

2021.5.25



Image of Toranomon-Azabudai Project
©DBox for Mori Building Co.



Overview of Financial Results for Fiscal Year Ending March 2021 (FY2020)



Summary of Consolidated Income Statement for FY2020

(Billions of yen)

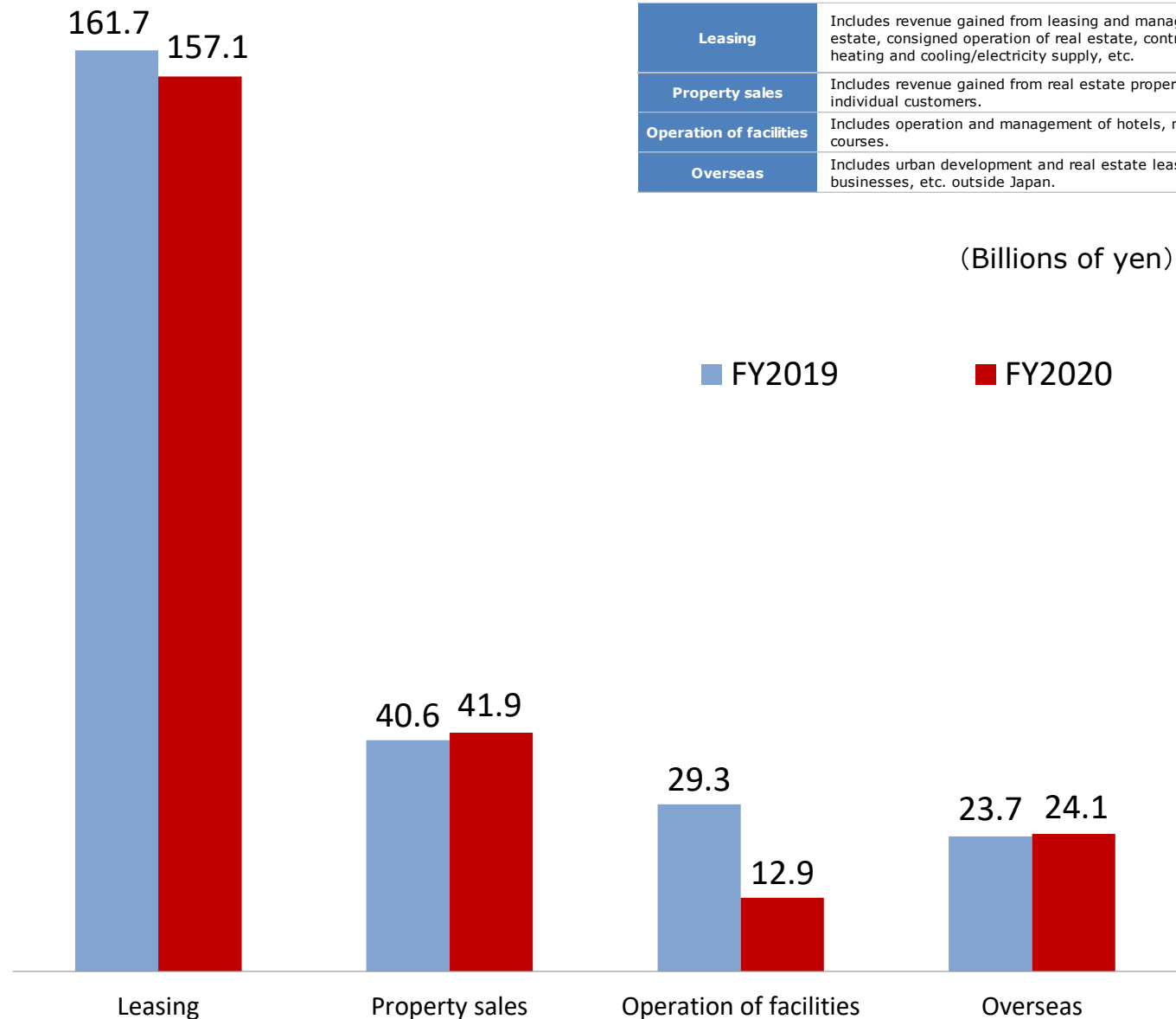
| | FY2019 | FY2020 | Changes from the previous year | |
|-----------------------------------------|--------|--------|--------------------------------|--------|
| Revenue from operations | 250.2 | 230.0 | △20.1 | △8.0% |
| Operating income | 65.7 | 50.9 | △14.8 | △22.6% |
| Non-operating income/expenses | △5.0 | △2.3 | +2.6 | |
| Ordinary income | 60.7 | 48.5 | △12.1 | △20.0% |
| Extraordinary income/losses | △12.1 | △2.0 | +10.1 | |
| Income before income taxes | 48.5 | 46.5 | △2.0 | |
| Profit attributable to owners of parent | 31.3 | 31.4 | +0.0 | +0.2% |

Interim financial results for FY2020

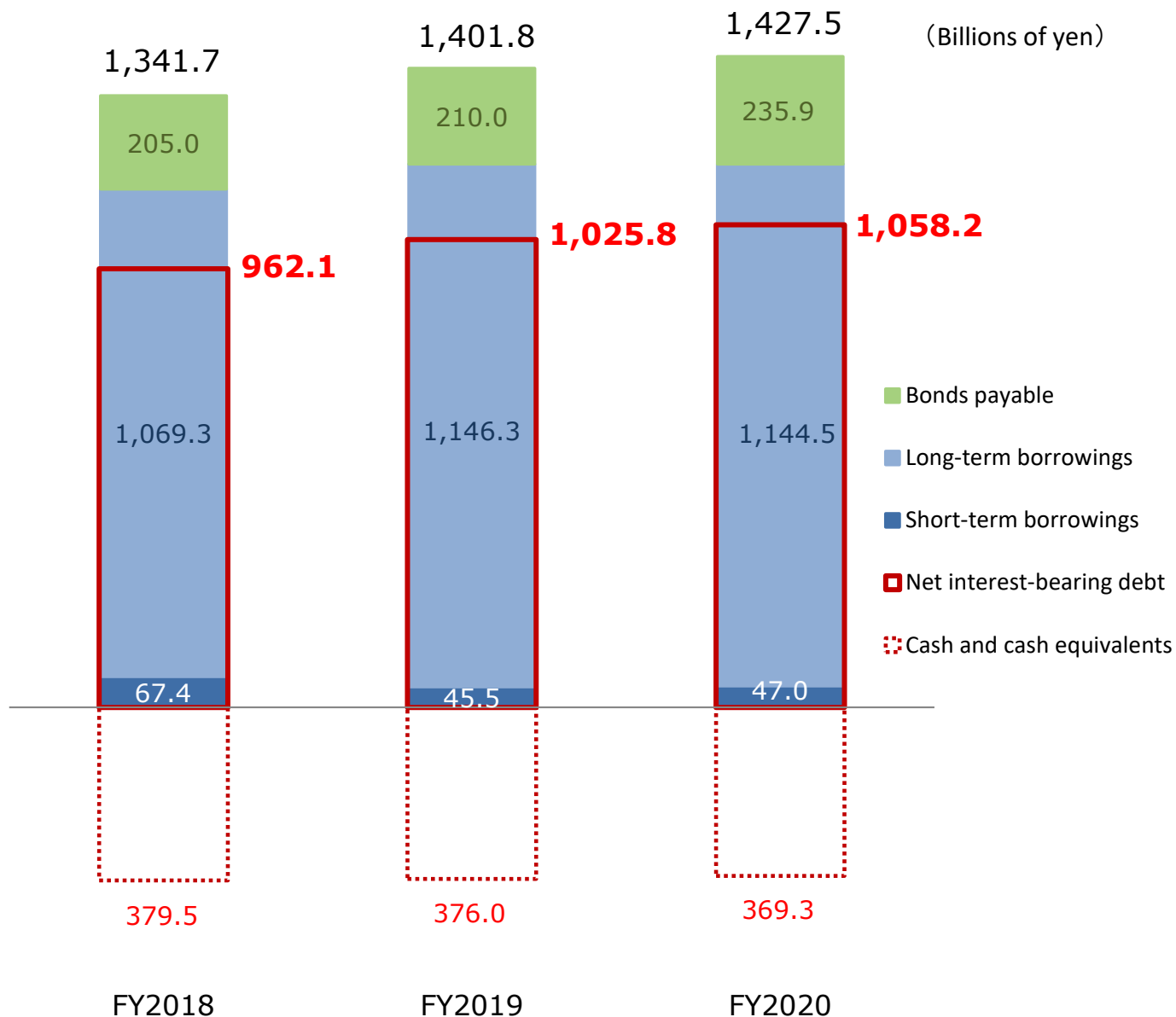
~Details of Operating Revenue~

Description of business segments

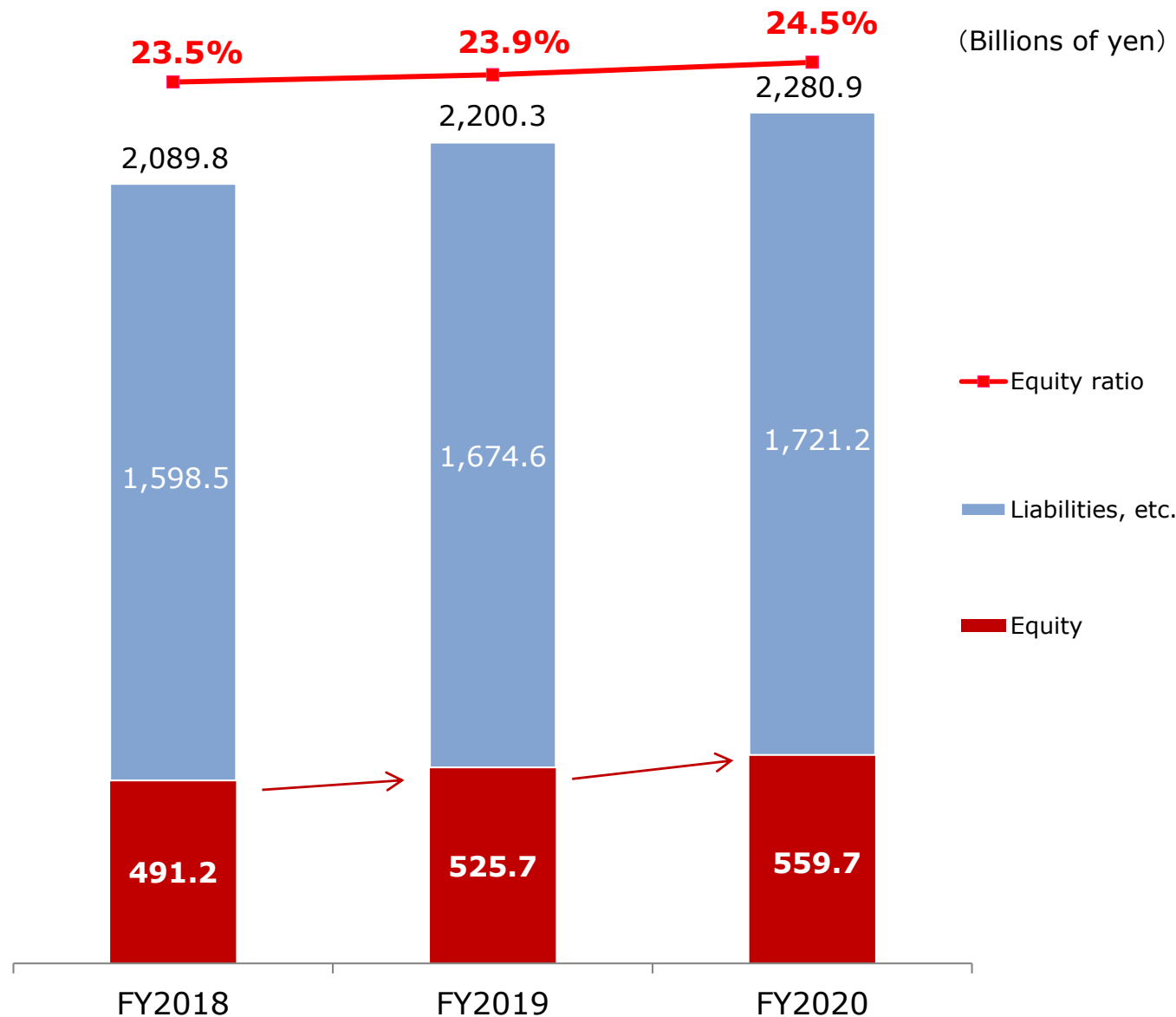
| | |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leasing | Includes revenue gained from leasing and management and 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. |



Status of Interest-bearing debt for FY2020



Status of Equity (Ratio) for FY2020





Financial Forecasts for Fiscal Year Ending March 2022 (FY2021)



Financial Forecasts for FY2021

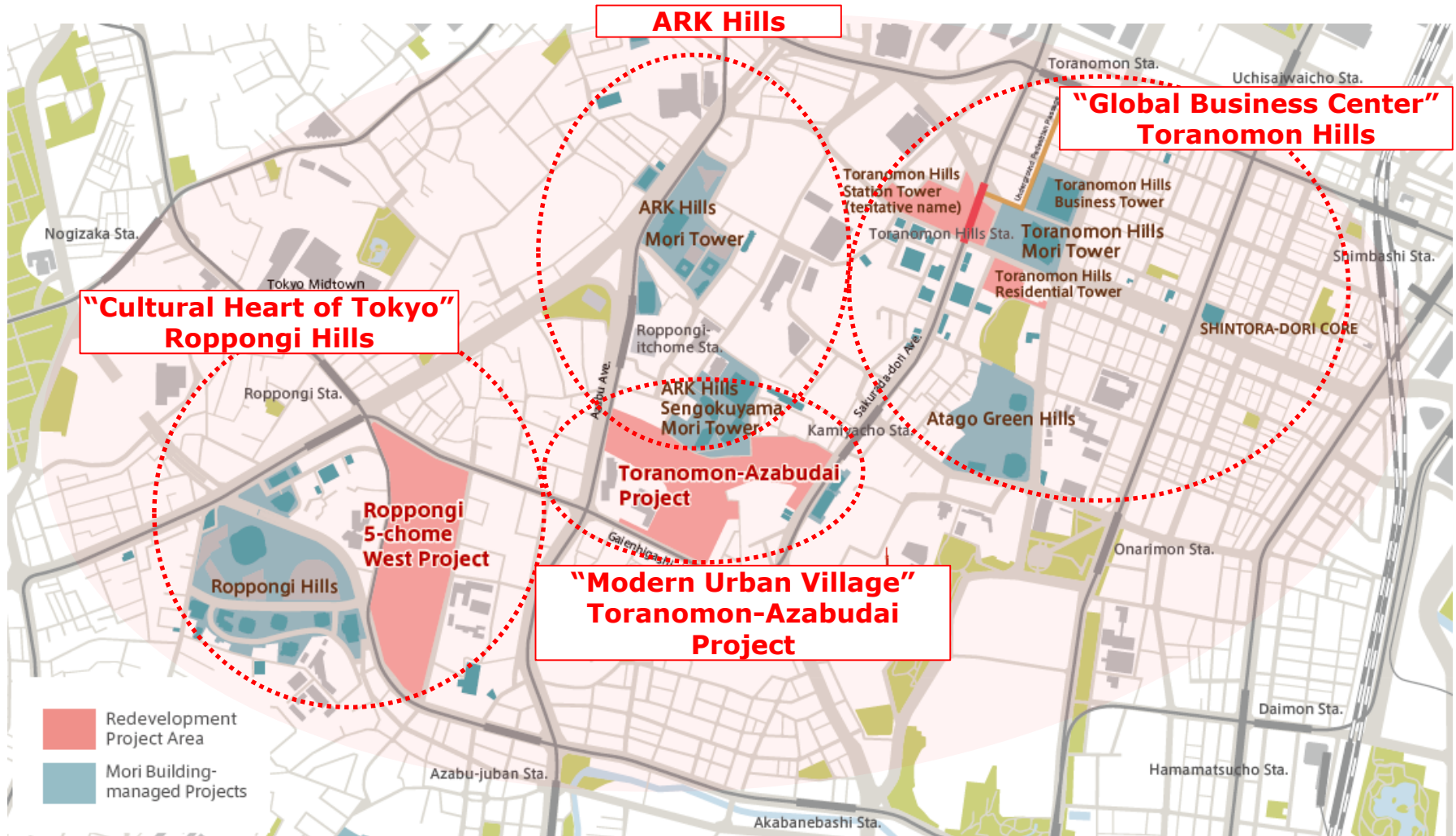
(Billions of yen)

| | FY2020 Results | FY2021 Forecast | change | |
|--------------------------------------------|-------------------|--------------------|--------|-------|
| Revenue from operations | 230.0 | 247.0 | +16.9 | +7.4% |
| Operating income | 50.9 | 52.0 | +1.0 | +2.1% |
| Ordinary income | 48.5 | 49.0 | +0.4 | +0.9% |
| Profit attributable to owners of parent | 31.4 | 34.0 | +2.5 | +8.2% |

Topics in Fiscal Year Ending March 2021 (FY2020)

Note: Forecasts of projects in progress are based on current plans. Completed projects may vary from such plans.

Completed and Ongoing Projects



Toranomon-Azabudai Project: "Hills of the future"

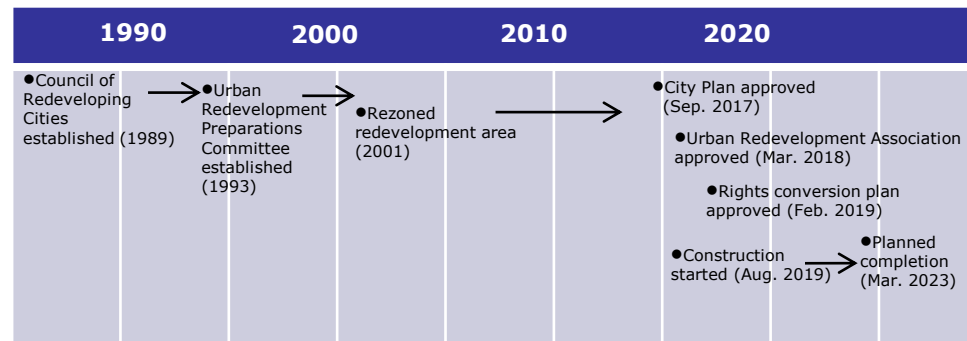
- This "Hills of the future" project will boast an overwhelming scale and impact. Principal construction started in August 2019 and is scheduled to finish in March 2023.
- As a comprehensive development covering a vast 8.1-hectare area, it will comprise diverse urban functions, including offices, residences, 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, the project will assemble diverse people in an overwhelmingly verdant environment in harmony with nature to form a new community where people can genuinely enjoy life.



Image of view above Sakurada-dori Ave. from Kamiyacho Station



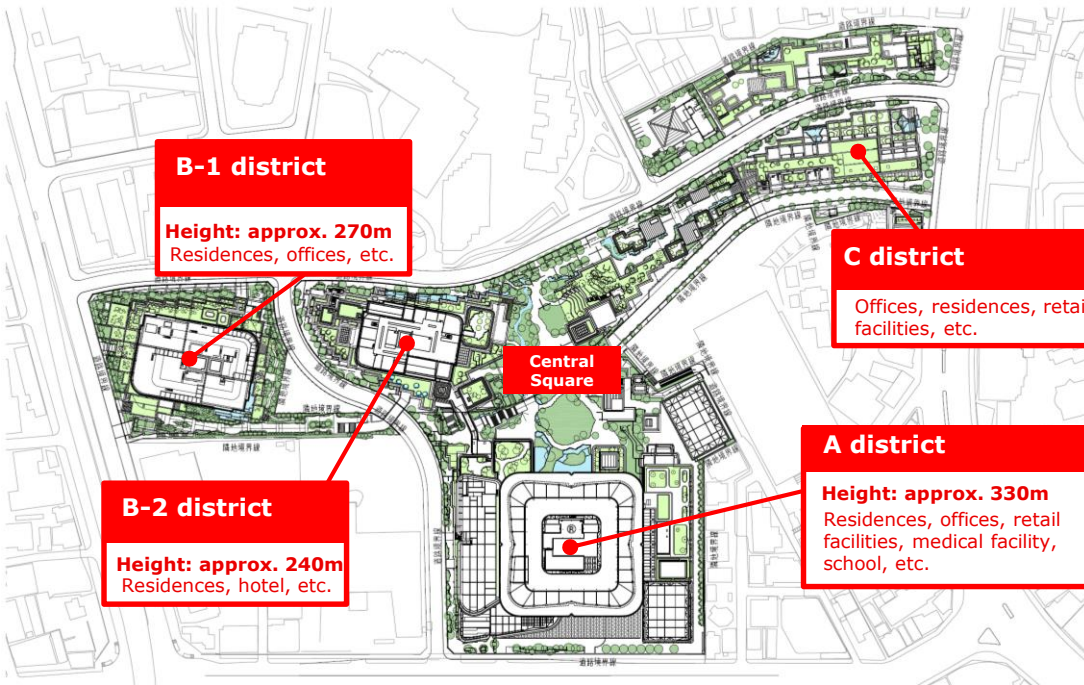
Image of central square



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

Toranomon-Azabudai Project: "Hills of the future"

Site Plan



Cross-section Plan

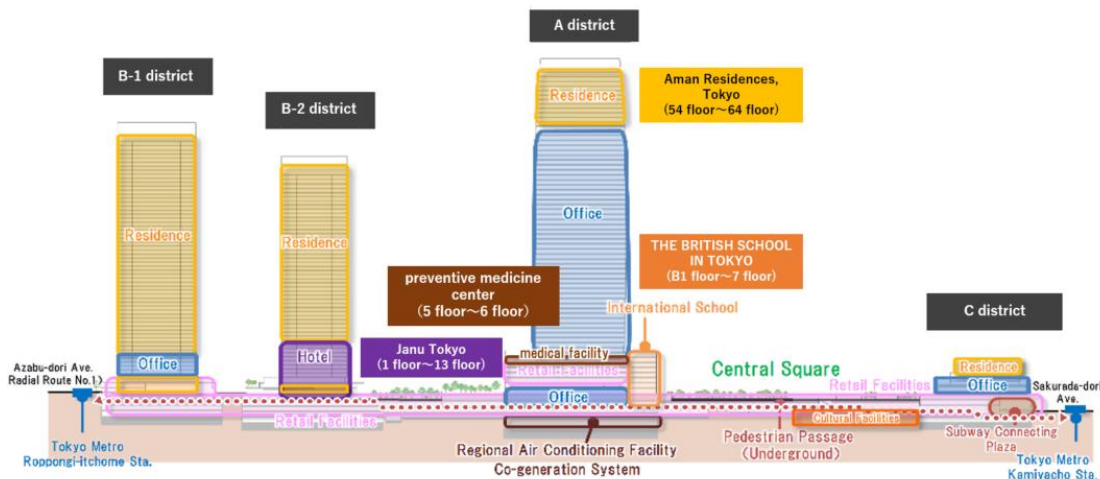


Image of retail facilities



Image of food market



Image of international school



Basic Agreement with Keio University Aimed at Realizing a Healthier and More Active Society

- 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.”
- By providing preventive care that meets personalized needs and membership programs that connect various facilities and new preventive-medicine and wellness services based on the results of the joint research, the project will contribute to the true wellness of everyone living and working in the community and help to realize a more active society where people of any generation can lead healthier lives.



Membership program (image)



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."

“Aman Residences, Tokyo” and New “Janu Tokyo” Hotel Brand Highlight Toranomom-Azabudai Project

- Mori Building and Aman, the operator of diverse world-class luxury hotels and resorts, will collaborate in the Toranomom-Azabudai Project toward the launch of 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 welcome guests from around the world with its warm hospitality, spa, fitness center, and six restaurants, a cafe and bars for leisure and business gatherings.



Image of lounge in Aman Residences, Tokyo

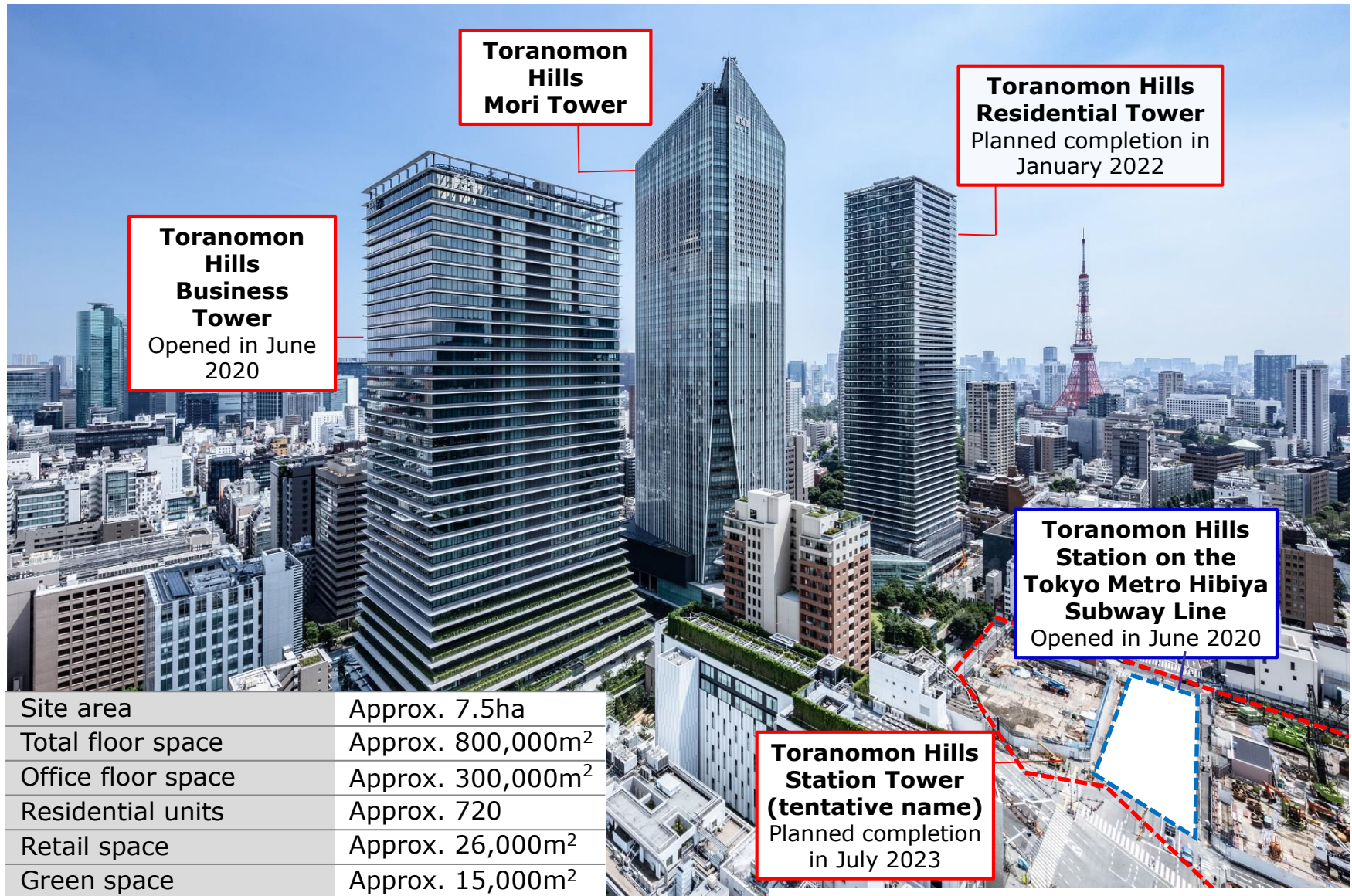


Image of Aman Spa in Aman Residences, Tokyo for residents only

Message from Shingo Tsuji, President and CEO of Mori Building

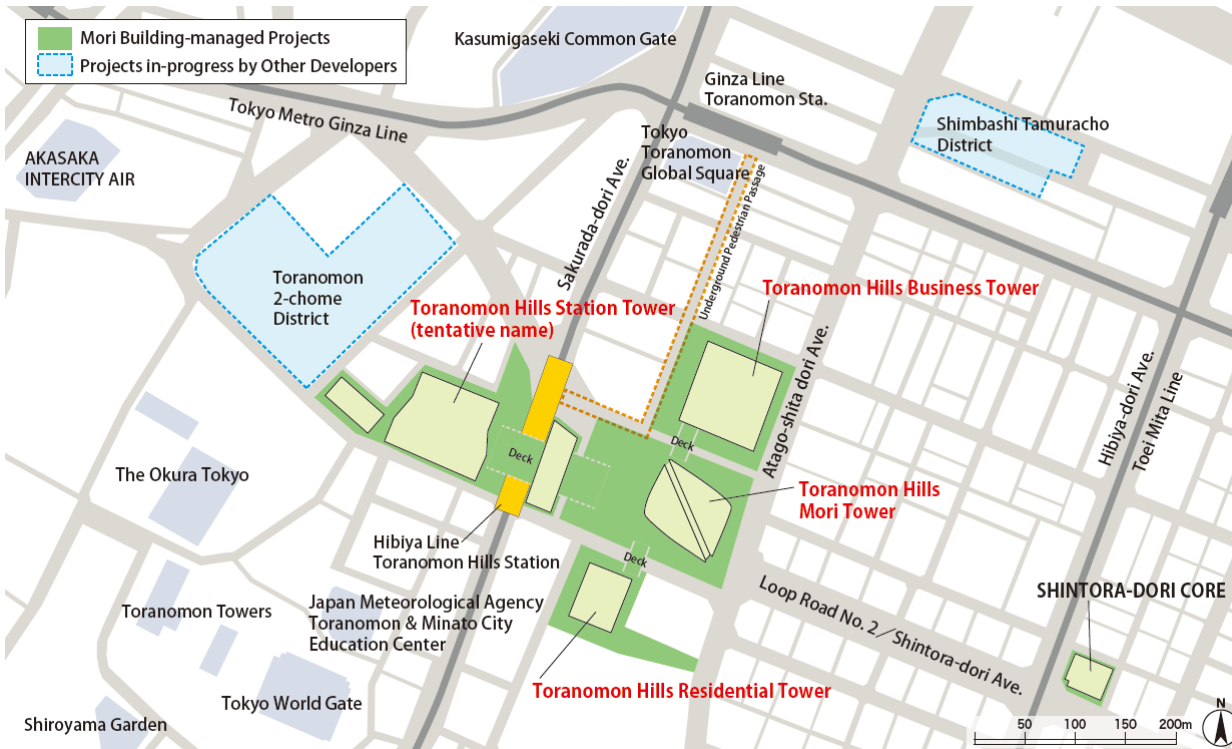
"Tokyo must add to its magnetic power if it is to succeed in its competition with other great cities. Mori Building is joining hands with Aman, which operates diverse world-class resorts, to provide a world-leading residential environment and hotel unlike anything ever seen in Tokyo, where people will 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 area, June 2020

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

Toranomon Hills Station Tower (tentative name)

Planned completion in July 2023

Ground area : Approx. 13,960m²
Total floor space : Approx. 253,210m²
Height : Approx. 265m/49 floors
Configuration : Offices, commercial facilities, hotel, business multifunctional complex, etc.

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------------------------------------------|-------------------------|--------------------------------------------|---------------------------|------------------------|--------------------------------------------|---------------------------|------|-------------------------|-------------------------|
| Toranomon Hills Business Tower | Jul. City plan decided | Jan. Redevelopment association established | Feb. Construction started | | | Jan. Completion | | | |
| Toranomon Hills Residential Tower | Sept. City plan decided | | Mar. Construction started | | | | | Jan. Planned 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 Residential Tower: Most Luxurious Housing Offered by Mori Building

- As the most luxurious housing offered by Mori Building, Toranomon Hills Residential Tower will be the largest residential building in its area, offering some 550 residential units with great attention to detail for sophisticated living in central Tokyo.
- Accessibility within the area will be enhanced with direct connections to nearby Mori Tower and Business Tower via pedestrian walkways.
- The 54-story, 220-meter building will become the tallest residential tower in Japan.



| | |
|--------------------|-------------------------------|
| Ground area | Approx. 6,530m ² |
| Total floor space | Approx. 121,000m ² |
| Construction start | March 2017 |
| Planned completion | January 2022 |



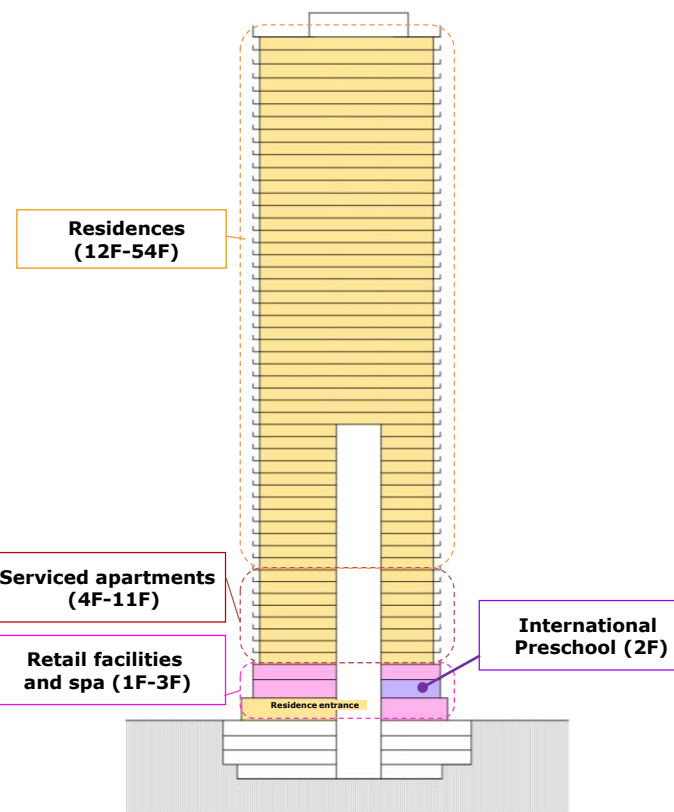
Image of lower levels



Image of lower level



Image of residential unit

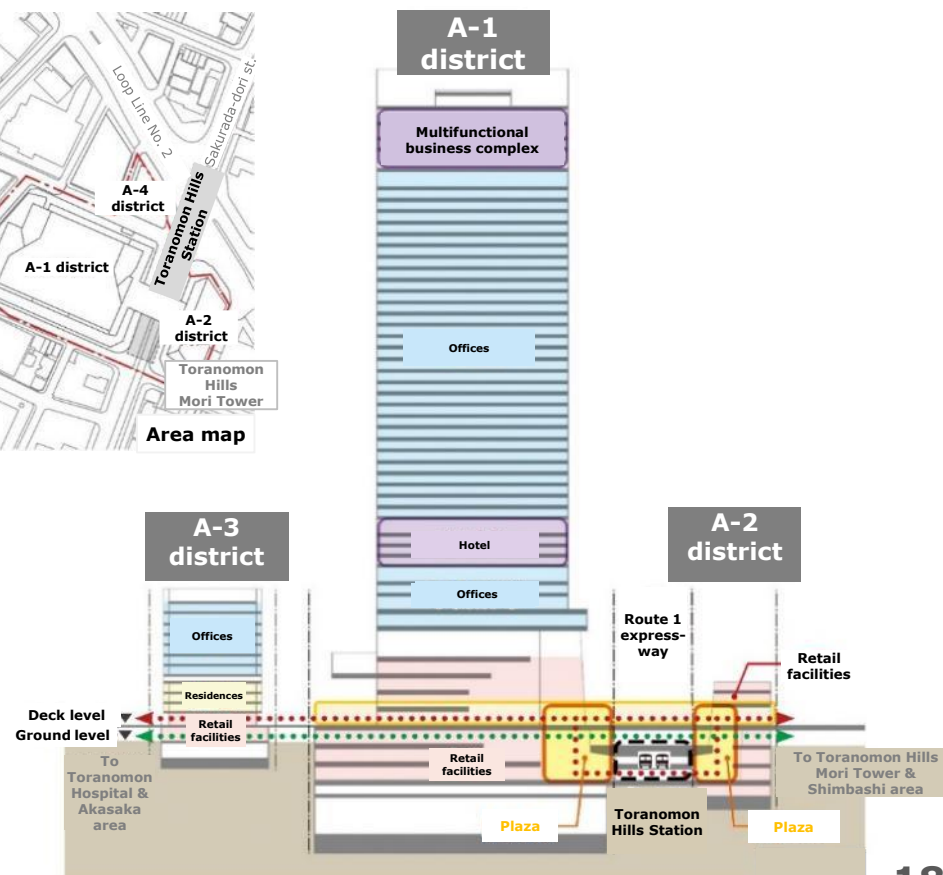
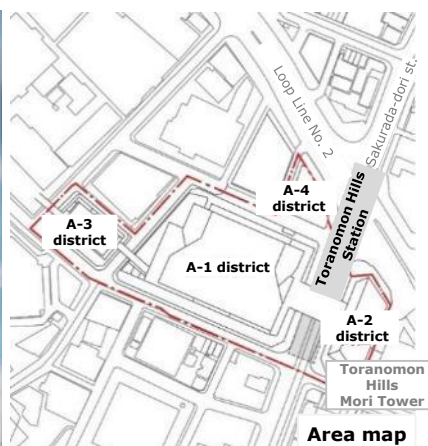


Toranomon Hills Station Tower (tentative name) (completion by July 2023)

- Construction of Toranomon Hills Station Tower began in Nov. 2019 and completion is planned in July 2023.
- 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 265m, 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 Tokyo's 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 |



Mori Building's first development in Southeast Asia: 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 total floor space in an approximately 266m tower.
- The tower is located ideally in the center of Jakarta's Golden Triangle next to Semanggi Flyover on Sudirman Street, the main thoroughfare in the city's 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



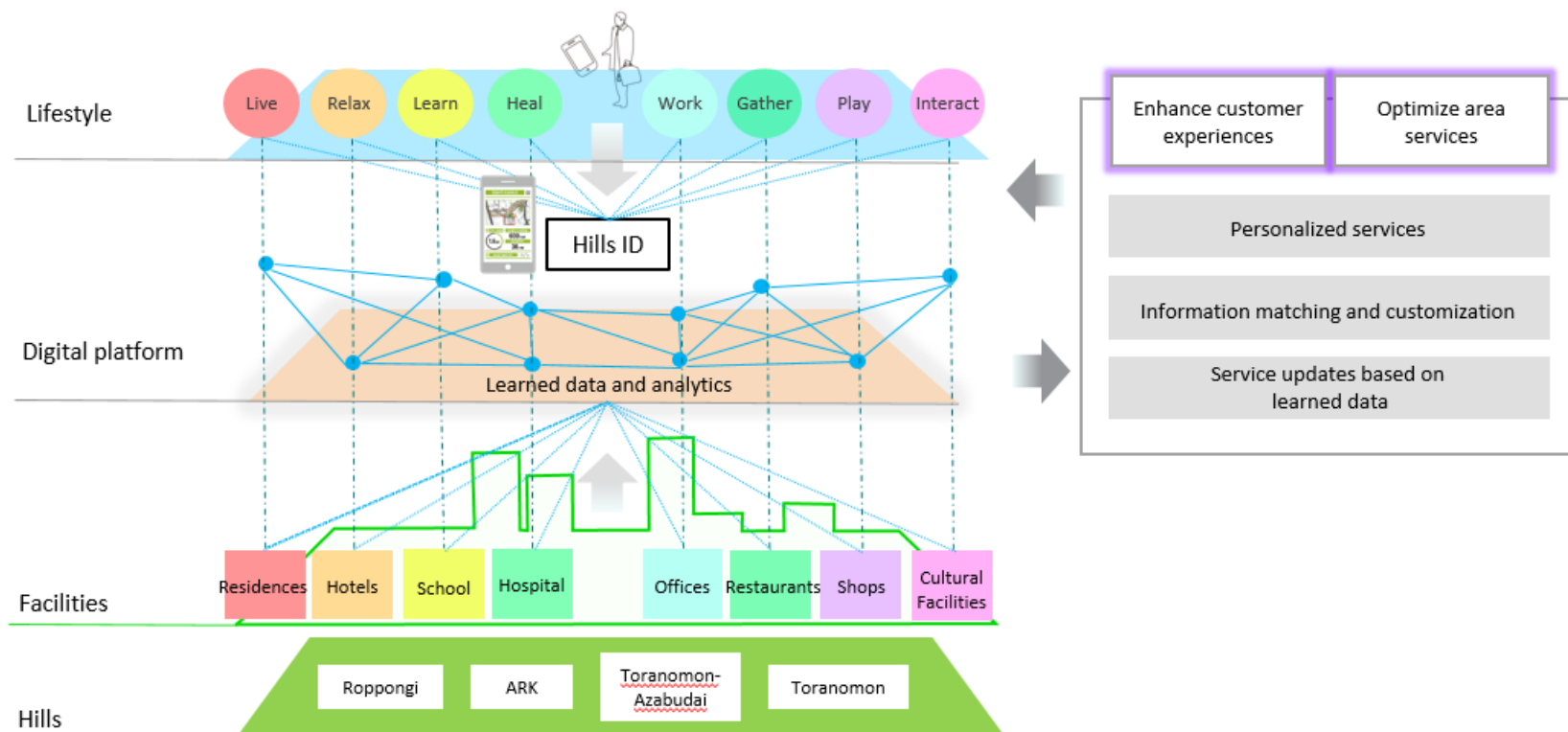
On-site photo (April 2021)

| | |
|--------------------|-------------------------------|
| Location | Jakarta, Indonesia |
| Ground area | 8,484m ² |
| Total floor space | Approx. 190,000m ² |
| Construction start | July 2017 |
| Planned completion | 2022 |

Hills Network for unprecedentedly seamless urban life

- The newly developed Hills Network is a digital platform that integrates comprehensive urban operations through advanced digital-transformation (DX) technologies. It will steadily enhance the convenience, quality and joy of living in, working in and visiting Hills complexes and other properties managed by Mori Building in central Tokyo.
- Hills Network utilizes cutting-edge technologies to manage data on user attributes, usage of specific properties and facilities, and location for unprecedentedly seamless “Hills life,” transforming each complex into a thoroughly integrated space for living and working.

■ Hills Network



Conveying culture and hope from Roppongi Hills “Cultural Heart of Tokyo ”

- “STARS: Six Contemporary Artists from Japan to the World,” a major exhibition held at Mori Art Museum from July 31, 2020 to January 3, 2021, enabled six of Japan’s top artists to speak to the world through early and recent works spanning their illustrious careers.
- Takashi Murakami’s huge 10-meter golden sculpture, “Flower Parent and Child,” now on exhibit at 66 Plaza in Roppongi Hills, conveys a powerful message of energy and hope for the post-coronavirus future.

■ “STARS: Six Contemporary Artists from Japan to the World” (July 31, 2020 – Jan. 3, 2021)



Mori Art Museum, Tokyo, 2020. Courtesy of Kozo Takayama.

■ Takashi Murakami’s “Flower Parent and Child” (Nov 26, 2020 – now on exhibit)



Takashi Murakami *Haha Bangla Manus* 2020
Bronze and gold leaf; 1,000cm (H)×647cm (W)×465cm (L)
The Bloodstone Public Collection
Courtesy of Gagolian with cooperation from Kaikai Kiki Co., Ltd.
©2020 Takashi Murakami/Kaikai Kiki Co., Ltd. All Rights Reserved.

Mori Building ad about the role of cities in a pandemic


- A Mori Building print ad entitled “Living in the City” was published in September 2020. The ad prompted readers to think about the role of cities and the correlation with human activities. It also conveyed Mori Building’s philosophy of pursuing “ideal city design centered on humanity.”
- At a time when relationships between people and cities are being changed drastically by COVID-19, Mori Building reconfirmed its strong commitment to creating ideal urban environments.

■ Ad that appeared in Nikkei newspaper on September 23, 2020 (Photo by Takeshi Takagi)

それでも、人と会いたい。
それでも、人と話したい。
それでも、人と仕事したい。
それでも、人と遊びたい。
それでも、人と笑いたい。
それでも、人と手をつなぎたい。
それでも、人とごはんを食べたい。
それでも、人とケンカしたい。
それでも、人と助け合いたい。
それでも、人と生きていきたい。



人は、人と生きている。
あたらしい日常の中で、人はどのようにつながるか。創造力をどのように引き出すか。
森ビルは、人間を中心に都市のあり方をデザインしていく。

都市に生きる。 

*But I still want to meet people.
But I still want to talk to people.
But I still want to work with people.
But I still want to play with people.
But I still want to laugh with people.
But I still want to hold hands with people.
But I still want to eat with people.
But I still want to argue with people.
But I still want to mutually help people.
But I still want to live with people.*

*Human beings live with other human beings.
But how can they connect in the new normal?
And how can they express their creativity?
Mori Building designs cities with a focus on humanity.*

Living in the city.
Mori Building

Major Activities in Fiscal Year Ending March 2021 (FY2020)

Second Half



| | |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| October 9 | Innovative City Forum 2020 to be Held Online for First Time |
| October 13 | Conditions for Public Offering of Hybrid Bonds (Subordinated Bonds) (Japanese only) |
| October 28 | MORI Building DIGITAL ART MUSEUM: EPSON teamLab Borderless Receives Minister of Internal Affairs and Communications Prize from 3rd Japan Service Awards (Japanese only) |
| November 26 | Takashi Murakami's Huge 10-Meter Golden "Flower Parent and Child" Sculpture Goes on Display at Roppongi Hills |
| December 14 | Hills Machi-iku Project Offers "Learn about Earthquake Disaster Countermeasures! Behind-the-Scenes Safety Tour" (Japanese only) |
| December 17 | Tokyo City View's "DC Exhibition: The Birth of a Superhero" starts |
| December 22 | Town-development DX Supported with Actual Examples of Applying 3D-city Models (Japanese only) |
| December 23 | 2020 Survey of Office Needs in Tokyo's 23 Wards |
| January 21 | Mori Building's Public Offering of Hybrid Bonds Receives Green Bond Award (Japanese only) |
| February 4 | Roppongi Hills Introduces Some 50 Collaborative Products Based on Takashi Murakami's "Flower Parent and Child" Sculpture (Japanese only) |
| February 18 | "Aman Residences, Tokyo" and New "Janu Tokyo" Hotel Brand Highlight Toranomom-Azabudai Urban Redevelopment Project |
| February 18 | Video of Takashi Murakami's Huge 10-meter Golden Sculpture, "Flower Parent and Child," Released (Japanese only) |
| March 1 | Roppongi Hills' Flower Parent and Child Café Opens for Limited Period (Japanese only) |
| March 5 | Mori Building's "Designing Tokyo" Brand Movie Wins Multiple Awards including Two Grand Prix at ADFEST 2020 |
| March 9 | Demonstration Held to Offer AR Space at VenusFort (Japanese only) |
| March 15 | Mori Building's Parent-child Experiential "Hills Machi-iku Project" Earns Youth Experience Activity Company Award from Ministry of Education, Culture, Sports, Science and Technology (Japanese only) |
| March 16 | Mori Building Develops Unique Digital Platform "Hills Network" as First Step in Plan for Urban Digital Transformation |
| March 19 | MORI Building's DIGITAL ART MUSEUM Wins Cool Japan Matching Award 2021 Grand Prix (Japanese only) |
| March 29 | Mori Building Publishes Evacuation Drill Simulations that Seamlessly Connect Indoors and Outdoors (Japanese only) |
| March 30 | Keio University and Mori Building Conclude Basic Agreement Aimed at Realizing a Healthier and More Active Society |

Note: Some press releases published in Japanese only.

Referential Materials

Consolidated Balance Sheet for FY2020

(millions of yen)

| Assets | | | | Liabilities | | | |
|-------------------------------------------|-----------------------------|-----------------------------|---------------|-------------------------------------------------------|-----------------------------|-----------------------------|---------------|
| Account name | FY2019 As of Mar-31,2020 | FY2020 As of Mar-31,2021 | change | Account name | FY2019 As of Mar-31,2020 | FY2020 As of Mar-31,2021 | change |
| Current assets | | | | Current liabilities | | | |
| Cash and deposits | 340,998 | 317,345 | △ 23,653 | Notes and accounts payable - trade | 10,748 | 10,195 | △ 553 |
| Notes and accounts receivable - trade | 10,200 | 9,633 | △ 566 | Short-term borrowings | 45,517 | 47,069 | 1,552 |
| Short-term investment securities | 35,084 | 52,000 | 16,915 | Current portion of bonds payable | 20,000 | 22,950 | 2,950 |
| Inventories | 17,232 | 21,055 | 3,823 | Income taxes payable | 9,462 | 2,563 | △ 6,899 |
| Other | 31,884 | 28,771 | △ 3,113 | Provision for bonuses | 1,596 | 1,315 | △ 281 |
| Allowance for doubtful accounts | △ 36 | △ 33 | 2 | Other | 31,600 | 50,278 | 18,678 |
| Total current assets | 435,364 | 428,772 | △ 6,592 | Total current liabilities | 118,926 | 134,373 | 15,446 |
| Fixed assets | | | | Long-term liabilities | | | |
| Property, plant and equipment | | | | Bonds payable | 190,000 | 213,000 | 23,000 |
| Buildings and structures | 241,378 | 237,872 | △ 3,506 | Long-term borrowings | 1,146,376 | 1,144,528 | △ 1,847 |
| Machinery, equipment and vehicles | 12,274 | 11,541 | △ 733 | Leasehold and guarantee deposits received | 83,962 | 81,266 | △ 2,695 |
| Tools, furniture and fixtures | 7,259 | 6,876 | △ 382 | Long-term deposits received | 2,029 | 1,575 | △ 453 |
| Land | 440,674 | 485,593 | 44,919 | Retirement benefit liability | 1,727 | 1,745 | 18 |
| Construction in progress | 126,674 | 124,058 | △ 2,616 | Provision for retirement benefits for directors | 903 | 938 | 35 |
| Real estate in progress | 109,038 | 153,520 | 44,482 | Provision for dismantling cost of fixed assets | 3,500 | 3,500 | - |
| Beneficial interests in real estate trust | 549,717 | 587,222 | 37,505 | Deferred tax liabilities | 114,822 | 123,355 | 8,533 |
| Other | 1,740 | 1,722 | △ 17 | Other | 3,547 | 7,267 | 3,720 |
| Total Property, plant and equipment | 1,488,758 | 1,608,408 | 119,650 | Total long-term liabilities | 1,546,867 | 1,577,178 | 30,310 |
| Intangible assets | | | | Total liabilities | 1,665,794 | 1,711,551 | 45,757 |
| Leasehold right | 54,572 | 55,486 | 914 | Net assets | | | |
| Goodwill | 12,084 | 11,896 | △ 188 | Shareholders' equity | | | |
| Other | 2,892 | 5,601 | 2,708 | Capital stock | 79,500 | 79,500 | - |
| Total intangible assets | 69,550 | 72,985 | 3,434 | Capital surplus | 22,516 | 22,539 | 23 |
| Investments and other assets | | | | Retained earnings | 428,398 | 443,610 | 15,211 |
| Investment securities | 34,398 | 39,799 | 5,400 | Treasury stock | △ 11,507 | △ 11,507 | - |
| Equity investments | 82,946 | 24,751 | △ 58,195 | Total shareholders' equity | 518,907 | 534,142 | 15,235 |
| Long-term loans receivable | 43,565 | 58,716 | 15,150 | Accumulated other comprehensive income | | | |
| Retirement benefit assets | 317 | 1,065 | 748 | Valuation difference on available-for-sale securities | 4,187 | 10,688 | 6,500 |
| Deferred tax assets | 676 | 140 | △ 536 | Deferred gains or losses hedges | △ 730 | △ 489 | 240 |
| Other | 45,365 | 47,558 | 2,192 | Foreign currency translation adjustment | 3,541 | 15,134 | 11,593 |
| Allowance for doubtful accounts | △ 564 | △ 1,201 | △ 637 | Remeasurements of defined benefit plans | △ 183 | 275 | 458 |
| Total investments and other assets | 206,705 | 170,828 | △ 35,876 | Total accumulated other comprehensive income | 6,815 | 25,609 | 18,793 |
| Total fixed assets | 1,765,013 | 1,852,222 | 87,208 | Non-controlling interests | 8,860 | 9,691 | 830 |
| Total assets | 2,200,378 | 2,280,994 | 80,616 | Total net assets | 534,583 | 569,443 | 34,859 |
| | | | | Total liabilities and net assets | 2,200,378 | 2,280,994 | 80,616 |

Consolidated Income Statement for FY2020

(millions of yen)

| Account name | FY2019 | FY2020 | change |
|--------------------------------------------------|----------------|----------------|-----------------|
| Revenue from operations | 250,222 | 230,082 | △ 20,139 |
| Cost of revenue from operations | 158,209 | 156,957 | △ 1,252 |
| Operating gross profit | 92,012 | 73,125 | △ 18,886 |
| Selling, general and administrative expenses | 26,263 | 22,204 | △ 4,058 |
| Operating income | 65,749 | 50,920 | △ 14,828 |
| Interest income | 677 | 738 | 60 |
| Dividend income | 570 | 780 | 210 |
| Compensation income | 2,031 | 1,927 | △ 104 |
| Equity in earnings of affiliates | 1,673 | 1,659 | △ 13 |
| Subsidy income | - | 819 | 819 |
| Other | 1,285 | 1,962 | 677 |
| Non-operating income | 6,237 | 7,888 | 1,650 |
| Interest expenses | 7,809 | 7,769 | △ 39 |
| Finance charges and fees | 747 | - | △ 747 |
| Foreign exchange losses | 2,362 | 1,263 | △ 1,098 |
| Other | 342 | 1,216 | 873 |
| Non-operating expenses | 11,261 | 10,250 | △ 1,011 |
| Ordinary income | 60,724 | 48,558 | △ 12,166 |
| Gain on sales of fixed assets | 1,840 | 2,078 | 237 |
| Burden charge receivable | - | 1,375 | 1,375 |
| Other | 131 | 184 | 53 |
| Extraordinary income | 1,971 | 3,637 | 1,665 |
| Loss on sales of fixed assets | 274 | 147 | △ 126 |
| Loss on reduction of fixed assets | 0 | 1,800 | 1,800 |
| Impairment loss | 8,797 | 413 | △ 8,384 |
| Provision for dismantling cost of fixed assets | 3,500 | - | △ 3,500 |
| Loss on COVID-19 | - | 3,045 | 3,045 |
| Other | 1,534 | 260 | △ 1,273 |
| Extraordinary losses | 14,106 | 5,667 | △ 8,438 |
| Income before income taxes | 48,590 | 46,528 | △ 2,062 |
| Income taxes - current | 15,645 | 8,514 | △ 7,131 |
| Income taxes - deferred | 954 | 5,947 | 4,993 |
| Profit | 31,990 | 32,067 | 76 |
| Profit attributable to non-controlling interests | 622 | 649 | 27 |
| Profit attributable to owners of parent | 31,368 | 31,417 | 49 |