

2021.11.16



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

Overview of Interim Financial Results for Fiscal Year Ending March 2022 (FY2021)

Summary of Consolidated Income Statement for FY2021 First Half Period

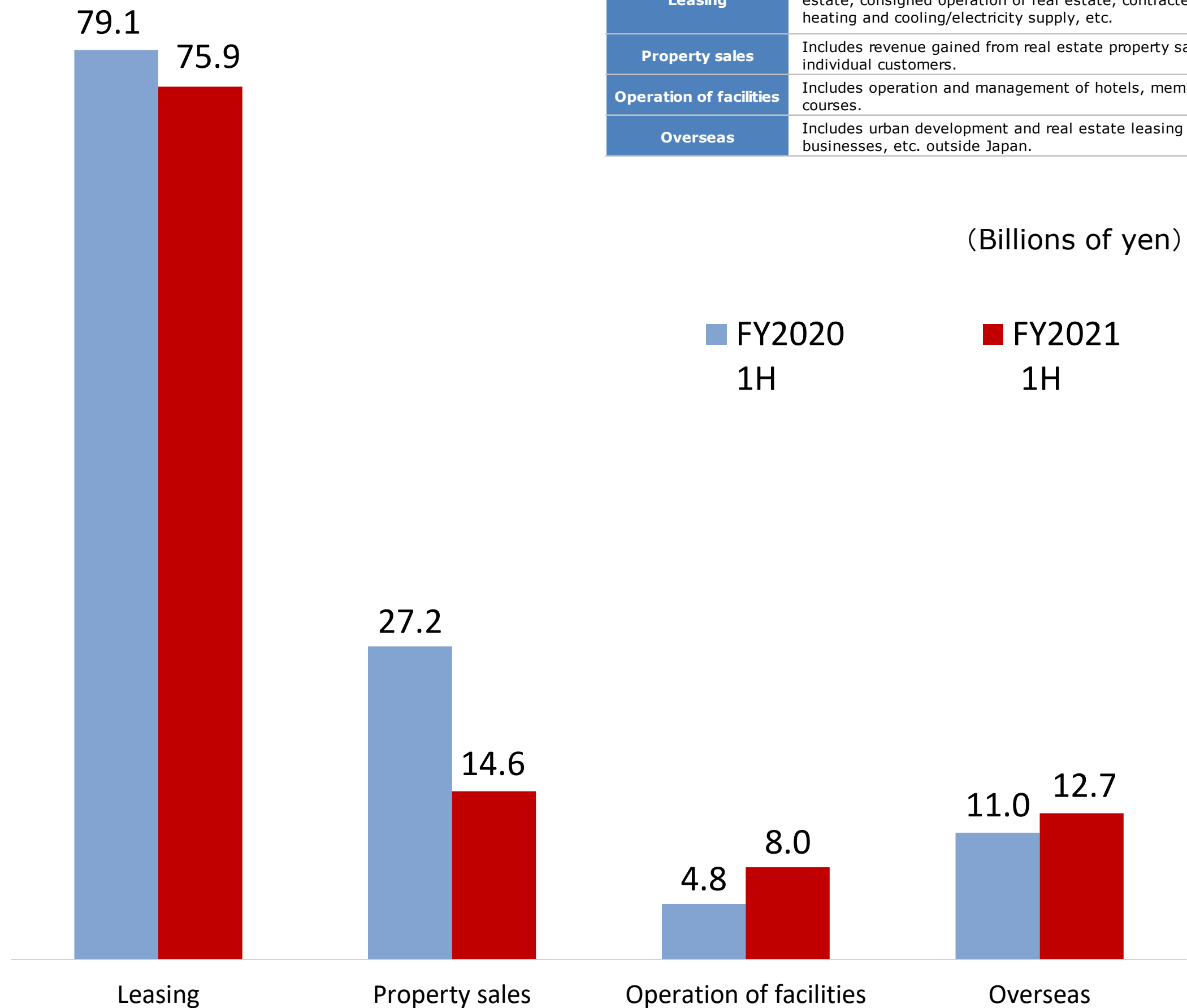


(Billions of yen)

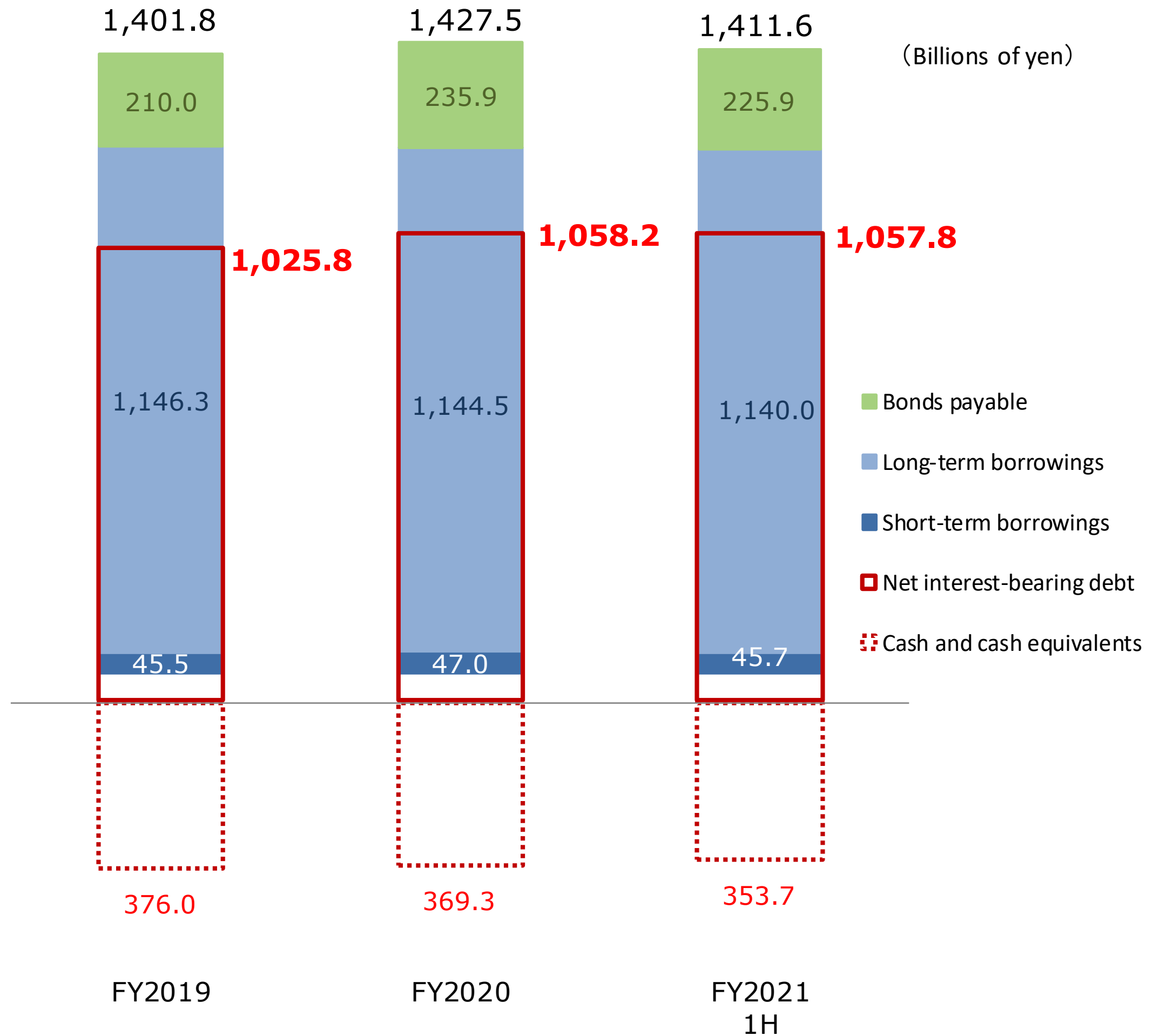
	FY2020 1H	FY2021 1H	Changes from the previous year	
Revenue from operations	118.6	108.1	△10.4	△8.8%
Operating income	30.0	21.7	△8.2	△27.5%
Non-operating income/expenses	△0.3	0.2	+0.6	
Ordinary income	29.6	22.0	△7.5	△25.6%
Extraordinary income/losses	△2.7	△0.4	+2.3	
Income before income taxes	26.9	21.6	△5.2	
Profit attributable to owners of parent	19.1	13.6	△5.4	△28.7%

Description of business segments

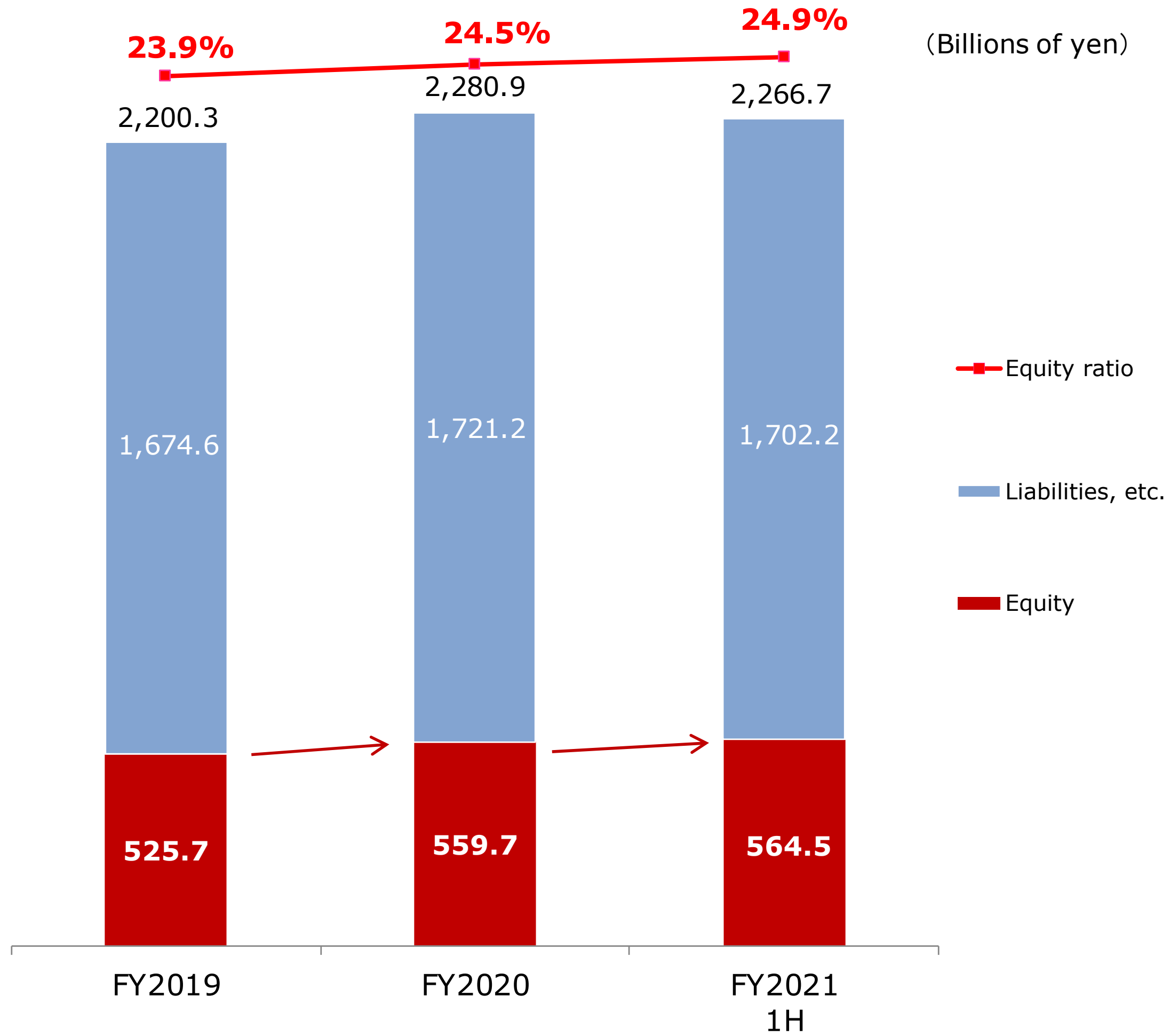
Leasing	Includes revenue gained from leasing and management and operation of real estate, consigned operation of real estate, contracted construction, regional heating and cooling/electricity supply, etc.
Property sales	Includes revenue gained from real estate property sales to investors and individual 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 FY2021 First Half Period



Status of Equity (Ratio) for FY2021 First Half Period



Financial Forecasts for
Fiscal Year Ending March 2022 (FY2021)

Financial Forecasts for FY2021



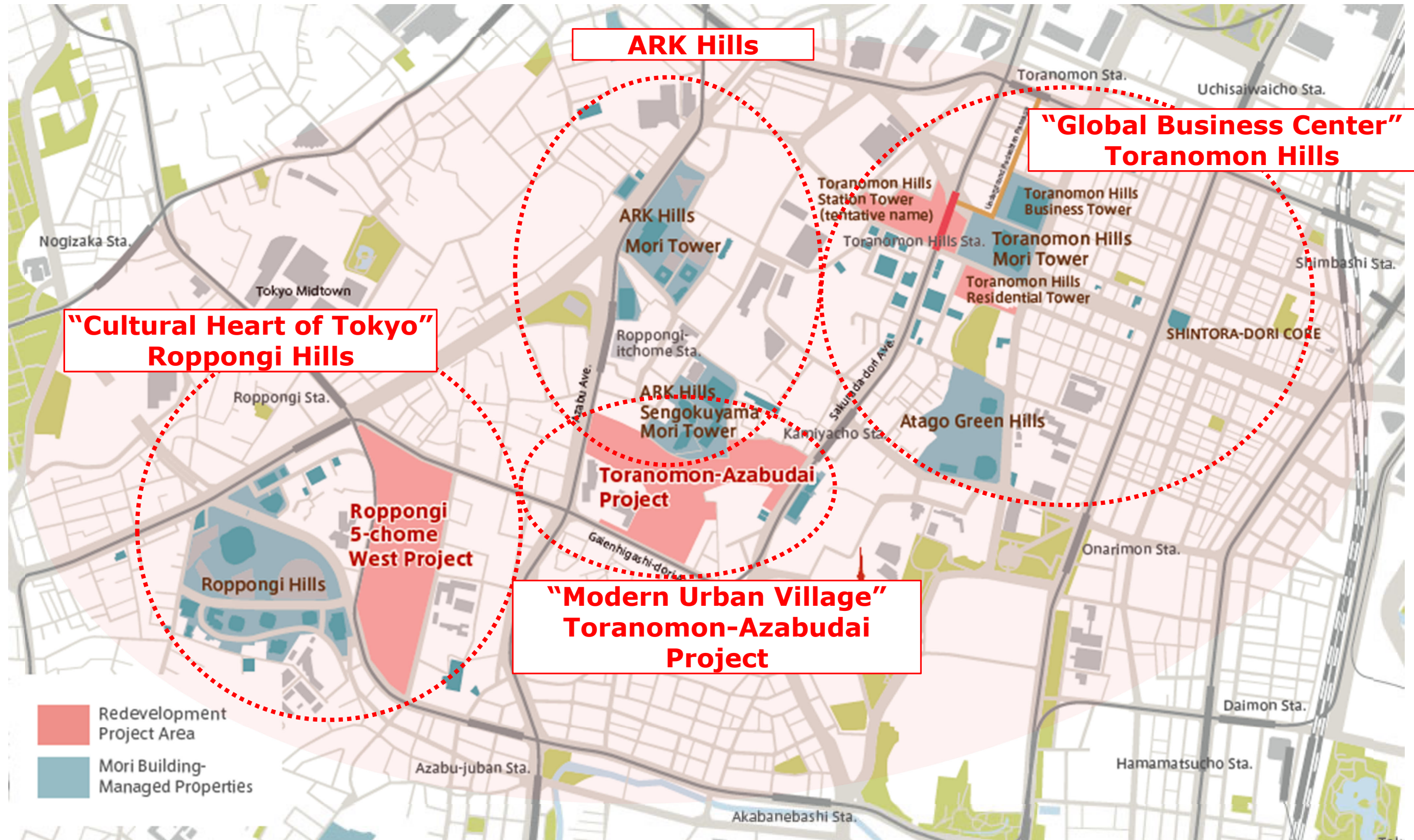
(Billions of yen)

	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 First Half of Fiscal Year Ending March 2022
(FY2021)

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, it will provide an overwhelmingly verdant environment where diverse people will gather in harmony with nature to form a new community where people can genuinely enjoy life.



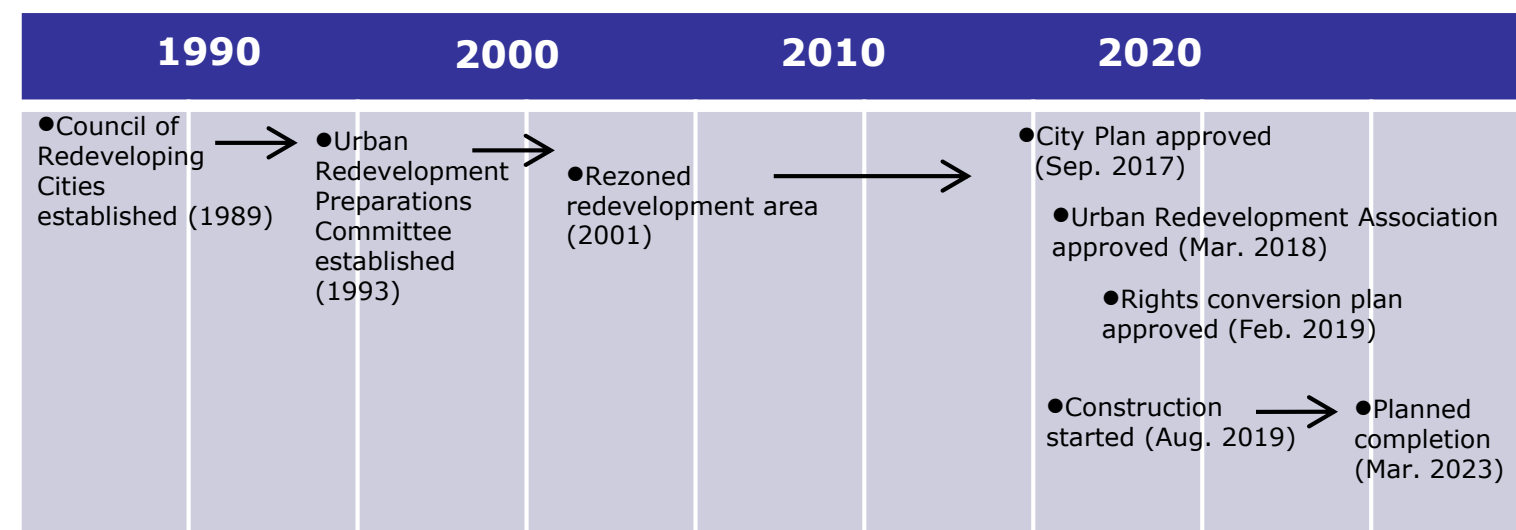
Image of view above Sakurada-dori Ave. from Kamiyacho Station



Image of central square



Construction site (A district; September 2021)



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

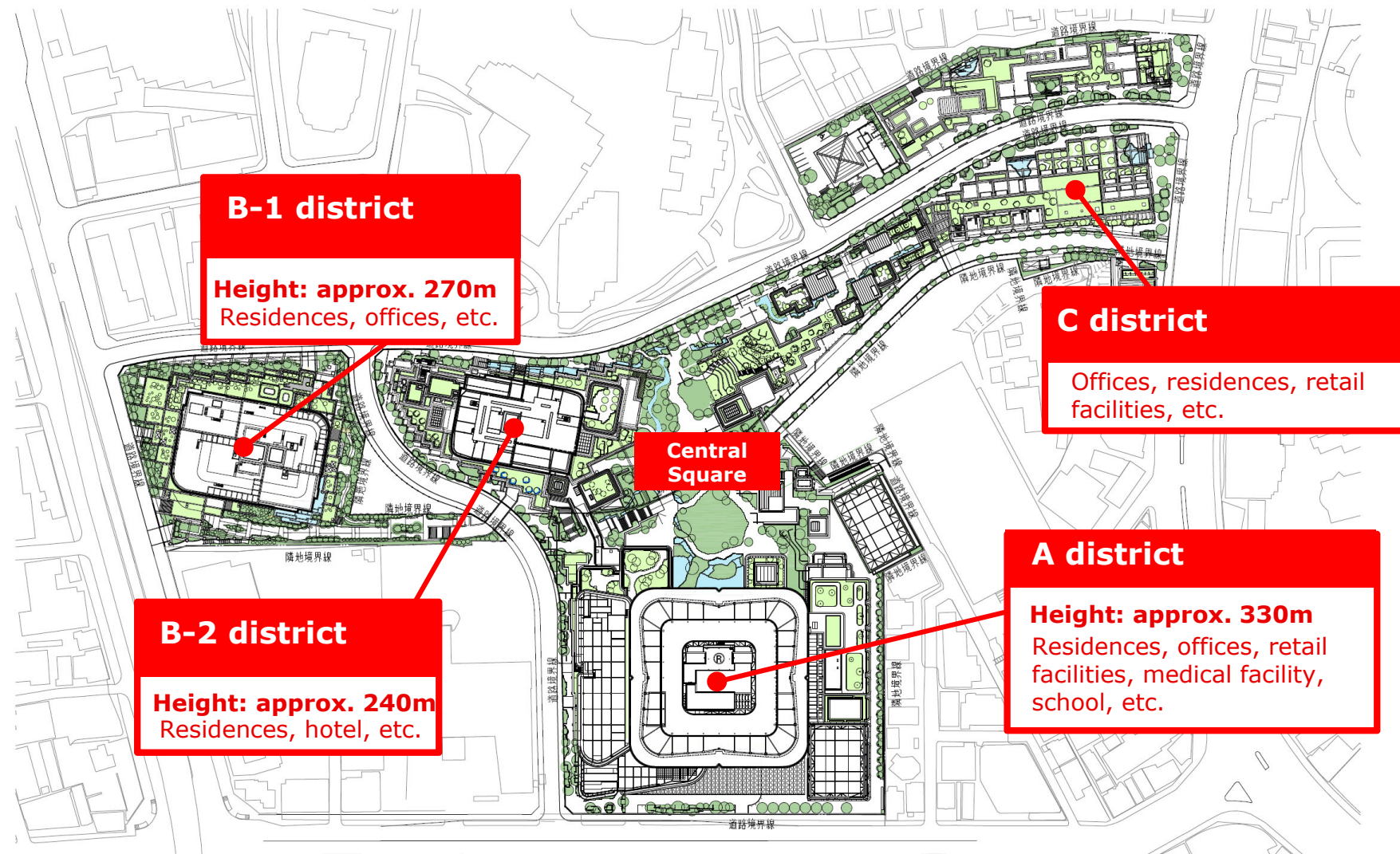


Image of retail facilities



Image of food market

Cross-section Plan

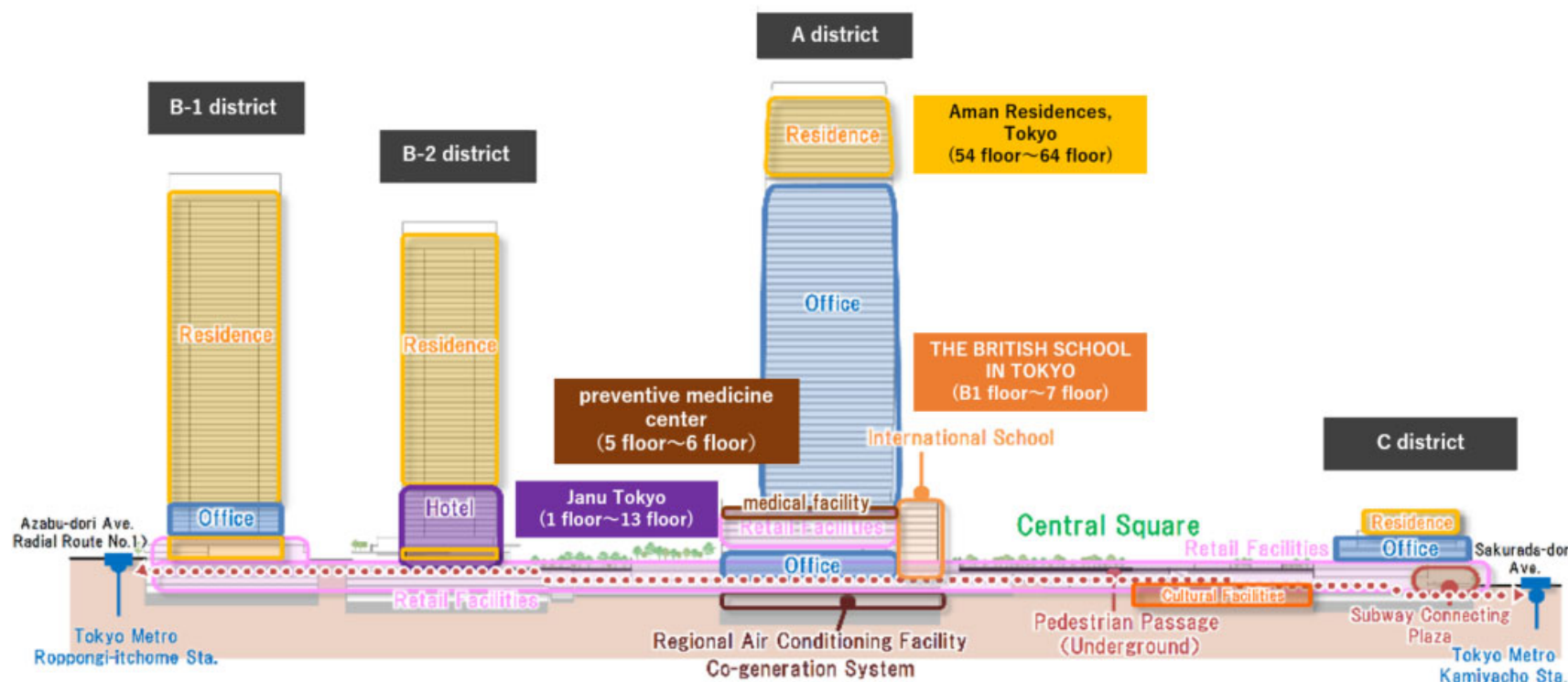


Image of international school



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.”
- 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 to achieve true wellness, and also contribute to a more active society in which people of all generations 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 Mori Tower

Toranomon Hills Residential Tower
Planned completion in January 2022

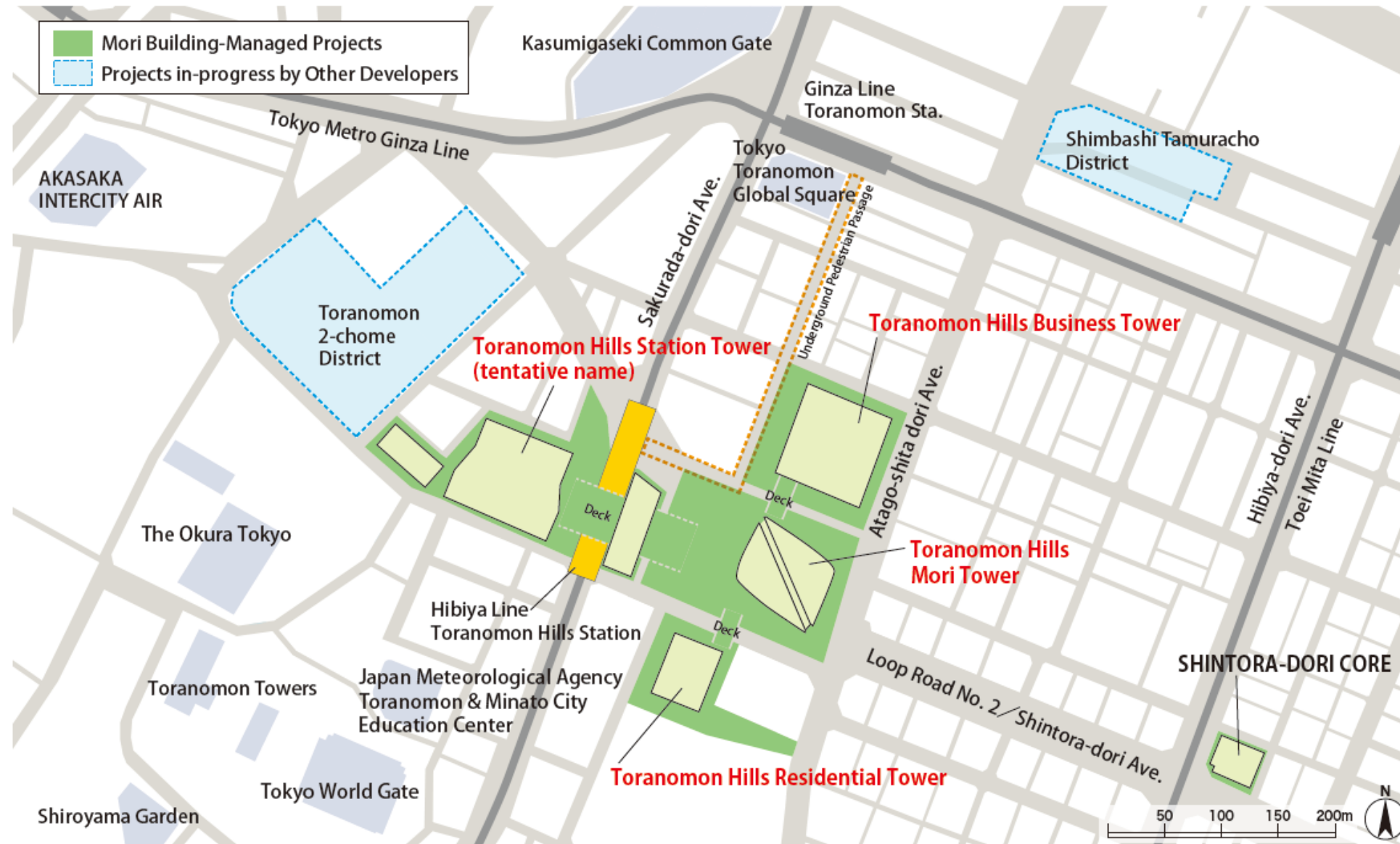
Toranomon Hills Business Tower
Opened in June 2020

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

Toranomon Hills Station on the 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. 6,530m²
 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. 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. 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 as a World-class Residence



- Toranomon Hills Residential Tower will be the largest-level residential building in its area, offering some 550 residential units. Mori Building will apply its expertise in the housing business to provide a premium-quality residence unique in 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.



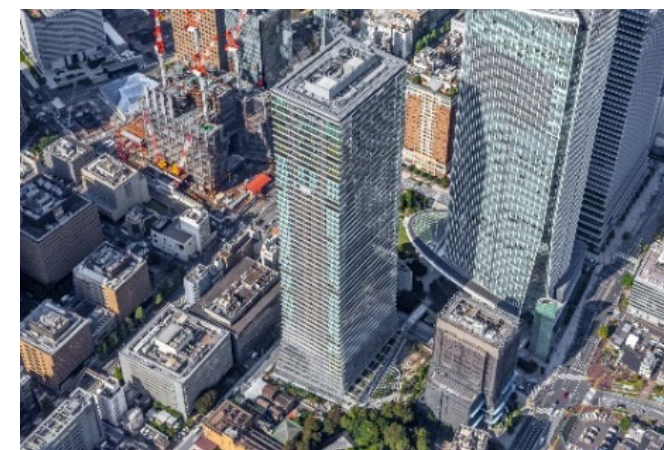
Ground area	Approx. 6,530m ²
Total floor space	Approx. 121,000m ²
Construction start	March 2017
Planned completion	January 2022



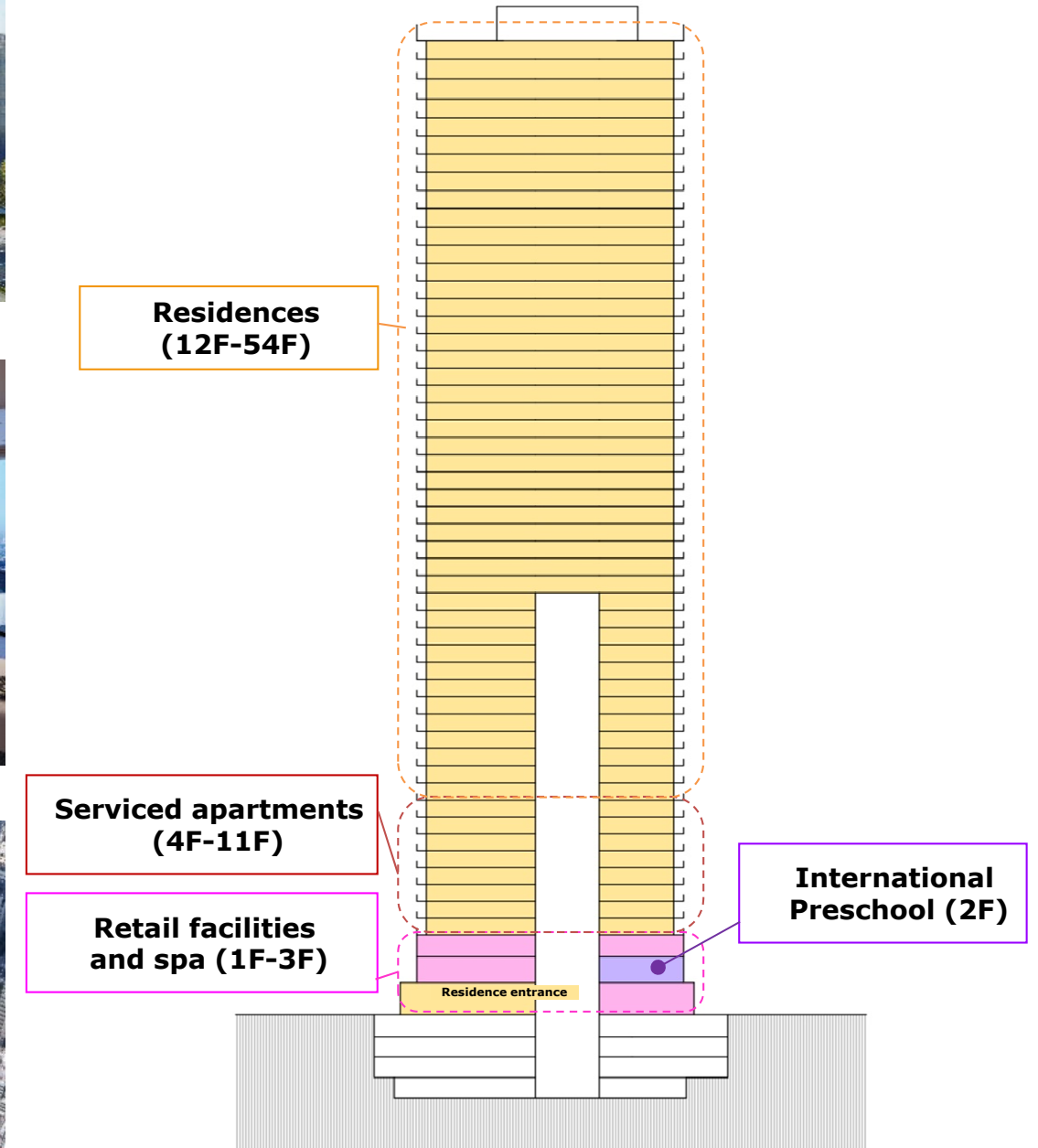
Image of lower levels



Image of residential unit



Construction site (October 2021)

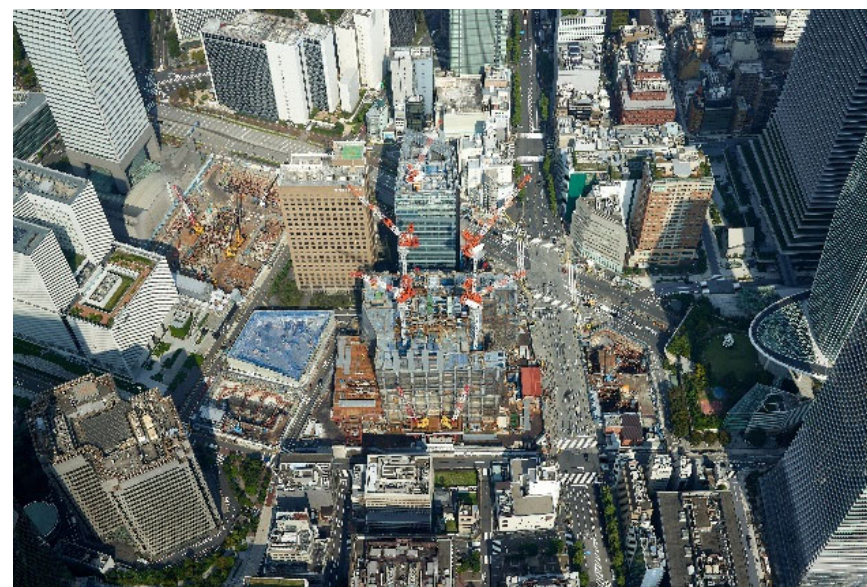


Toranomon Hills Station Tower (tentative name)

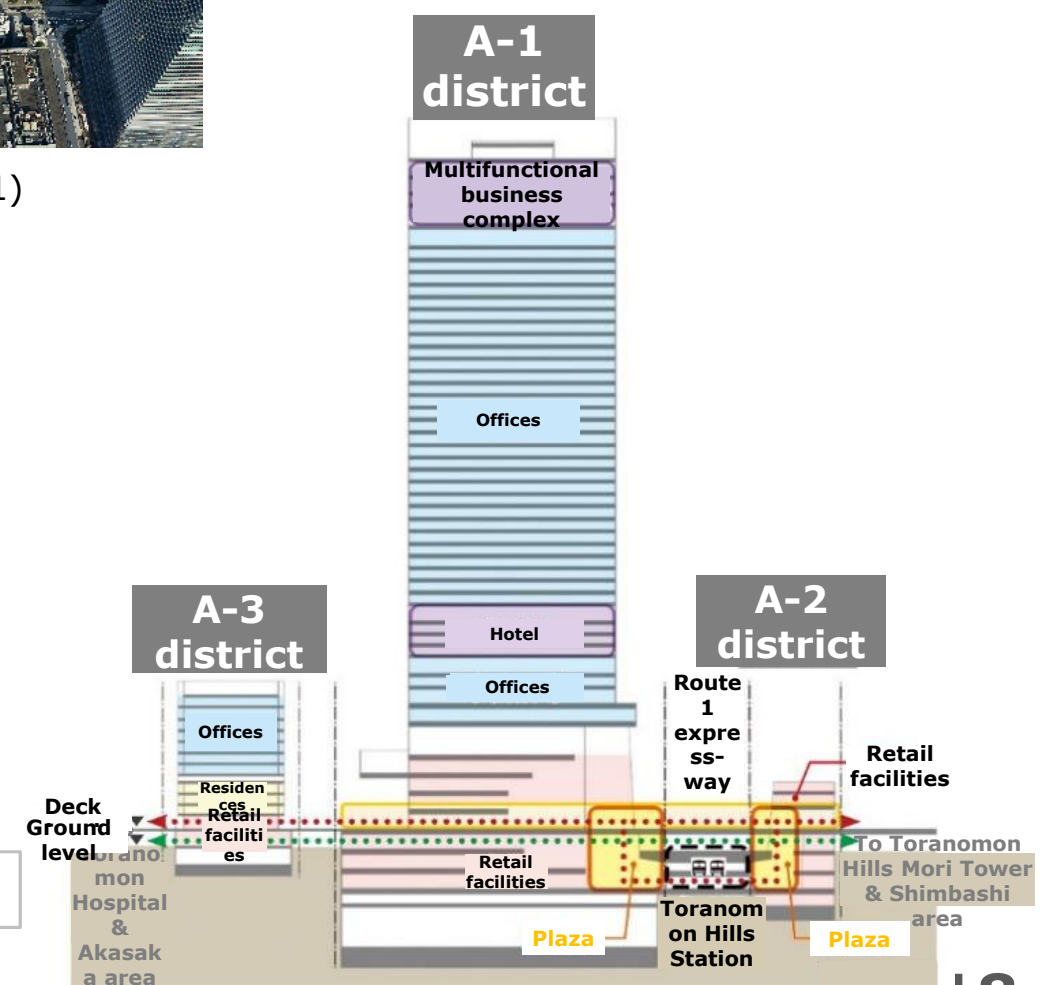
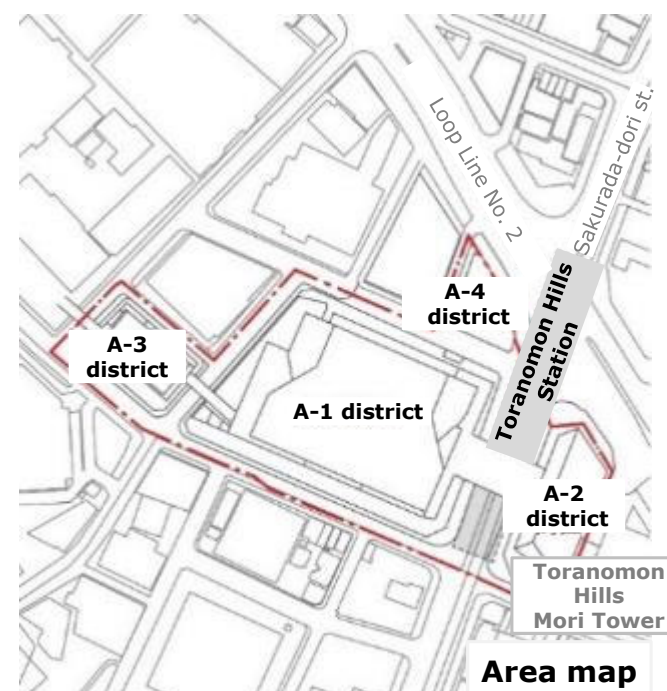
- The tower will have a plaza that connects conveniently to Toranomon Hills Station on the Hibiya Subway Line. A multilayer (underground, ground level and elevated deck) pedestrian network will be developed in conjunction with surrounding projects.
- The building will be a 266m, 49-story skyscraper offering 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 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



Construction site (October 2021)



Toranomon-Azabudai Project and Toranomon Hills Area Project Precertified under Prestigious LEED ND and WELL Standards



- 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).
- Also, the A District of the Toranomon-Azabudai Project and the A-1 District of Toranomon Hills Station Tower (tentative name) received WELL precertifications. Once completed, both projects are expected to obtain WELL Platinum certifications.

LEED=Leadership in Energy & Environmental Design ND=Neighborhood Development WELL=WELL Building Standard



Oval Plaza at Toranomon Hills Mori Tower



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



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 managed by the U.S. Green Building Council (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. Worldwide, it is rare for complexes in urban business areas to receive Platinum-level precertification.



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 also managed by the 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 (tentative name) is Japan's second largest precertified property.

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



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

- 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 (September 2021)

Vaccinations Provided by Mori Building Under Hills-wide COVID-19 Countermeasures

- COVID-19 vaccinations were provided not only to some 7,000 Mori Building and group employees and their families, but also were offered to employees of facility management/operation partners and tenant companies, residents, retail facility staffers, etc. at Hills properties. In total, some 100,000 people were vaccinated at Toranomon Hills, Roppongi Hills and ARK Hills.
- Also, in response to an official request, Mori Building provided space for Minato City to administer vaccinations to local residents at Toranomon Hills on weekends.



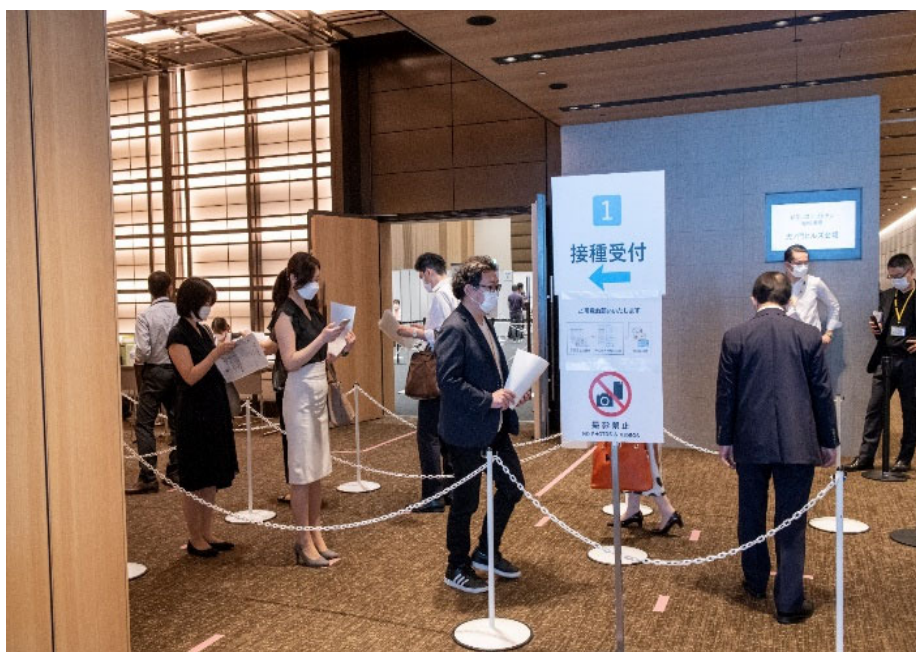
Reception at Toranomon Hills



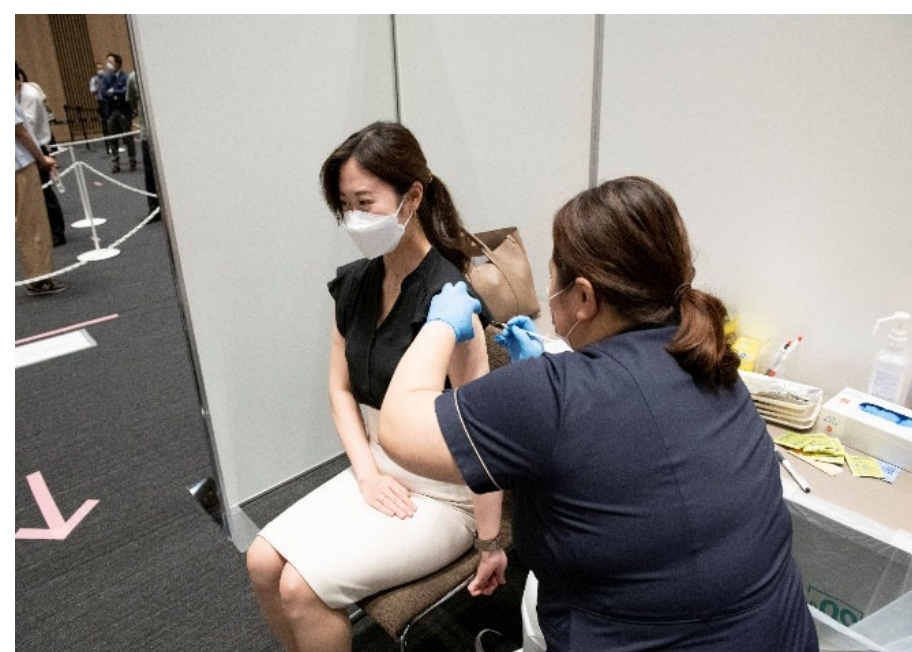
Vaccination venue at Toranomon Hills



Vaccination booth



Reception at Toranomon Hills



Vaccination booth



Post-vaccination waiting space at Toranomon Hills

Mori Art Museum Reopens with "Another Energy" Exhibition (Ongoing)



- Mori Art Museum reopened on April 22, 2021 with a new ticketing system introduced to improve visitor convenience through infection-prevention measures, such as online ticket purchase and QR-code verification. In addition, a new flagship "MORI ART MUSUM SHOP" was opened on the third floor of Roppongi Hills West Walk.
- "Another Energy: Power to Continue Challenging – 16 Women Artists from around the World" sheds light on female artists from age 70 who have been pushing boundaries worldwide through careers spanning more than 50 years each (exhibition open from April 22, 2021 to January 16, 2022).



The "Hills ID" and "Hills Apps" from Hills Network have been linked for more satisfying customer experiences and highly personalized services.



Mishima Kimiyo
Installation view: Another Energy: Power to Continue Challenging – 16 Women Artists from around the World, Mori Art Museum, Tokyo, 2021
Photo: Furukawa Yuya
Photo courtesy: Mori Art Museum, Tokyo



Phyllida Barlow
Installation view: Another Energy: Power to Continue Challenging – 16 Women Artists from around the World, Mori Art Museum, Tokyo, 2021
Photo: Furukawa Yuya
Photo courtesy: Mori Art Museum, Tokyo

Major Activities in First Half of Fiscal Year Ending March 2022 (FY 2021)

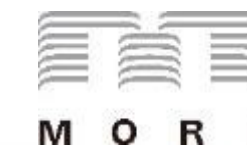


April 15	【MORI ART MUSEUM】MORI ART MUSEUM REOPENS WITH A LOT THAT'S NEW
April 21	【MORI ART MUSEUM】(OPENING) Another Energy: Power to Continue Challenging - 16 Women Artists from around the World
May 24	Toranomon-Azabudai Project and Toranomon Hills Area Project in Tokyo Precertified under LEED ND and WELL
May 27	2021 Survey of Large-scale Office Building Market in Tokyo's 23 Cities
May 28	Shishido International Golf Club Hosts "Japan Golf Tour Championship–Mori Building Cup Shishido Hills" (Japanese only)
May 31	"MORI Building DIGITAL ART MUSEUM: teamLab Borderless" to Reopen on June 1 with New Exhibits to Connect with the World and Celebrate Its 3rd Anniversary (Japanese only)
June 11	Mori Building to Stage Vaccinations for Some 100,000 Employees, Etc.
June 22	Mori Building to Host Online Event for Children: "Let's Learn about Towns Co-existing with Nature–A Tour of the Environment and Greenery" (Japanese only)
June 24	"MORI Building DIGITAL ART MUSEUM: teamLab Borderless" introduced new experiential exhibits in its "Athletics Forest" area (Japanese only)
June 24	"Hills of the Future" Toranomon-Azabudai Project: Mori Building and Tokyo Government Form Joint Venture to Generate Thermal Energy from Sewage for Heating and Cooling (Japanese only)
July 1	Roppongi Hills to Host "KIDS' WORKSHOP 2021" Online (Japanese only)
July 5	Mori Building Earns Two Bronze Prizes from Prestigious Cannes Lions 2020/2021–Mori Building Brand Movie and Urban Research Facility Both Awarded
July 6	Mori Building Conducts Interactive XR Experiential Demonstration at Odaiba Venus Fort (Japanese only)
July 8	Mori Building to Form Partnership with Chino, Nagano Prefecture to Support Regional Development (Japanese only)
July 21	Palette Town Complex to Close On-site Facilities Sequentially from December
August 2	Mori Building to Participate in Nishi-Shinjuku 1-chome Area Project (tentative title) (Japanese only)
August 3	Mori Building Obtains Digital Transformation Certification from Ministry of Economy, Trade and Industry (Japanese only)
September 1	Mori Building to Establish "Cultural Affairs Department" and "Experience-based New Activity Department" under Strengthening Commitment to Culture in Urban Development to Add to Tokyo's Magnetism (Japanese only)
September 1	Mori Building Develops New Fire Drill VR Simulator (Japanese only)
September 9	Mori Building Develops New Cybersecurity System for Building Systems (Japanese only)

Note: Some press releases were published in Japanese only.

Referential Materials

Consolidated Balance Sheet for FY2021 First Half Period



(millions of yen)

Assets				Liabilities			
Account name	FY2020 As of Mar-31,2021	FY2021 As of Sep-30,2021	change	Account name	FY2020 As of Mar-31,2021	FY2021 As of Sep-30,2021	change
Current assets				Current liabilities			
Cash and deposits	317,345	351,788	34,443	Notes and accounts payable - trade	10,195	7,670	△ 2,524
Notes and accounts receivable - trade	9,633	-	△ 9,633	Short-term borrowings	47,069	45,716	△ 1,353
Notes and accounts receivable - trade, and contract assets, net	-	10,924	10,924	Current portion of bonds payable	22,950	12,950	△ 10,000
Short-term investment securities	52,000	2,000	△ 50,000	Income taxes payable	2,563	2,678	114
Inventories	21,055	28,139	7,083	Provision for bonuses	1,315	1,336	20
Other	28,771	29,334	562	Other	50,278	44,882	△ 5,396
Allowance for doubtful accounts	△ 33	△ 18	15	Total current liabilities	134,373	115,233	△ 19,139
Total current assets	428,772	422,168	△ 6,604				
Fixed assets				Long-term liabilities			
Property, plant and equipment				Bonds payable	213,000	213,000	-
Buildings and structures	237,872	235,289	△ 2,582	Long-term borrowings	1,144,528	1,140,020	△ 4,507
Machinery, equipment and vehicles	11,541	11,144	△ 396	Leasehold and guarantee deposits received	81,266	84,727	3,461
Tools, furniture and fixtures	6,876	6,933	56	Long-term deposits received	1,575	1,285	△ 290
Land	485,593	487,816	2,223	Retirement benefit liability	1,745	1,774	29
Construction in progress	124,058	127,160	3,102	Provision for retirement benefits for directors	938	993	54
Real estate in progress	153,520	146,990	△ 6,529	Provision for dismantling cost of fixed assets	3,500	3,500	-
Beneficial interests in real estate trust	587,222	579,723	△ 7,499	Deferred tax liabilities	123,355	124,589	1,233
Other	1,722	1,725	3	Other	7,267	6,955	△ 312
Total Property, plant and equipment	1,608,408	1,596,784	△ 11,623	Total long-term liabilities	1,577,178	1,576,847	△ 331
				Total liabilities	1,711,551	1,692,081	△ 19,470
Intangible assets							
Leasehold right	55,486	55,705	218	Net assets			
Goodwill	11,896	11,650	△ 246	Shareholders' equity			
Other	5,601	6,180	578	Capital stock	79,500	79,500	-
Total intangible assets	72,985	73,536	551	Capital surplus	22,539	22,539	-
				Retained earnings	443,610	445,676	2,065
Investments and other assets				Treasury stock	△ 11,507	△ 11,507	-
Investment securities	39,799	43,348	3,549	Total shareholders' equity	534,142	536,208	2,065
Equity investments	24,751	24,809	58	Accumulated other comprehensive income			
Long-term loans receivable	58,716	60,154	1,438	Valuation difference on available-for-sale securities	10,688	9,936	△ 752
Retirement benefit asset	1,065	1,138	72	Deferred gains or losses hedges	△ 489	△ 635	△ 146
Deferred tax assets	140	105	△ 35	Foreign currency translation adjustment	15,134	18,773	3,638
Other	47,558	46,085	△ 1,472	Remeasurements of defined benefit plans	275	241	△ 33
Allowance for doubtful accounts	△ 1,201	△ 1,402	△ 200	Total accumulated other comprehensive income	25,609	28,315	2,706
Total investments and other assets	170,828	174,239	3,410	Non-controlling interests	9,691	10,124	432
Total fixed assets	1,852,222	1,844,560	△ 7,661	Total net assets	569,443	574,647	5,204
Total assets	2,280,994	2,266,728	△ 14,266	Total liabilities and net assets	2,280,994	2,266,728	△ 14,266

Consolidated Income Statement for FY2021 First Half Period



(millions of yen)

Account name	FY2020 1H(Apr-Sep)	FY2021 1H(Apr-Sep)	change
Revenue from operations	118,613	108,189	△ 10,423
Cost of revenue from operations	77,938	74,662	△ 3,276
Operating gross profit	40,674	33,527	△ 7,147
Selling, general and administrative expenses	10,593	11,730	1,136
Operating income	30,080	21,796	△ 8,283
Interest income	296	392	95
Dividend income	741	156	△ 584
Compensation income	963	963	△0
Equity in earnings of affiliates	830	1,000	169
Gain on investments in investment partnerships	-	649	649
Other	1,279	1,408	129
Non-operating income	4,111	4,571	459
Interest expenses	3,821	3,597	△ 224
Finance charges and fees	606	583	△ 23
Other	82	94	11
Non-operating expenses	4,510	4,274	△ 236
Ordinary income	29,681	22,093	△ 7,588
Gain on sales of fixed assets	708	10	△ 697
Gain on sale of investment securities	47	859	811
Subsidy income	32	369	337
Other	6	9	2
Extraordinary income	793	1,248	454
Loss on sales of fixed assets	36	4	△ 31
Loss on reduction of fixed assets	483	-	△ 483
Loss on business restructuring	-	683	683
Loss on COVID-19	3,037	861	△ 2,176
Other	12	142	129
Extraordinary losses	3,570	1,691	△ 1,878
Income before income taxes	26,905	21,650	△ 5,254
Income taxes - current	3,931	5,434	1,502
Income taxes - deferred	3,665	2,293	△ 1,371
Profit	19,308	13,922	△ 5,386
Profit attributable to non-controlling interests	177	273	95
Profit attributable to owners of parent	19,131	13,649	△ 5,481