 Ongoing Projects

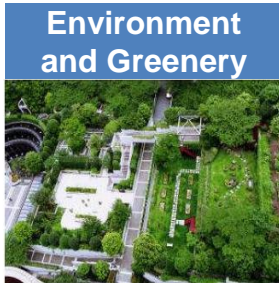
05 Referential Materials

# 1. Mori Building's View of Urban Development

## Sustainable urban development model

### Vertical Garden City

#### Three missions of urban design



### Create Cities, Nurture Cities



Cities coexisting harmoniously with nature



Countering urban heat-island phenomenon



Low-carbon cities



Creation of enjoyable urban environments



Developments in collaboration with communities



Comprehensive disaster countermeasures



Innovation ecosystem



Promotion of art and culture

# Environment

# Social

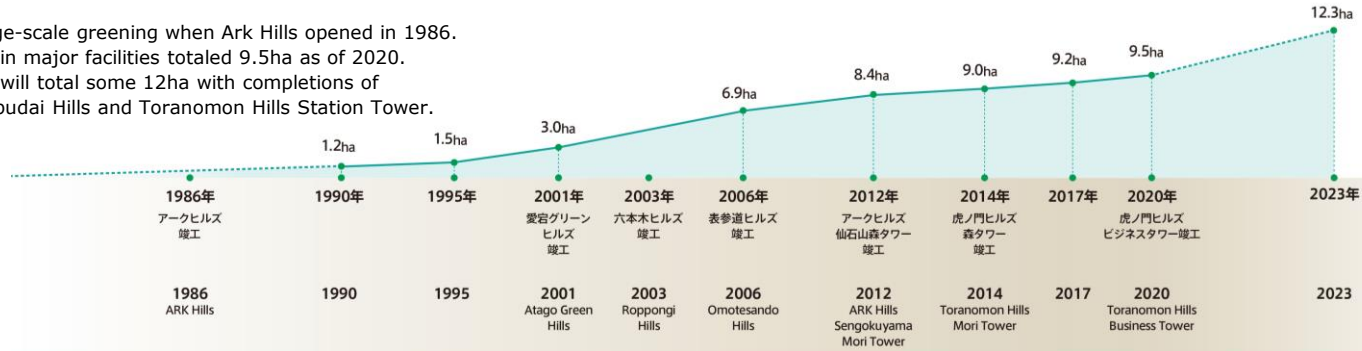
## 2. Major ESG Initiatives

	Category	Initiatives
<b>E</b> Environment	<ul style="list-style-type: none"> <li>• Large-scale greening, coexistence with nature, and protection of biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>• Improve green coverage rate</li> <li>• Mitigate heat-island phenomenon</li> <li>• Create bases for ecological networks</li> </ul>
	<ul style="list-style-type: none"> <li>• Contributions to decarbonized societies</li> </ul>	<ul style="list-style-type: none"> <li>• Establish medium- and long-term targets for greenhouse gas reduction (net zero by 2050)</li> <li>• Join RE100 initiative (targeting 100% renewable electricity by 2030)</li> <li>• Disclose climate-related information based on TCFD recommendations</li> </ul>
	<ul style="list-style-type: none"> <li>• Sustainability-related certifications</li> </ul>	<ul style="list-style-type: none"> <li>• Obtain green-building certifications</li> <li>• Improve property valuation based on sustainability</li> </ul>
<b>S</b> Society	<ul style="list-style-type: none"> <li>• Contributions to society through urban development</li> </ul>	<ul style="list-style-type: none"> <li>• Create enjoyable urban environments</li> <li>• Promote urban development together with communities</li> </ul>
	<ul style="list-style-type: none"> <li>• Business contingency planning (disaster prevention and building resilience)</li> <li>• Safety for tenants and visitors</li> </ul>	<ul style="list-style-type: none"> <li>• BPC-enhancement hardware and software</li> <li>• Strengthen emergency-management systems and conduct comprehensive earthquake drills</li> <li>• Education for office workers and tenants</li> <li>• Largest private-sector stockpile for disaster preparedness</li> <li>• Early, large-scale COVID-19 vaccinations for employees</li> </ul>
	<ul style="list-style-type: none"> <li>• Contributions to society through area management</li> </ul>	<ul style="list-style-type: none"> <li>• Culture and art promotion</li> <li>• Support for innovation creation</li> <li>• Education support (Hills Machi-iku project, Kids workshops, etc.)</li> <li>• Enrich communities, including via neighborhood associations</li> </ul>
	<ul style="list-style-type: none"> <li>• Respect for human rights</li> <li>• Promotion of diversity</li> <li>• Human resources development</li> </ul>	<ul style="list-style-type: none"> <li>• Support women's empowerment, childcare, and nursing care</li> <li>• Certifications for health management and diversity</li> <li>• Information dissemination and training to prevent harassment</li> <li>• Training in company values and by job rank, and maintaining system for qualification acquisition</li> </ul>
	<ul style="list-style-type: none"> <li>• Healthy, comfortable work environments and work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage employees to take paid leave and reduce overtime</li> <li>• Maintain employee health and safety management systems</li> <li>• Conduct events, wellness programs, etc., for employee health</li> </ul>
	<ul style="list-style-type: none"> <li>• Supply-chain management</li> </ul>	<ul style="list-style-type: none"> <li>• Implement sustainable-procurement guidelines</li> <li>• Conduct periodic evaluations of suppliers</li> </ul>
<b>G</b> Governance	<ul style="list-style-type: none"> <li>• ESG information disclosure</li> <li>• Compliance and corporate ethics</li> <li>• Risk identification and management</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability Committee, Environmental Promotion Committee, and Committee on Human Rights and Societal Issues</li> <li>• Enhanced disclosure of ESG information via website</li> <li>• Maintain appropriate environment for whistleblower system</li> </ul>

# 3. Environment (1)

## Large-scale urban greening

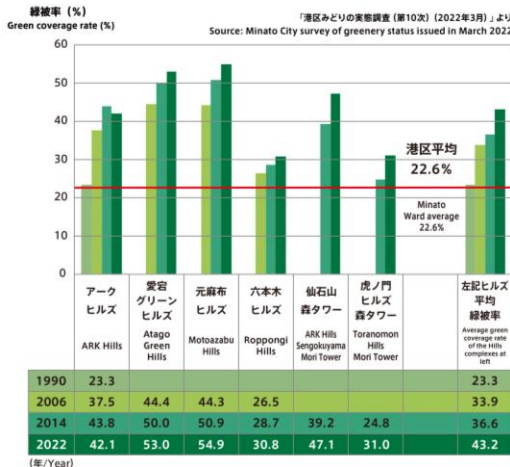
- Commenced large-scale greening when Ark Hills opened in 1986.
- Green coverage in major facilities totaled 9.5ha as of 2020.
- Green coverage will total some 12ha with completions of Toranomom-Azabudai Hills and Toranomom Hills Station Tower.



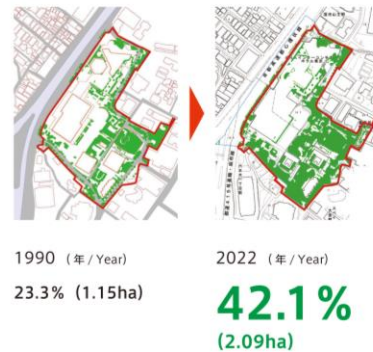
### Increasing the green coverage rate

Since 2006, the company has repeatedly surveyed its properties to measure their percentage of greened land. The green coverage rates and total greened areas of ARK Hills, Roppongi Hills and other facilities managed and operated by Mori Building have been increasing annually, with a goal of 38% coverage by 2030. Mori Building urban developments continue to contribute to the overall greening of Tokyo.

各ヒルズの緑被率  
Increase in green coverage rate



アークヒルズの緑被率の変化  
2022 green coverage rate survey, ARK Hills



### Countering urban heat-island effect

Thermal images of Roppongi Hills show that the daytime surface temperatures of greened spaces are 5°C to 15°C lower than those of asphalt pavements in surrounding streets. Increased green spaces where cities coexist harmoniously with nature not only provide places to relax but also mitigate the heat island effect.



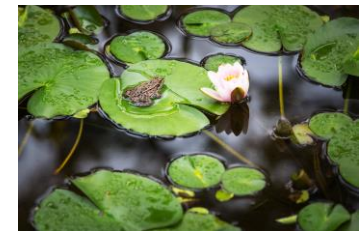
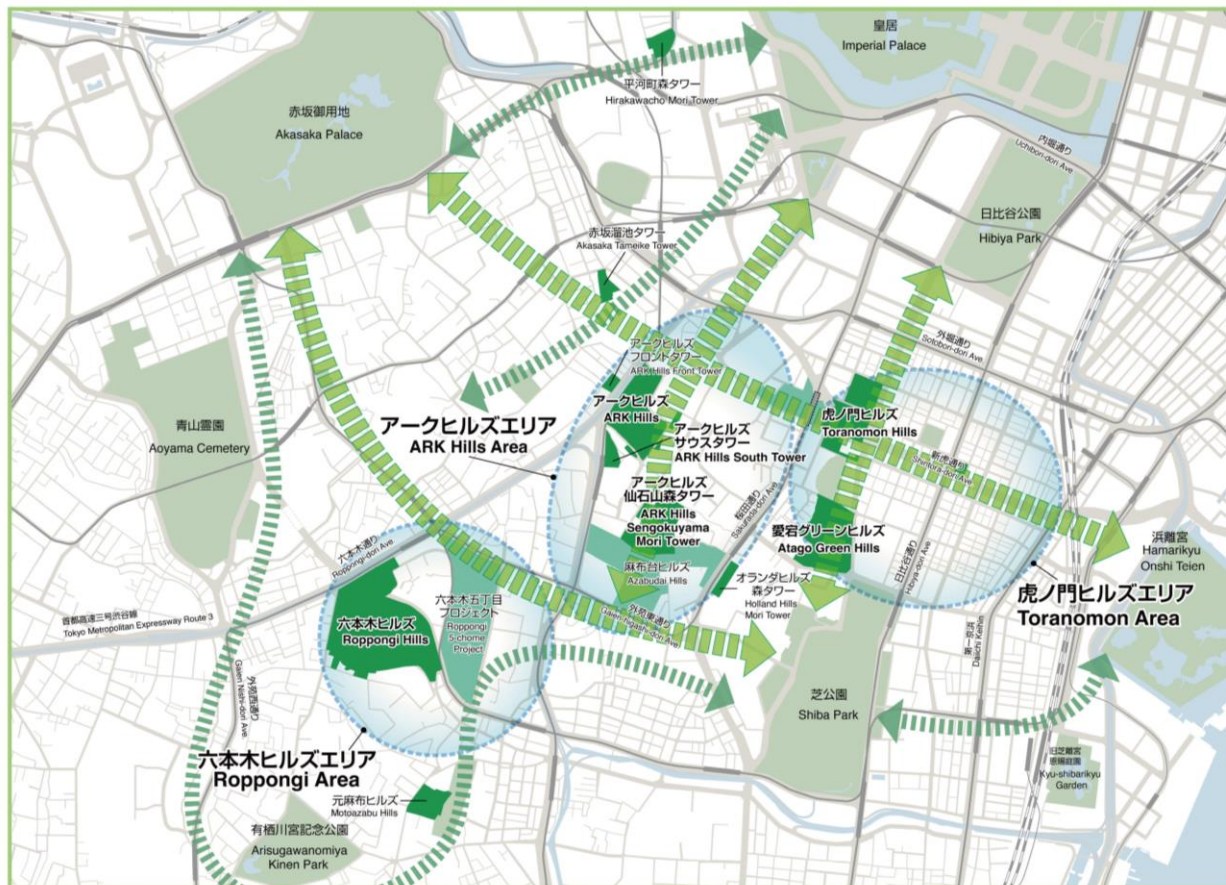
Green coverage rate = greened area/site area x 100%. Calculated using aerial photographs based on the Tokyo Metropolitan Government's Green Cover Manual.

Surface temperatures of greened spaces are 5°C to 15°C lower than those of surrounding streets.

# 3. Environment (2)

## Expanding ecological network adjacent to large-scale urban redevelopments

- To foster a rich ecosystem in Tokyo, Mori Building is creating green areas, in addition to existing green spaces such as the Imperial Palace grounds and Shiba Park, to serve as bases where creatures can rest as they move about the city. This undertaking accords with the Tokyo Metropolitan Basic Environment Plan and the Minato City Greenery and Water Comprehensive Plan.
- The green spaces and watershed areas of Hills properties, which are located between the Imperial Palace, Aoyama Cemetery, and other existing large green spaces in the heart of Tokyo, serve as relay points as well as habitats for creatures as they come and go, playing an important role as an ecological network.



Semi-endangered Tokyo Dharma Frog in Roppongi Hills



White-eye nesting in Toranomon Hills



Japanese Pygmy Woodpecker in ARK Hills Sengokuyama Mori Tower

森ビル関連プロジェクトにより補われるネットワーク  
Network supported by Mori Building-related projects

斜面緑地や街路樹などを生かしたネットワーク  
Network comprised part of green slopes and tree-lined streets, etc.

森ビル関連プロジェクト  
Mori Building-related project

■ 事業完了  
Completed work

■ 進行中のプロジェクト  
Ongoing project

公共の緑地  
Public greenery area

## Endorsement of and participation in global initiatives

- Committed to **SBTi**<sup>1</sup> and applied for 1.5°C level, expecting to obtain certification within FY2022
- Joined **RE100**<sup>2</sup> and **Japan Climate Leaders' Partnership (JCLP)**<sup>3</sup>
- Disclosed annual performance via **CDP**<sup>4</sup> report
- Endorsed **TCFD**'s<sup>5</sup> recommendations and disclosed appropriate information

### SBTi Certification

Green house gas-reduction targets

Applying for commitment in April 2022

1.5°C level (scientific target for limiting temperature rise beyond pre-industrial level; applied for certification within FY2022)

### RE100 Participation 100% by 2030

**RE100**



**Japan Climate Leaders' Partnership**

### Responding to CDP

Platform for disclosure of climate-related information



### TCFD endorsement

Disclosure of climate-related financial information



Became supporter in April 2022, disclosed info in November 2022

- 1 **SBTi**: Initiative to use science-based greenhouse gas emissions-reduction targets to meet Paris Agreement goals
- 2 **RE100**: International initiative to use 100% renewable-energy electricity in business activities
- 3 **JCLP**: RE100-partner Japanese companies committed to a sustainable, decarbonized world
- 4 **CDP**: Global-standard climate-related information disclosure platform
- 5 **TCFD**: Initiative for recognizing climate risks and implementing countermeasures in business strategies and disclosure

# 3. Environment (4)

## Reporting based on TCFD recommendations

- In April 2022, Mori Building endorsed TCFD recommendations established by the Financial Stability Board
- In November 2022, the company disclosed relevant information

### Indicators and targets

Mori Building has set interim and long-term targets for greenhouse gas emissions in its consolidated business activities to help realize a more decarbonized world:

- ✓ Scopes 1 & 2 : 50% reduction by FY2030 vs. FY2019
- ✓ Scope 3 : 30% reduction by FY2030 vs. FY2019
- ✓ Scopes 1, 2 & 3 : Net zero by FY2050

### Greenhouse gas emissions

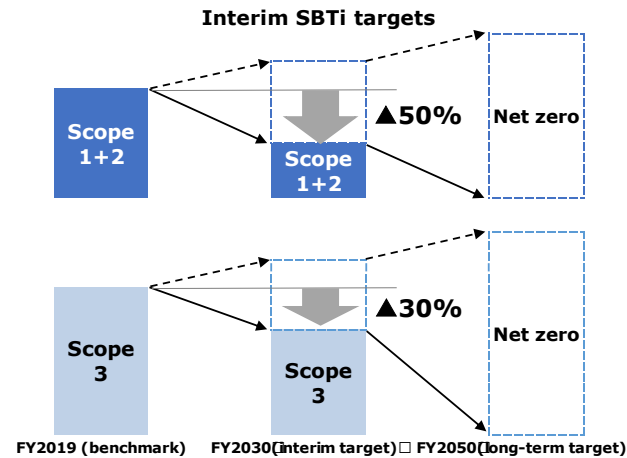
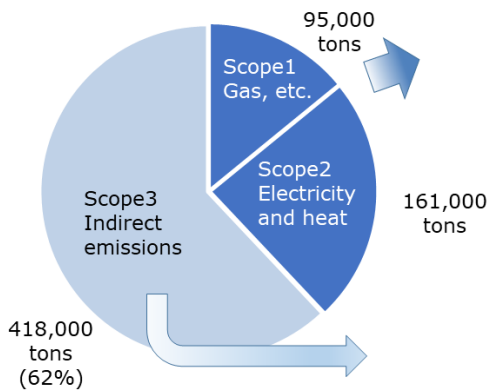
(Unit: t-CO2)

	FY2019	FY2020	FY2021
Scope1	95,167	84,405 ▲11.3%	94,248 ▲0.97%
Scope2	160,816	150,538 ▲6.4%	121,437 ▲24.5%
Scope3	417,834	-	484,620 +15.9%

### Scope 3 greenhouse gas emissions

Scope 3 category	FY2019	FY2021
1. Purchased goods & services	141,826	81,613
2. Capital goods	212,183	231,801
3. Fuel- and energy-related activities (not included in Scope 1 and 2)	41,344	42,070
4. Upstream transportation & distribution	12,150	464
5. Waste generated in operations	8,835	6,351
6. Business travel	471	506
7. Employee commuting	1,025	904
8. Upstream leased assets	-	-
9. Downstream transportation & distribution	-	-
10. Processing of sold products	-	-
11. Use of sold products	0	120,911
12. End of life treatment of sold products	-	-
13. Downstream leased assets	-	-
14. Franchises	-	-
15. Investments	-	-
Total	417,834	484,620

Consolidated CO2 emissions in FY2019  
Total 674,000 tons



## Strategies

- Determine future risks, such as extreme weather and social demands for countermeasures, and related opportunities, then verify the effectiveness of current countermeasures to formulate future strategies.
- Identified major risks and opportunities especially relevant to the company's business, conducted impact analysis under scenarios based on proactive transitional policies (<2°C warmer) and current passive policies (4°C warmer), and evaluated financial impacts.

## Possible risks & opportunities and financial impacts

Risks and opportunities		Financial impact	Impact level <sup>1</sup>		Term of max. impact <sup>2</sup>	Counter-measures <sup>3</sup>
			<2°C	4°C		
<b>Transitional risks</b>						
Policies and regulations	Enhanced regulations for energy-efficient building standards (e.g., ZEB)	Increased construction & repair costs to comply with ZEB & environmental-building regulations, etc.	Very little	-	Medium to long	1
	Adoption of carbon pricing (carbon taxes & emissions trading scheme)	Carbon taxes will increase prices of raw materials with high emission intensity (steel, cement, etc.) and also increase construction costs	Some	-	Medium to long	6
Technologies	Development and diffusion of low-carbon technologies	Increased capital expenditures to switch to new technologies	Very little	-	Medium to long	1
Market	Soaring prices of renewable electricity	Increased procurement costs for renewable electricity	Very little	-	Medium to long	4
Reputation	Increased expectations of ESG investors regarding climate measures	Loss of trust and withdrawal of investments (fund-raising difficulties) due to lacking/delayed climate measures	Very little to moderate	-	Medium to long	1, 2, 3 & 4
<b>Physical risks</b>						
Acute	Intensifying natural disasters & extreme weather (heavy rainfall, floods, typhoons, water shortages, etc.)	Loss of business opportunities due to disasters, etc.	-	Very little	Long	5
<b>Opportunities</b>						
Products and services	Demand for high eco-performance (eco-certified buildings, high-efficiency energy, etc.)	Increased sales due to higher rents paid by eco-minded tenants and increased asset values due to investor support	Some to moderate	-	Medium to long	1, 2, 3 & 4

1 Based on financial impact.

2 Short: now to 2025, Medium: now to 2030, Long: now to 2050

3 See next page



Countermeasure		Details
1	ZEB introduction	<ul style="list-style-type: none"> <li>• Target ZEB/ZEH-level performance for all future buildings</li> <li>• Consider ZEB retrofitting for all existing buildings</li> </ul>
2	Statement of Corporate Stance	<ul style="list-style-type: none"> <li>• Continue to endorse and commit to initiatives (TCFD, SBT, RE100, etc.)</li> </ul>
3	Low-carbonization of operating facilities	<ul style="list-style-type: none"> <li>• Lower carbon footprints by introducing energy-saving technologies, high-efficiency equipment, and renewable energy in existing buildings</li> </ul>
4	Renewable-energy introduction targets	<ul style="list-style-type: none"> <li>• Procure stable, inexpensive renewable energy to achieve introduction targets</li> </ul>
5	Enhancement of disaster-prevention capabilities of properties	<ul style="list-style-type: none"> <li>• Design properties based on the latest hazard maps and property/location characteristics</li> <li>• Consider retrofitting according to the latest standards for possible disasters</li> <li>• Conduct disaster drills</li> </ul>
6	Improved eco-performance of buildings	<ul style="list-style-type: none"> <li>• Promote low-carbon construction</li> <li>• Consider the use of steel and cement with low CO2 emissions</li> <li>• Require construction partners to submit CO2 emission estimates and proposals for reduction measures when bidding for work</li> </ul>

**Focus**

Area: Central Tokyo (home to Mori Building's major properties)

Scope: Entire supply chain

Period: Now to 2050

**Major scenarios**

2°C proactive scenario: IEA SDS and NZE (IEA WEO2020 and 2021)

4°C passive scenario: RCP8.5 (IPCC AR6 WG1 SPM) and IEA STEPS (IEA WEO2020 and 2021)

IEA: International Energy Agency

SDS: Sustainable Development Scenario

NZE: Net-Zero Emissions by 2050

WEO: World Energy Outlook

IPCC AR6 WG1 SPM: Intergovernmental Panel on Climate Change, Sixth Assessment Report, Working Group 1, Summary for Policymakers

STEPS: Stated Policies Scenario

**Analysis**

Step 1. Discuss climate-change-reports and other sources to identify risks and opportunities that could significantly impact Mori Building's business.

Step 2. Predict likely outcomes for identified risks and opportunities under proactive 2°C and passive 4°C scenarios.

Step 3. Estimate financial impacts on Mori Building (including qualitative analysis of risks/opportunities that are difficult to estimate quantitatively).

Step 4. Plan appropriate measures based on findings.

# 3. Environment (7)



## Environmental certification policy

- For flagship buildings, Mori Building aims for top-rank certification of eco-performance and greening upon construction completion, and CASBEE, LEED, etc. certifications thereafter.

### Major certifications obtained, or expected

### Certifications of new projects

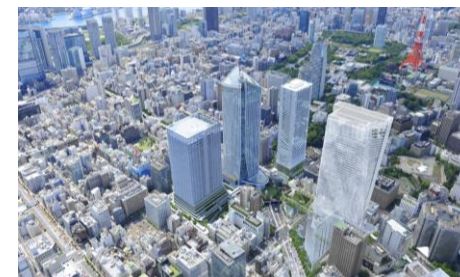
	Facility	Completed	CASBEE-Buildings (new construction)	CASBEE-Real Estate	CASBEE-Wellness Office	LEED ND (neighborhood development)	LEED O+M (Existing buildings)	LEED BD+C (New Construction)	WELL
Existing	ARK Mori Building	1986							
	Atago Green Hills Mori Tower	2001							
	Roppongi Hills Mori Tower	2003							
	ARK Hills Sengokuyama Mori Tower	2012							
	Toranomon Hills Mori Tower	2014							
	Toranomon Hills Business Tower	2020							
	Toranomon Hills Residential Tower	2022							
Ongoing	Toranomon Hills Station Tower	2023							
	Toranomon-Azabudai Project	2023							
Overseas	Shanghai World Financial Center	2008							
	Hang Seng Bank Tower	1998							
	JAKARTA MORI TOWER	2022							



©Dbox for Mori Building Co.

#### Toranomon-Azabudai Project

CASBEE-Building (new construction) S expected  
 CASBEE-Wellness Office) S expected  
 LEED ND Platinum-level precertified  
 LEED BD+C Platinum-level precertified  
 WELL precertified\*



©Dbox for Mori Building Co.

#### Toranomon Hills Area Project

LEED ND Platinum-level precertified

#### Toranomon Hills Station Tower

CASBEE-Building (new construction) S expected  
 LEED BD+C Platinum-level precertified  
 WELL precertified\*

LEED BD+C and WELL acquired for office/commercial areas. Above information subject to change.

\*Platinum certification expected following completion

- The A District of the Toranomon-Azabudai Project and the A-1 District of Toranomon Hills Station Tower have received WELL precertifications for their office spaces and retail facilities. Once completed, both projects are expected to obtain WELL top Platinum certifications.
- The Toranomon-Azabudai Project and Toranomon Hills Area Project both received top Platinum-level LEED ND precertifications from the U.S. Green Building Council (USGBC).
- The Toranomon-Azabudai Project (A District) and Toranomon Hills Station Tower (A-1 District) also received top Platinum-level BD+C precertifications in 2022 for their environmentally friendly and efficient office spaces and retail facilities. The envisioned LEED ND and LEED BD+C (CS) certifications would be the first such cases among major projects worldwide.

WELL=WELL Building Standard,

LEED=Leadership in Energy & Environmental Design, ND=Neighborhood Development, and BD+C (CS)=Building Design and Construction/Core and Shell Development



Image of low-rise buildings with rooftop greenery in Toranomon-Azabudai Project

©Dbox for Mori Building Co.



Oval Square at Toranomon Hills Mori Tower

WELL™

### WELL Platinum Precertifications

WELL is the world's first performance-based system for measuring, certifying and monitoring features of the built environment that impact human health and wellbeing through air, water, nourishment, light, fitness, comfort and mind. WELL is managed by the U.S. Green Building Council (USGBC).

The A District of the Toranomon-Azabudai Project is the **world's largest precertified property** and the A-1 District of Toranomon Hills Station Tower is Japan's second largest precertified property.



### LEED ND Platinum Precertifications

LEED is the most widely used green-building rating system that evaluates and certifies buildings and cities worldwide for environmental performance in terms of water and energy efficiency, indoor environments and sustainable materials. LEED is also managed by the USGBC.

The Toranomon-Azabudai Project became **Tokyo's first project to attain the Platinum level in the ND category** and the Toranomon Hills Area Project quickly followed as the second such project. It is rare for complexes in urban business areas to receive Platinum-level precertification worldwide.

# 4. Society (1)

## Create enjoyable urban environments and develop them together with communities



Crowded Roppongi Hills area before redevelopment



"Cultural Heart of Tokyo" appealing to corporations and people

The Vertical Garden City concept underpins Mori Building's development of new cities. The idea is to combine fragmented city elements in high-rise buildings that help to increase wide-open green spaces in surrounding areas. Compact, mixed-use urban centers for work and residence concentrate complex urban functions within walking distance, which attracts diverse people for purposes including residence, work, recreation, education, relaxation, and more. The result is myriad opportunities for human interaction and collaboration. The idea is completely opposite to the conventional concept of urban development that differentiates and separates urban uses.

Mori Building, viewing a building's completion not as the end but as the beginning, steadily nurtures its surrounding community. Under the philosophy "Create cities, nurture cities," the company has assembled the necessary organization, experience and know-how to develop and manage communities in an integrated manner. While the freshness of buildings diminishes with the passage of time, the bonds between its occupants deepen, which is why community development and management are equally indispensable to enhancing the magnetism of Tokyo.

### Thinking and talking with communities

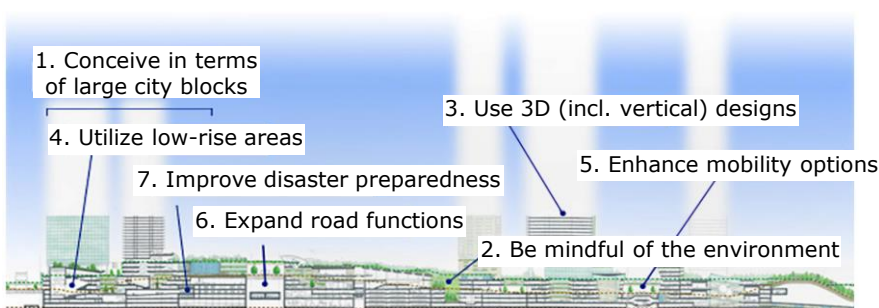


Briefing session for residents during ARK Hills development



Supporting clean-up activity by Roppongi Hills Residents' Association

### 7 steps of development



### Hills facilities helping to nurture cities



# 4. Society (2)

## Comprehensive disaster countermeasures for safety and security

Under the concept of "Cities to escape to, rather than flee from," Mori Building takes advantage of the characteristics of large-scale redevelopments to create safe and secure disaster-resistant, disaster-preventative urban centers that contribute not only to the redeveloped area itself but also the surrounding community, combining various hard and soft measures including the development of open spaces, transportation and other urban infrastructure.

### Hard Measures

#### Advanced vibration-damping devices



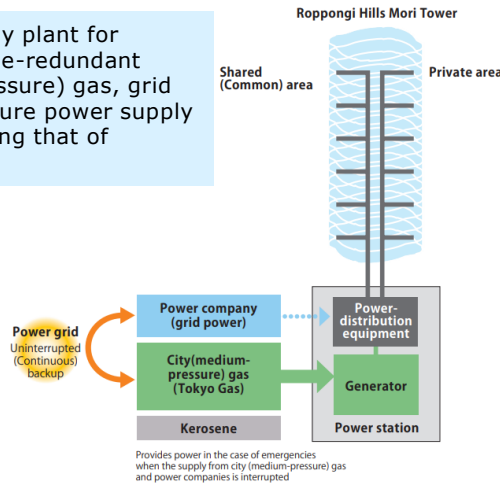
Oil dampers



Unbonded braces

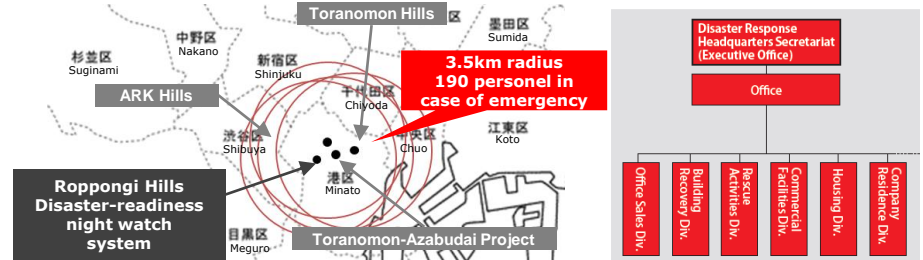
#### Stable power supply from independent power stations

Roppongi Hills has its own energy plant for electrical power supply. The triple-redundant system uses "city" (medium-pressure) gas, grid power and even kerosene to ensure power supply with a level of reliability exceeding that of ordinary S-class buildings.



### Soft Measures

#### Disaster-prevention organizational framework



Some 1,600 Mori Building employees are promptly deployed to an earthquake-response organization if a strong earthquake occurs.

Earthquake response organization

#### Disaster preparedness drills

In addition to general disaster-readiness training conducted companywide twice annually, disaster-response personnel also participate in training throughout the year. Also, all employees are required to be certified in first-aid skills.



#### Disaster-info system

Mori Building operates its proprietary "Disaster Portal Site" information gathering system

#### Emergency stockpiles

The company maintains an emergency food stockpile equivalent to about 280,000 meals (incl. about 100,000 at Roppongi Hills), one of the largest in Japan's private sector. Blankets, medical supplies, mechanical equipment, and portable toilets are also stockpiled at each facility.

# 4. Society (3)

## Culture and art promotion



Shiota Chiharu: "The Soul Trembles" (Mori Art Museum)

Mori Art Museum, a key symbol of Roppongi Hills as the "Cultural heart of Tokyo," enriches society by enabling people to experience and enjoy more art.



Roppongi Art Night at Roppongi Hills

Since 2009, this art festival has been held annually throughout the entire Roppongi area to present a diverse range of artistic expressions in order to communicate the further possibilities of art in society.



MORI Building DIGITAL ART MUSEUM EPSON teamLab★Borderless \*Closed in August 2022

This world's first digital art museum opened in Odaiba, Tokyo, in 2018, attracting people from all over the world as one of Japan's most exciting destinations. The museum will reopen in Toranomon-Azabudai Project in 2023.

## Innovation-creation support



ARCH Incubation Center

This large, member-based incubation center in Toranomon Hills Business Tower supports business innovation and creation originating in Tokyo and shared with the world.

## Educational support



Kids workshops

Programs in cooperation with tenants and stores in Roppongi Hills, ARK Hills and Toranomon Hills invite experts from various fields to lead various types of extra-curricular classes for children.

## Support for safe urban life



COVID-19 vaccinations

Mori Building organized vaccinations at its workplaces for some 100,000 people, including not only employees and their families but also tenants, residents and retailers.

## 4. Society (3)

### Initiatives for employees

- Female advancement (FY2021):  
Female employees: 34.2%  
Female managers: 7.3%  
Female new graduates: 36.4%
- Childcare leave (FY2021):  
80% of male and 100% of female employees
- Health-related goals:  
Prevent lifestyle-related diseases, improve mental health and review workstyles as priority action items (with specific targets from FY2023)

### Certificates for health management and diversity

- Health & Productivity Management Outstanding Organization 2022 (White 500) award:  
Promoting local health issues and health initiatives of Nippon Kenko Kaigi
- Eruboshi Certification:  
Promoting female participation and advancement
- Kurumin Certification:  
Promoting childcare support



### Supply chain management

Under the philosophy of “Create Cities, Nurture Cities,” Mori Building collaborates with business partners and other stakeholders on urban development initiatives that realize sustainable environments where people can live, work and visit in good health and vitality, both physically and mentally.

To remain a viable and expanding business and continue contributing to a more sustainable world, Mori Building’s entire supply chain, including suppliers involved in every stage of urban development, from development to operation, must act responsibly. Accordingly, the company introduced its Mori Building Group Sustainable Procurement Guidelines in June 2022. Knowledge and advice from outside experts were incorporated to ensure that the guidelines appropriately address the expectations of society.

Mori Building strives for sustainable procurement throughout its supply chain, including by raising awareness among suppliers and requesting them to observe these guidelines as well as share them with their own business partners.

#### Supply chain management measures:

- Sustainable Procurement Guidelines
- Supplier evaluations and similar initiatives
- Education and training for internal procurement departments
- Dissemination of information to suppliers
- Regular reporting to internal Sustainability Committee

## Basic concept

Mori Building is committed to management transparency and the strengthening of management processes in order to realize and maintain a sound and efficient business. Since corporate governance is one of the most important processes, every effort is made to ensure that the company's governance structure is ideally suited to Mori Building's business.

## Corporate governance structure

### Board of Directors

Eight directors (none external) well-versed in the company's business were selected, regardless of gender, for their overall knowledge, experience and abilities.

### Board of Corporate Auditors

Two of the three auditors are external appointees, ensuring transparency and objectivity, and all three attend board of director meetings to voice their opinions as required.

### Internal Audit Office

Reports directly to the President & CEO regarding its audit and strengthening of internal control mechanisms.

### Sustainability Committee

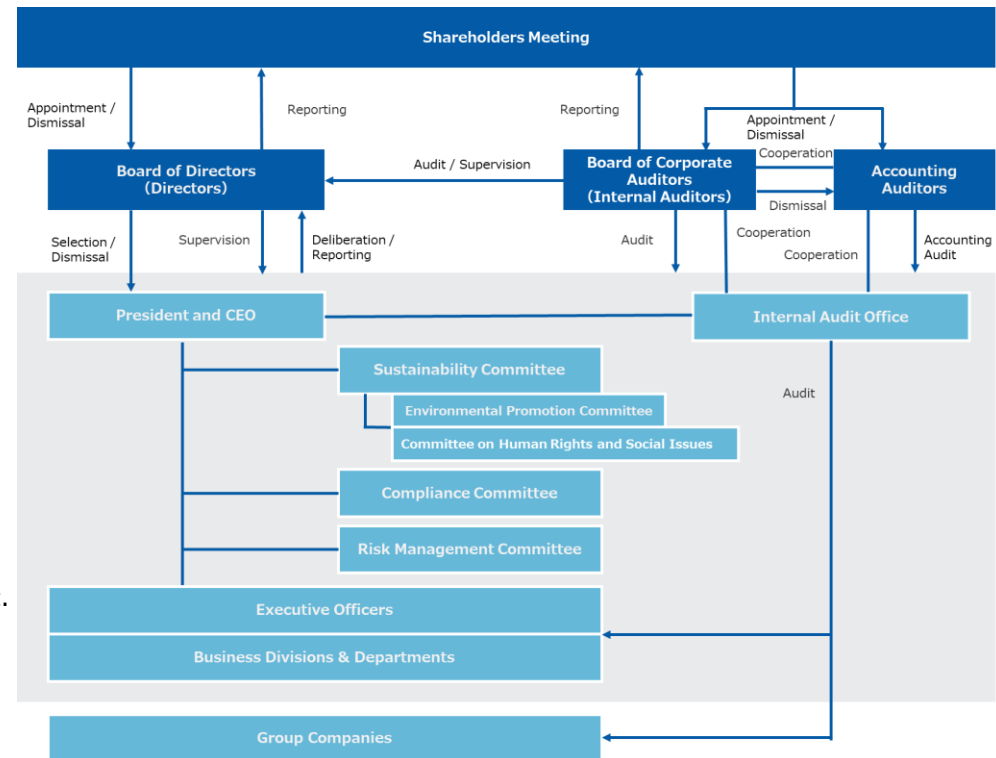
Responsible for formulating sustainability policies, goals, and plans as well as supervising and monitoring companywide execution.

### Compliance Committee

Promotes and strengthens adherence to the internal Compliance Manual, articulating basic policies, regulations, and codes of conduct.

### Risk Management Committee

Identifies and reviews potential risks and approves remedial measures for addressing needs companywide.



## Board member compensation

Compensation for each director is determined based on a comprehensive evaluation of the director's position, business performance, ability, and experience.



## Enhanced disclosure of sustainability and ESG information

Mori Building established a sustainability site within its corporate website in June 2022 to better inform stakeholders about its approach to sustainability and related initiatives. The new site provides comprehensive information on sustainability, including policies, systems, data and specific examples, focusing on environmental, social, and governance (ESG) initiatives, with an emphasis on prompt disclosure.



The screenshot shows the Mori Building Sustainability website. The header includes the Mori logo, language options (日本語, English, 简体中文), and a search bar. The main navigation menu includes 企業情報, 森ビルの都市づくり, 主要プロジェクト, 事業内容, サステナビリティ (highlighted), and 採用情報. The page title is サステナビリティ. Below the title is a large image of a modern building with a green courtyard. A section titled トップメッセージ features a photo of a man in a suit and a list of links: トップメッセージ and サステナビリティ推進体制.

### サステナビリティ活動 (ESG)



#### 環境 (E) TOP

- ・環境方針・体制
- ・都市と自然の共生（生物多様性保全など）
- ・都市の脱炭素化（気候変動など）
- ・資源循環型の都市（汚染と資源、水など）
- ・環境認証
- ・サステナブルファイナンス
- ・環境コミュニティなど



#### 社会 (S) TOP

- ・人権
- ・労働慣行
- ・健康と安全
- ・人材育成
- ・サプライチェーンマネジメント
- ・地域・社会への貢献



#### ガバナンス (G) TOP

- ・コーポレート・ガバナンス
- ・コンプライアンス
- ・リスクマネジメント
- ・税の透明性

編集方針



<https://www.mori.co.jp/sustainability> \*Japanese site

### Third green bond issued in October 2022

- Mori Building issued a green bond worth 110 billion yen in late October 2022.
- As the company's third green bond, it received 78 preliminary bids from investors.
- Through the Toranomom-Azabudai Project and other urban-renewal initiatives, Mori Building has demonstrated its consistent commitment to responsible urban development and global environmental protection. Mori Building engages in green financing to diversify its funding methods as well as contribute to a more decarbonized world.

#### Green bond issuance record

Name	Mori Building Co., Ltd. third series domestic subordinated unsecured bond with interest-deferral and early-redemption options (green bond)	Mori Building Co., Ltd. second series domestic subordinated unsecured bond with interest-deferral and early-redemption options (green bond)	Mori Building Co., Ltd. 26th unsecured corporate pari-passu bond (green bond), also known as "Mori Building Green Bond"
Total issue	JPY 50 billion	JPY 45 billion	JPY 15 billion
Closing date	October 11, 2022	October 19, 2020	November 14, 2019
Use of proceeds	All funds for acquisition of a reserved floor in the A District Tower of the Toranomom-Azabudai Project	All funds for capital expenditures related to "A district" facilities of the Toranomom-Azabudai Project	All funds for capital expenditures related to "A district" facilities of the Toranomom-Azabudai Project
Bond rating	A- (Japan Credit Rating Agency, Ltd.)	A- (Japan Credit Rating Agency, Ltd.)	A+ (Japan Credit Rating Agency, Ltd.)
Second-party evaluator	Sustainalytics	Sustainalytics	Sustainalytics

#### Toranomom-Azabudai Project outline

- Official name: Toranomom-Azabudai District Category 1 Urban Redevelopment Project
- Site area: Approx. 8.1 hectares
- Landscaped area: Approx. 63,900 m<sup>2</sup>
- Total floor area: Approx. 861,500 m<sup>2</sup>
- Buildings: Residences, offices, retail facilities, hotel, international school, central square, cultural facilities, etc.
- Planned completion: 2023 (planned)
- Certificates:
  - Expected: CASBEE-Buildings (new construction) S and CASBEE-Wellness office S
  - Obtained: LEED ND Platinum-level, LEED BD+C Platinum-level and WELL\* precertifications
  - \*WELL Platinum certification expected after construction is completed

01 Overview of Interim Financial Results for FY2022

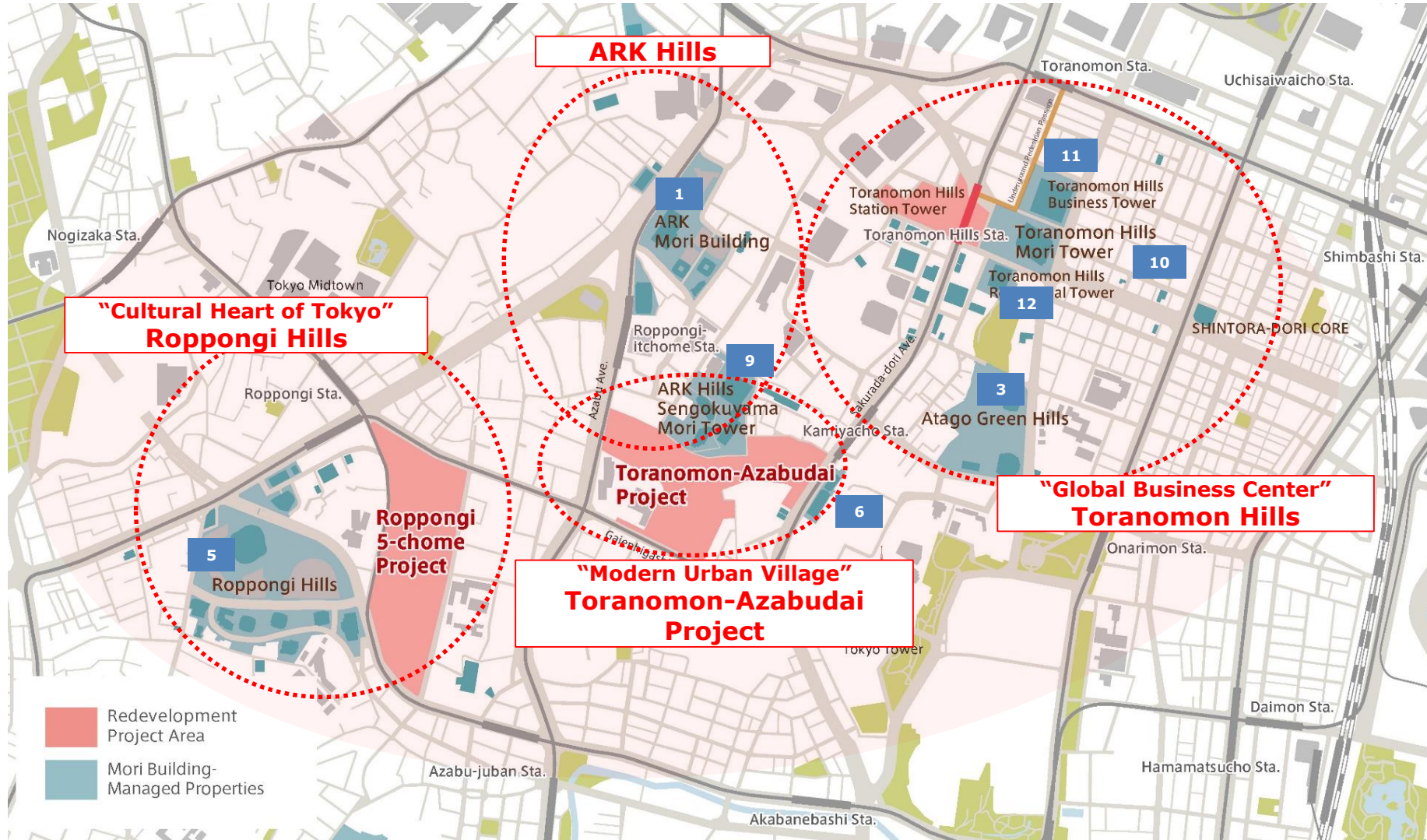
02 Financial Forecast for FY2022

03 Sustainability and ESG Initiatives







**04 Ongoing Projects**







05 Referential Materials

# Completed and Ongoing Projects



# Portfolio (Major Properties)

	<b>1</b> 	<b>2</b> 	<b>3</b> 		<b>4</b> 	<b>5</b> 	<b>6</b> 
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㎡

	<b>7</b> 	<b>8</b> 	<b>9</b> 	<b>10</b> 	<b>11</b> 	<b>12</b> 
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㎡

# Toranomon-Azabudai Project: "Hills of the Future"

- This "Hills of the future" project will boast an overwhelming scale and impact. Construction is under way and scheduled for completion next year.
- 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.



Image of Sakurada-dori Ave.

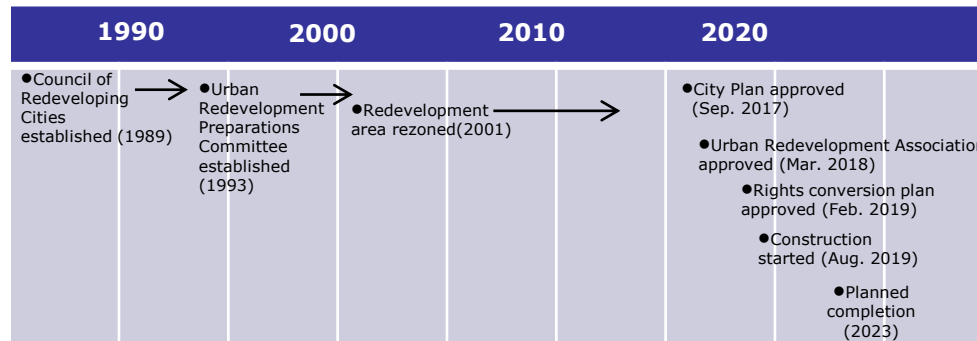
©Dbox for Mori Building Co.



Image of central square ©Dbox for Mori Building Co.



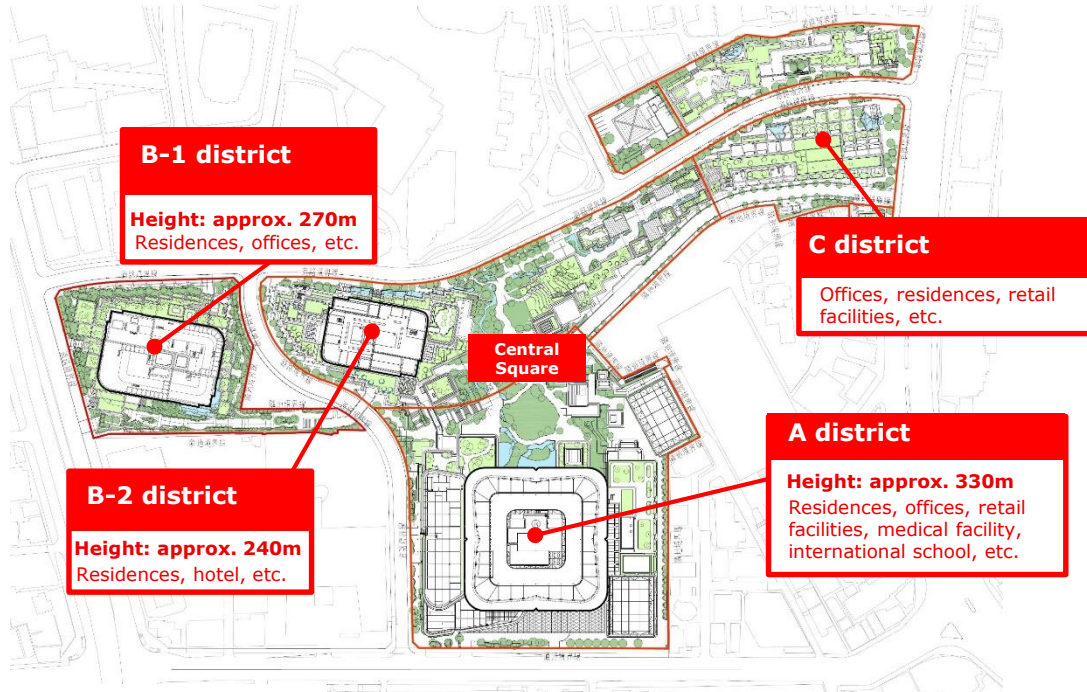
A District construction site (October 2022)



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

# Toranomon-Azabudai Project

## Site Plan



## Cross-section Plan

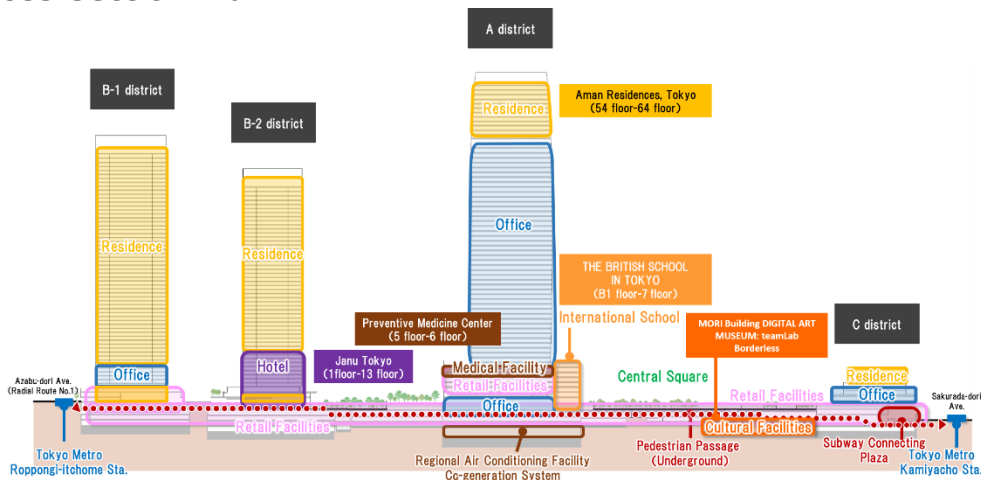


Image of retail facilities

©Dbox for Mori Building Co.



Image of food market

©Dbox for Mori Building Co.



Image of international school



- Mori Building Digital Art Museum: teamLab Borderless, which Mori Building established and operated in collaboration with teamLab, will be relocated to central Tokyo's Toranomon-Azabudai Project.
- The digital art museum, which originally opened in June 2018 in the Odaiba area's Palette Town mall and entertainment complex, attracted 2.3 million visitors from more than 160 countries in its first year. About half of the visitors came from overseas, according to a questionnaire conducted by the museum. In the years that followed, the museum earned numerous prestigious national and international awards, including being named as one of the World's Greatest Places 2019 by TIME magazine in the United States. In just a few quick years, the museum became known globally as one of Tokyo's most popular destinations.
- The newly reestablished digital art museum, which will continue to deliver unique guest experiences based on its concept of "Wander, explore, discover in one borderless world," plans to steadily renew exhibits that blur the boundaries between guests and the artworks. Once reopened, the museum is expected to strengthen its reputation as one of Tokyo's leading destinations attracting visitors from around the world.



MORI Building DIGITAL ART MUSEUM: teamLab Borderless ©teamLab



Image perspective of the Toranomon-Azabudai Project ©Mori Building Co.



- 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 Hills Residential Tower**  
Completed in January 2022

**Toranomon Hills Mori Tower**  
Opened in 2014

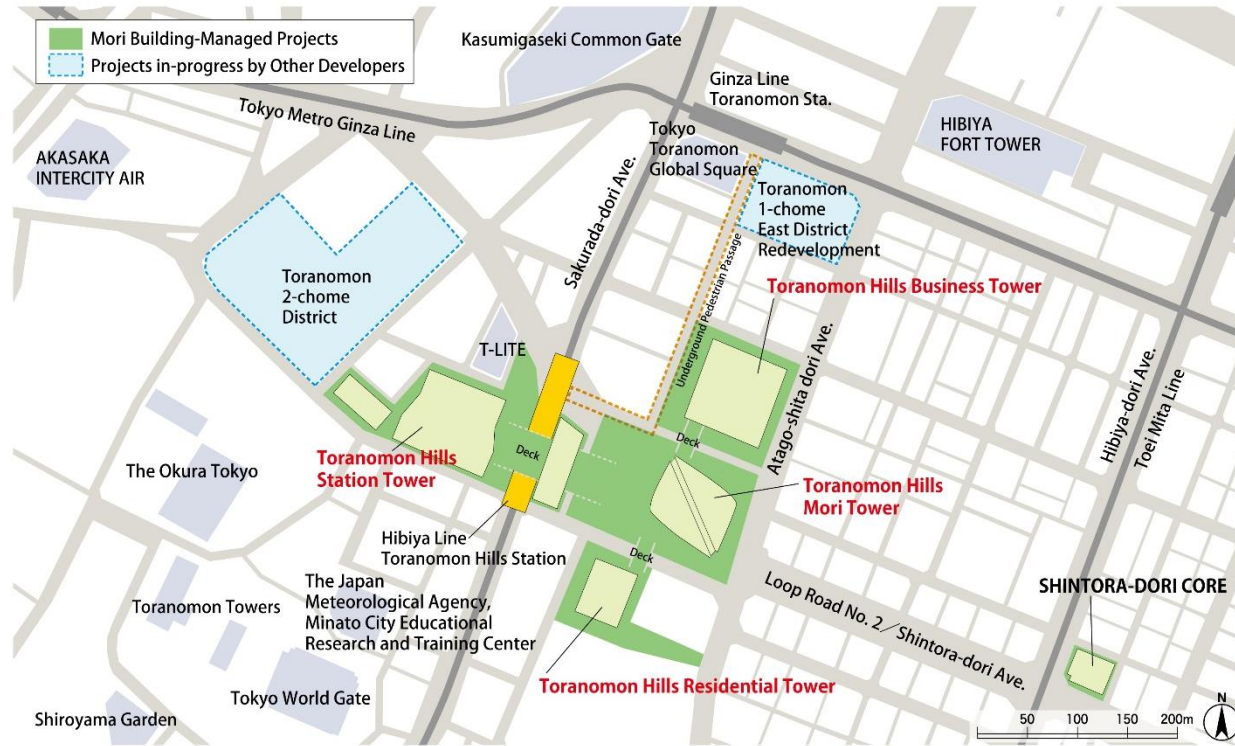
**Toranomon Hills Business Tower**  
Opened in 2020

**Toranomon Hills Station Tower**  
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 <sup>2</sup>
Office floor space	Approx. 300,000m <sup>2</sup>
Residential units	Approx. 720
Retail space	Approx. 26,000m <sup>2</sup>
Green space	Approx. 15,000m <sup>2</sup>

# Toranomon Hills Area Project: New International Hub and Global Business Center



## Toranomon Hills Mori Tower

Completed in 2014

Ground area : 17,069m<sup>2</sup>  
 Total floor space : 244,360m<sup>2</sup>  
 Height : 247m/52 floors  
 Configuration : Offices, retail facilities, residences, hotel, conference facility, etc.

## Toranomon Hills Business Tower

Completed in January 2020

Ground area : 10,065m<sup>2</sup>  
 Total floor space : 172,925m<sup>2</sup>  
 Height : 185m/36 floors  
 Configuration : Offices, retail facilities, business incubation center, bus terminal, etc.

## Toranomon Hills Residential Tower

Completed in January 2022

Ground area : Approx. 6,535m<sup>2</sup>  
 Total floor space : Approx. 121,000m<sup>2</sup>  
 Height : Approx. 220m/54 floors  
 Configuration : Residences, retail facilities, parenting support facilities, spa, etc.

## Toranomon Hills Station Tower

Planned completion in July 2023

Ground area : Approx. 13,960m<sup>2</sup>  
 Total floor space : Approx. 253,210m<sup>2</sup>  
 Height : Approx. 266m/49 floors  
 Configuration : Offices, retail facilities, hotel, business multifunctional complex, etc.

	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Toranomon Hills Business Tower</b>	Jul. City plan decided	Jan. Redevelopment association established	Feb. Construction started			Jan. Completion			
<b>Toranomon Hills Residential Tower</b>	Sept. City plan decided		Mar. Construction started					Jan. Completion	
<b>Toranomon Hills Station Tower</b>				Mar. City plan decided Nov. Redevelopment association established		Nov. Construction started			Jul. Planned completion
<b>SHINTORA-DORI CORE</b>		Jul. Construction started		Sept. Completion					

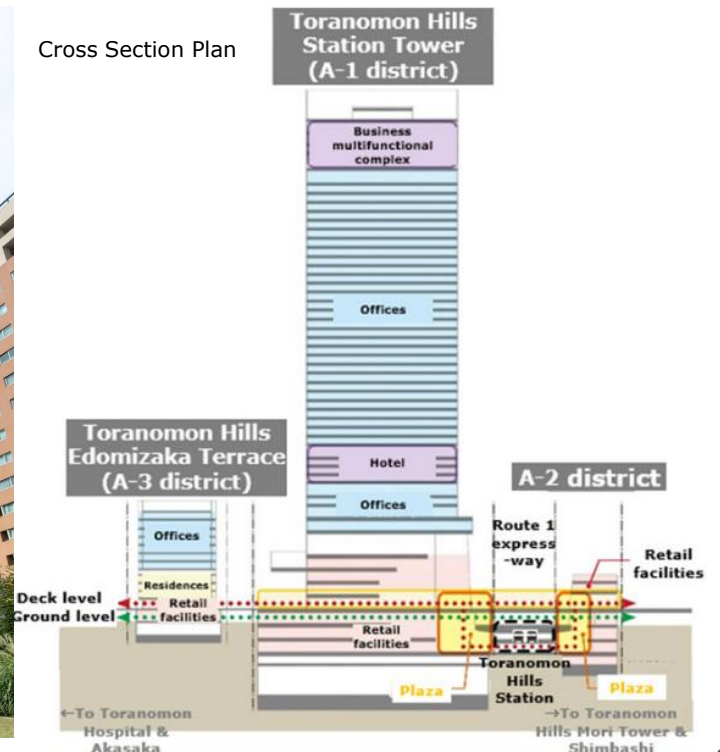
# Toranomon Hills Station Tower Frame Completed

- The frame of 49-story, 266-meter-high Toranomon Hills Station Tower (A-1 district) was completed on July 22, 2022.
- The Station Tower, which will be integrated with Toranomon Hills Station on the Hibiya subway line, will strengthen and expand the area's urban infrastructure, including a large plaza serving as a connection hub and a highly convenient pedestrian walkway integrated with the surrounding area.
- The Station Tower will offer world-class offices measuring over 3,300m<sup>2</sup> of spacious office accommodation on its standard floors, as well as diverse retail facilities integrated with the station plaza and an international-standard hotel. The tower's top-most level will contain a multifunctional complex of forums, galleries, restaurants, and other facilities fully capable of accommodating business events and other value-creating activities. The Station Tower will further enhance Toranomon Hills as a base for new business and innovation by taking advantage of the area's international character and the nearby concentration of diverse urban functions including offices of the national government.



Site area	Approx. 13,960m <sup>2</sup>
Ground area	Approx. 253,210m <sup>2</sup>
Construction start	November 2019
Planned completion	July 2023

Toranomon Hills Station Tower (October 2022)



# Mori Building's First Development in Southeast Asia: JAKARTA MORI TOWER Completed



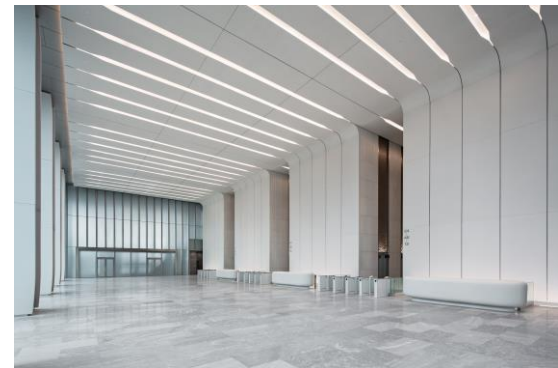
JAKARTA MORI TOWER (October 2022)

Location	Jakarta, Indonesia
Ground area	Approx. 8,088m <sup>2</sup>
Total floor space	Approx. 190,000m <sup>2</sup>
Construction start	July 2017
Completion	October 2022

- Mori Building's first development in Southeast Asia will offer unsurpassed premium-grade facilities in Jakarta, encompassing 58 stories and 190,000m<sup>2</sup> floor space in a 266-meter tower.
- It is located in the center of Jakarta's main business district near Semanggi intersection on Sudirman Avenue, where many high-rises are concentrated.
- Leveraging Mori Building's urban-development knowledge and 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.



Building entrance



Office entrance



Location in Jakarta



Image of outdoor terrace

# Palette Town Closed after Welcoming 400M Visitors in 23 Years



- On August 31, 2022, the MORI Building DIGITAL ART MUSEUM: teamLab Borderless and the Palette Town Giant Sky Wheel ended operations and the curtain came down on 23 years of Palette Town’s history. Visitors also formed a long line to enjoy the digital museum one last time on the final day.
- Palette Town, established in March 1999, was the home to many notable facilities, including the VenusFort medieval European-style shopping mall, MEGA WEB mobility-experience theme park, Giant Sky Wheel in palette town and Zepp Tokyo music hall, all of which helped to turn the area into a major attraction. MORI Building DIGITAL ART MUSEUM: teamLab Borderless, which was operated by Mori Building and the art collective “teamLab,” opened in June 2018 and went on to become one of the most talked-about destinations in Tokyo.



Odaiba area in 2021



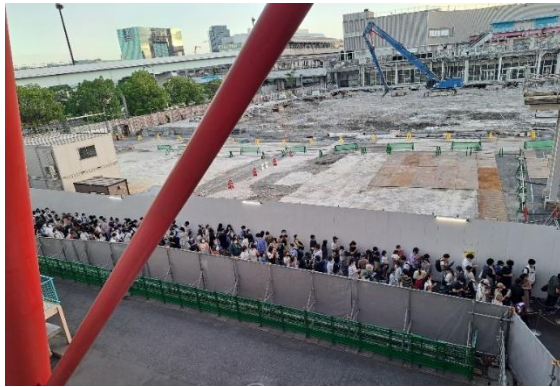
VenusFort finale in March 2022



Large crowd at digital museum on its last day



Interviewing visitors before Giant Sky Wheel closes



Long line for Giant Sky Wheel on its final day



Visitors watching Giant Sky Wheel shut down

01 Overview of Interim Financial Results for FY2022

02 Financial Forecast for FY2022

03 Sustainability and ESG Initiatives

04 Ongoing Projects

05 Referential Materials



## 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.
- Toranomom 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.



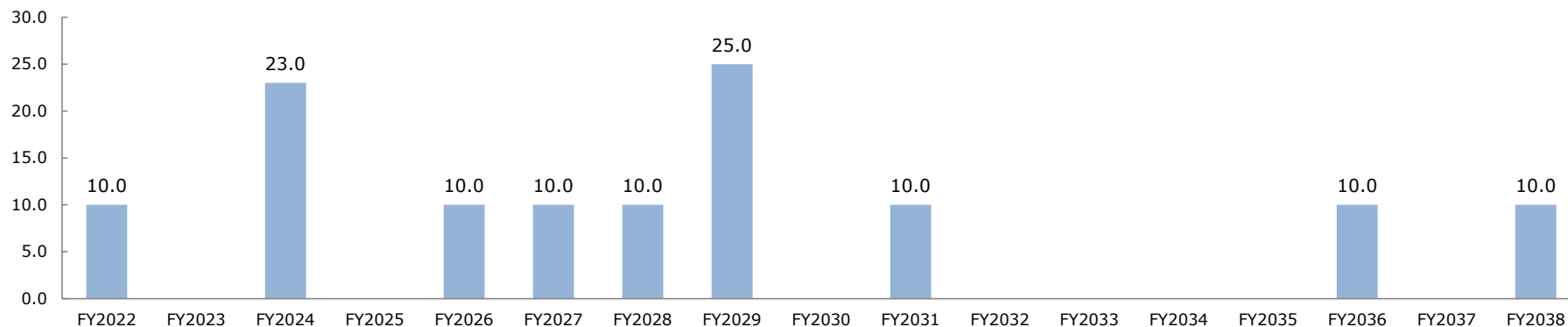
## Bond Issuance Policy

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 October 31, 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
3rd Subordinated bond	10/4/2022	10/11/2057	35	50.0	1.360%	130.0bp	-
<b>Total Bond Balance</b>	-	-	-	<b>263.0</b>	-	-	-

## ■ Bond redemption schedule (Billions of yen)



\*Excluding subordinated bonds

# Consolidated Balance Sheet for FY2022 First Half Period



(millions of yen)

Assets				Liabilities			
Account name	FY2021 As of Mar-31,2022	FY2022 As of Sep-30,2022	change	Account name	FY2021 As of Mar-31,2022	FY2022 As of Sep-30,2022	change
<b>Current assets</b>				<b>Current liabilities</b>			
Cash and deposits	266,207	269,508	3,300	Notes and accounts payable - trade	11,749	10,502	△ 1,246
Accounts receivable - trade	9,672	12,993	3,321	Short-term borrowings	45,596	84,079	38,482
Contract assets	692	2,320	1,628	Current portion of bonds payable	10,000	10,950	950
Short-term investment securities	2,000	2,000	-	Income taxes payable	11,969	9,424	△ 2,545
Inventories	72,289	48,645	△ 23,643	Contract liabilities	16,248	17,778	1,530
Other	30,847	30,785	△ 61	Provision for bonuses	1,302	1,411	108
Allowance for doubtful accounts	△ 16	△ 17	△ 1	Other	39,896	36,238	△ 3,658
Total current assets	381,693	366,236	△ 15,457	Total current liabilities	136,763	170,384	33,621
<b>Fixed assets</b>				<b>Long-term liabilities</b>			
<b>Property, plant and equipment</b>				Bonds payable	203,950	203,000	△ 950
Buildings and structures	282,517	280,611	△ 1,906	Long-term borrowings	1,171,385	1,127,545	△ 43,840
Machinery, equipment and vehicles	11,098	10,665	△ 433	Leasehold and guarantee deposits received	87,362	92,242	4,879
Tools, furniture and fixtures	8,591	8,804	212	Long-term deposits received	1,279	1,273	△ 5
Land	489,943	491,315	1,371	Retirement benefit liability	1,827	1,799	△ 27
Construction in progress	85,238	87,368	2,130	Provision for retirement benefits for directors	1,055	1,078	23
Real estate in progress	242,130	242,194	63	Provision for dismantling cost of fixed assets	3,490	3,493	2
Beneficial interests in real estate trust	577,624	577,530	△ 94	Deferred tax liabilities	126,637	127,577	940
Other	1,726	1,736	10	Other	5,687	5,379	△ 307
Total Property, plant and equipment	1,698,871	1,700,225	1,354	Total long-term liabilities	1,602,675	1,563,390	△ 39,285
<b>Intangible assets</b>				<b>Total liabilities</b>	<b>1,739,439</b>	<b>1,733,774</b>	<b>△ 5,664</b>
Leasehold right	57,176	57,815	638	<b>Net assets</b>			
Goodwill	11,970	11,887	△ 82	<b>Shareholders' equity</b>			
Other	6,166	5,743	△ 422	Capital stock	79,500	79,500	-
Total intangible assets	75,312	75,446	133	Capital surplus	22,563	22,563	-
<b>Investments and other assets</b>				Retained earnings	474,267	481,773	7,505
Investment securities	50,350	52,464	2,114	Treasury stock	△ 11,507	△ 11,507	-
Equity investments	25,062	25,599	537	Total shareholders' equity	564,824	572,330	7,505
Long-term loans receivable	86,856	117,331	30,475	<b>Accumulated other comprehensive income</b>			
Retirement benefit asset	987	1,018	31	Valuation difference on available-for-sale securities	15,050	15,619	569
Deferred tax assets	89	85	△ 3	Deferred gains or losses hedges	69	528	459
Other	49,138	51,285	2,147	Foreign currency translation adjustment	36,650	54,576	17,925
Allowance for doubtful accounts	△ 1,298	△ 1,213	85	Remeasurements of defined benefit plans	96	95	△ 0
Total investments and other assets	211,184	246,571	35,387	Total accumulated other comprehensive income	51,866	70,820	18,953
Total fixed assets	1,985,368	2,022,243	36,875	<b>Non-controlling interests</b>	10,931	11,554	623
<b>Total assets</b>	<b>2,367,062</b>	<b>2,388,480</b>	<b>21,418</b>	<b>Total net assets</b>	<b>627,623</b>	<b>654,705</b>	<b>27,082</b>
				<b>Total liabilities and net assets</b>	<b>2,367,062</b>	<b>2,388,480</b>	<b>21,418</b>

# Consolidated Income Statement for FY2022 First Half Period



(millions of yen)

Account name	FY2021 1H(Apr-Sep)	FY2022 1H(Apr-Sep)	change
<b>Operating revenue</b>	<b>108,189</b>	<b>156,160</b>	<b>47,971</b>
Cost of revenue from operations	74,662	103,891	29,228
Operating gross profit	33,527	52,269	18,742
Selling, general and administrative expenses	11,730	13,152	1,422
<b>Operating income</b>	<b>21,796</b>	<b>39,116</b>	<b>17,319</b>
Interest income	392	592	200
Dividend income	156	110	△ 46
Compensation income	963	963	0
Equity in earnings of affiliates	1,000	836	△ 164
Foreign exchange gains	220	616	395
Gain on investments in investment partnerships	649	-	△ 649
Other	1,187	1,253	65
Non-operating income	4,571	4,372	△ 199
Interest expenses	3,597	3,877	280
Finance charges and fees	583	600	16
Other	94	201	107
Non-operating expenses	4,274	4,679	404
<b>Ordinary income</b>	<b>22,093</b>	<b>38,809</b>	<b>16,716</b>
Gain on sales of fixed assets	10	118	108
Gain on sale of investment securities	859	-	△ 859
Subsidy income	369	241	△ 128
Other	9	3	△ 5
Extraordinary income	1,248	363	△ 884
Loss on sales of fixed assets	4	4	0
Loss on tax purpose reduction entry of non-current assets	-	241	241
Loss on business restructuring	683	192	△ 491
Loss on COVID-19	861	-	△ 861
Other	142	54	△ 87
Extraordinary losses	1,691	492	△ 1,199
Income before income taxes	21,650	38,681	17,030
Income taxes - current	5,434	11,814	6,380
Income taxes - deferred	2,293	507	△ 1,785
Profit	13,922	26,359	12,436
Profit attributable to non-controlling interests	273	264	△ 8
<b>Profit attributable to owners of parent</b>	<b>13,649</b>	<b>26,094</b>	<b>12,444</b>

**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.**

