

2024.11



Azabudai Hills

01 Overview of Interim Financial Results for FY2024

02 Financial Forecasts for FY2024

03 Ongoing Projects

04 Referential materials

Overview of Interim Financial Results for FY2024(Consolidated)

(Billions of yen)

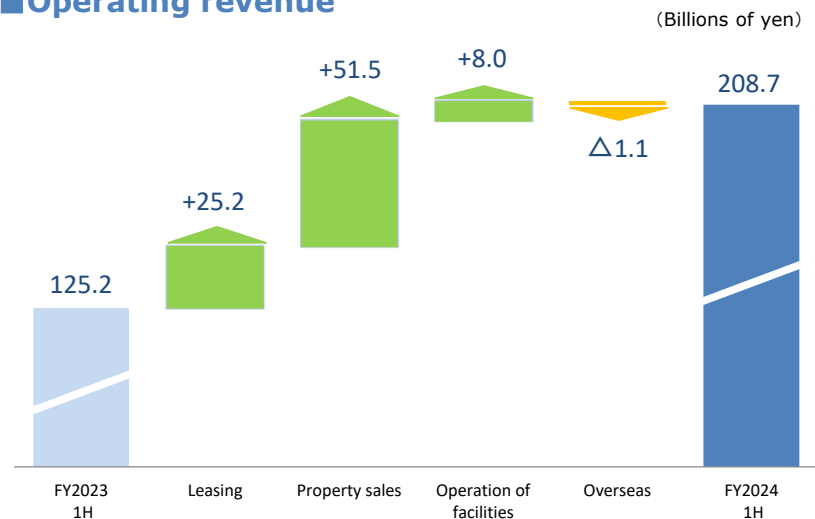
	FY2023 1H	FY2024 1H	change YoY	
			JPY	%
Operating revenue	125.2	208.7	+83.4	+67%
Operating income	18.3	52.5	+34.1	+186%
Ordinary income	17.2	50.0	+32.7	+190%
Profit attributable to owners of parent	13.7	33.5	+19.8	+144%

	FY2023	FY2024 1H	change	
Total assets	2,804.8	2,764.2	△40.6	△1%
Interest-bearing debt	1,637.2	1,627.7	△9.4	△1%
Equity	753.5	745.7	△7.8	△1%
Equity ratio	26.9%	27.0%	+0.1%	-
(After considering equity capital attributes of hybrid securities)	(29.5%)	(29.7%)		
Net D/E ratio(After considering equity capital attributes of hybrid securities)	1.53	1.50	△0.03	-

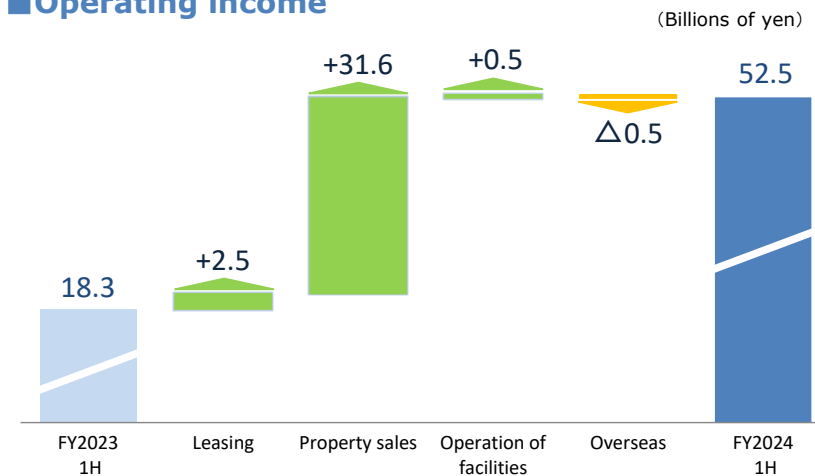
Consolidated Income Statement for FY2024 First Half Period

	FY2023 1H	FY2024 1H	(Billions of yen) change YoY	
			JPY	%
Leasing	90.6	115.9	+25.2	
Property sales	7.9	59.4	+51.5	
Operation of facilities	15.1	23.1	+8.0	
Overseas	14.5	13.3	△1.1	
Operating revenue	125.2	208.7	+83.4	+67%
Leasing	16.5	19.1	+2.5	
Property sales	3.5	35.2	+31.6	
Operation of facilities	1.3	1.8	+0.5	
Overseas	4.5	3.9	△0.5	
Operating income	18.3	52.5	+34.1	+186%
Non-operating income	3.9	3.2	△0.7	
Non-operating expenses	5.0	5.7	+0.6	
Ordinary income	17.2	50.0	+32.7	+190%
Extraordinary income	3.5	1.6	△1.8	
Extraordinary losses	0.1	3.1	+3.0	
Income before income taxes	20.6	48.5	+27.8	
Profit attributable to owners of parent	13.7	33.5	+19.8	+144%
※depreciation	16.1	22.7	+6.5	

Operating revenue



Operating income

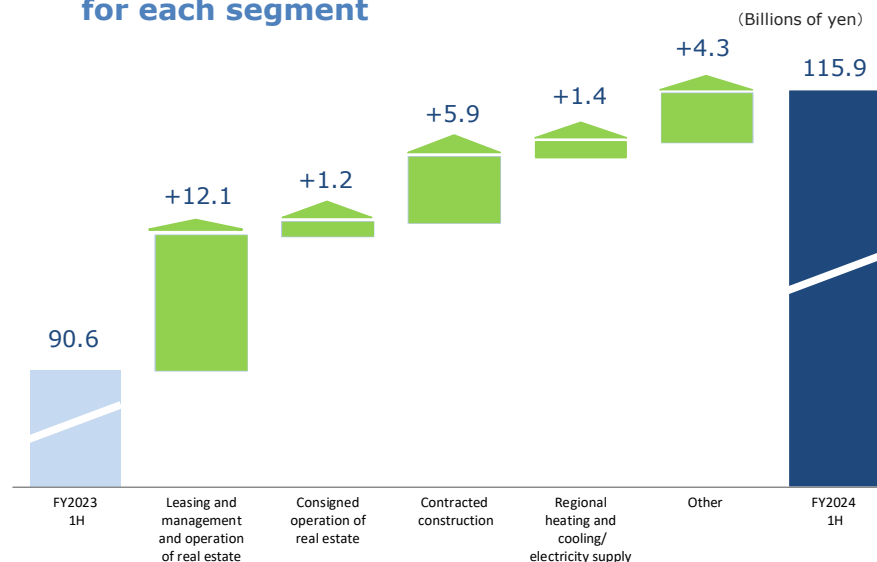


Leasing	Includes revenue gained from leasing and management and operation of real estate, consigned operation of real estate, contracted construction, regional heating and cooling/electricity supply, etc.
Property sales	Includes revenue gained from real estate property sales to investors and individual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

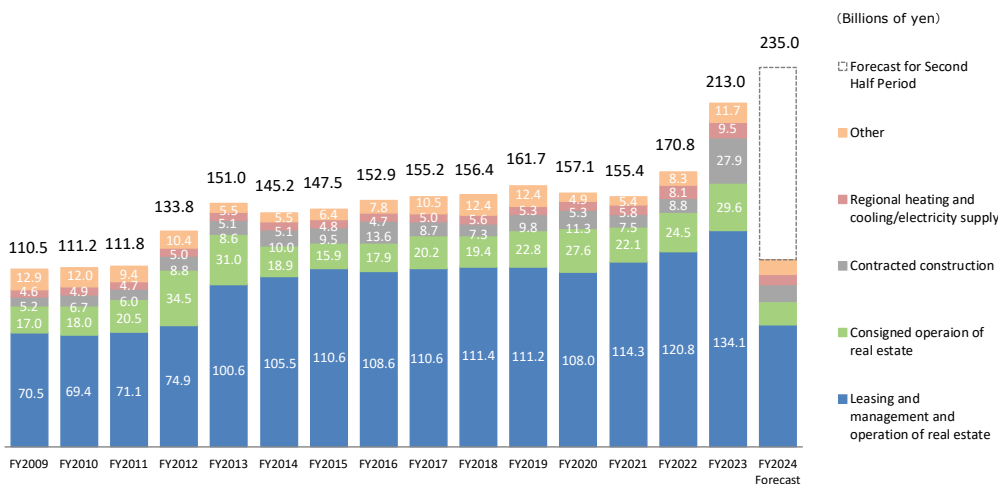
FY2024 First Half Period ~Segment Overview (Leasing)~

	FY2023 1H	FY2024 1H	change	FY2024 Forecast
Operating revenue	90.6	115.9	+25.2	235.0
Leasing and management and operation of real estate	63.4	75.6	+12.1	-
Consigned operation of real estate	13.0	14.3	+1.2	-
Contracted construction	4.7	10.7	+5.9	-
Regional heating and cooling/electricity supply	4.8	6.3	+1.4	-
Other	4.4	8.8	+4.3	-
Operating income	16.5	19.1	+2.5	40.0

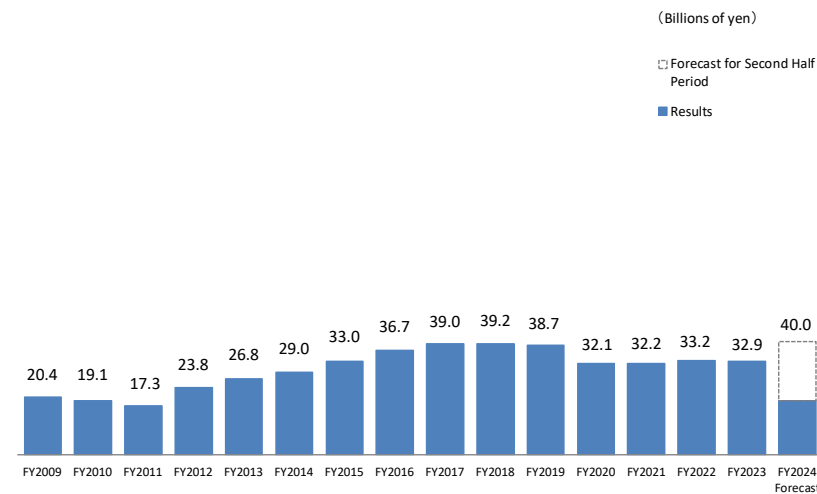
■ Changes in operating revenue for each segment



■ Changes in operating revenue

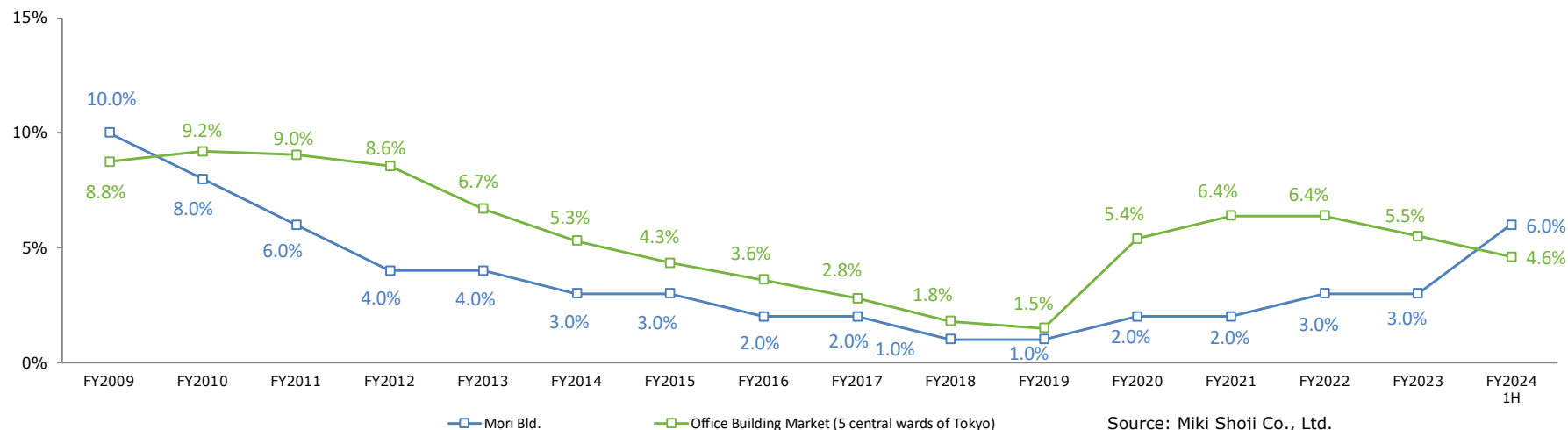


■ Changes in operating income

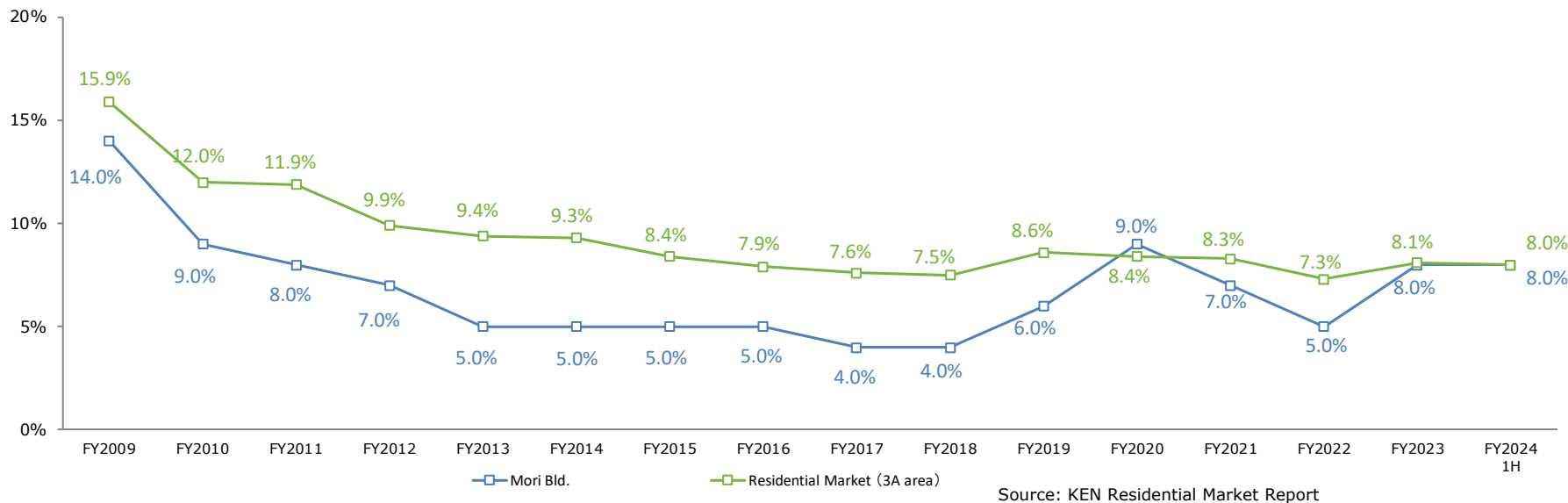


Segment Overview (Leasing) ~Vacancy rate~

■Vacancy rate of offices for lease



■Vacancy rate of residential units for lease



FY2024 First Half Period ~Segment Overview (Property sales)~

	FY2023 1H	FY2024 1H	change	FY2024 Forecast
Operating revenue	7.9	59.4	+51.5	71.0
Real estate sales business for investors	7.9	-	△7.9	-
Residential sales business for individual customers	-	59.4	+59.4	-
Operating income	3.5	35.2	+31.6	42.0

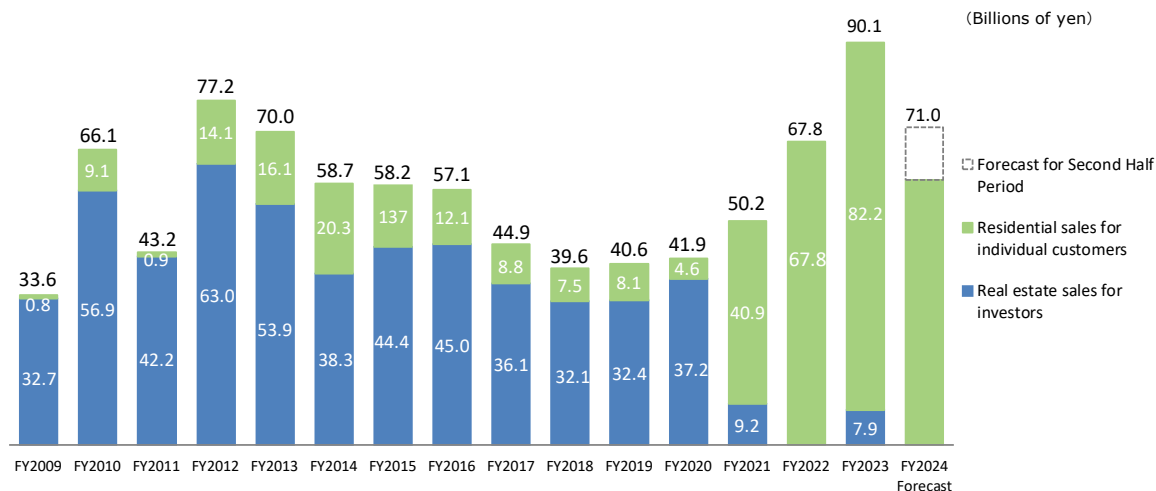
(Billions of yen)

Residential sales business



Azabudai Hills Residence A

Changes in operating revenue



	FY2023 1H	FY2024 1H	change	FY2024 Forecast
Operating revenue	15.1	23.1	+8.0	49.0
Hotels	11.0	18.5	+7.4	-
Membership clubs	2.9	3.4	+0.5	-
Golf courses	1.0	1.1	+0.0	-
Operating income	1.3	1.8	+0.5	5.0

(Billions of yen)

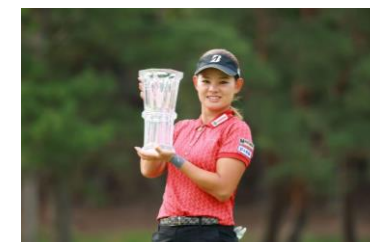
Golf courses

- SHISHIDO HILLS Country Club
「BMW Japan Golf Tour Championship Mori Building Cup 2024」
6-9 Jun 2024



1st place:Hiroshi Iwata

「HILLS LADIES MORIBUILDING CUP」
23-25 Oct 2024



1st place:Ayame Morii

Major facilities operated by Mori Building

Hotels

- Grand Hyatt Tokyo



Presidential Suite

- Andaz Tokyo



Andaz Sky Suite

- Hotel Toranomon Hills



Toranomon Suite

- JANU TOKYO



JANU SUITE

FY2024 First Half Period ~Segment Overview (Overseas)~

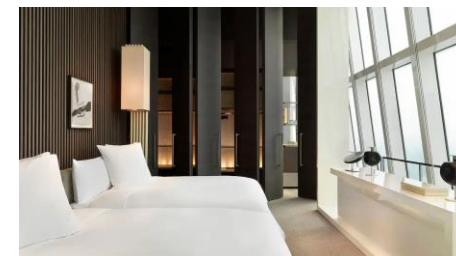
	FY2023 1H	FY2024 1H	change	FY2024 Forecast
Operating revenue	14.5	13.3	△1.1	28.0
Offices	11.3	10.5	△0.7	-
Hotels, etc.	3.2	2.8	△0.4	-
Operating income	4.5	3.9	△0.5	8.0

(Billions of yen)

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

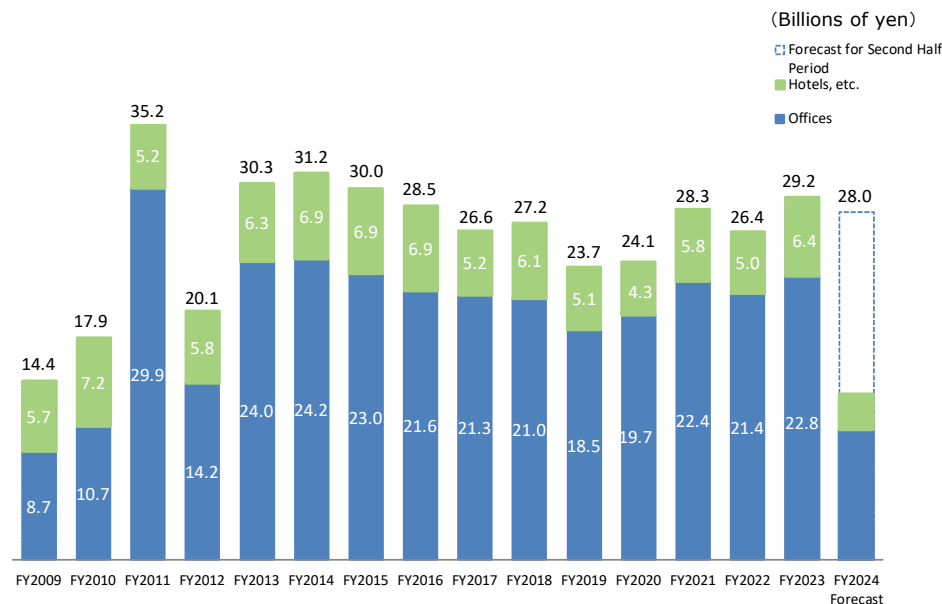


Shanghai World Financial Center

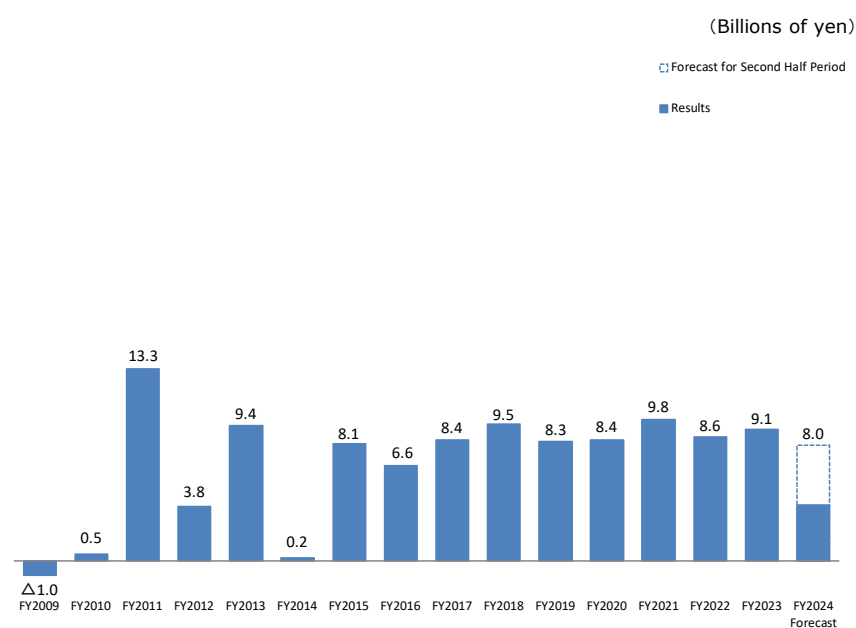


Park Hyatt Shanghai

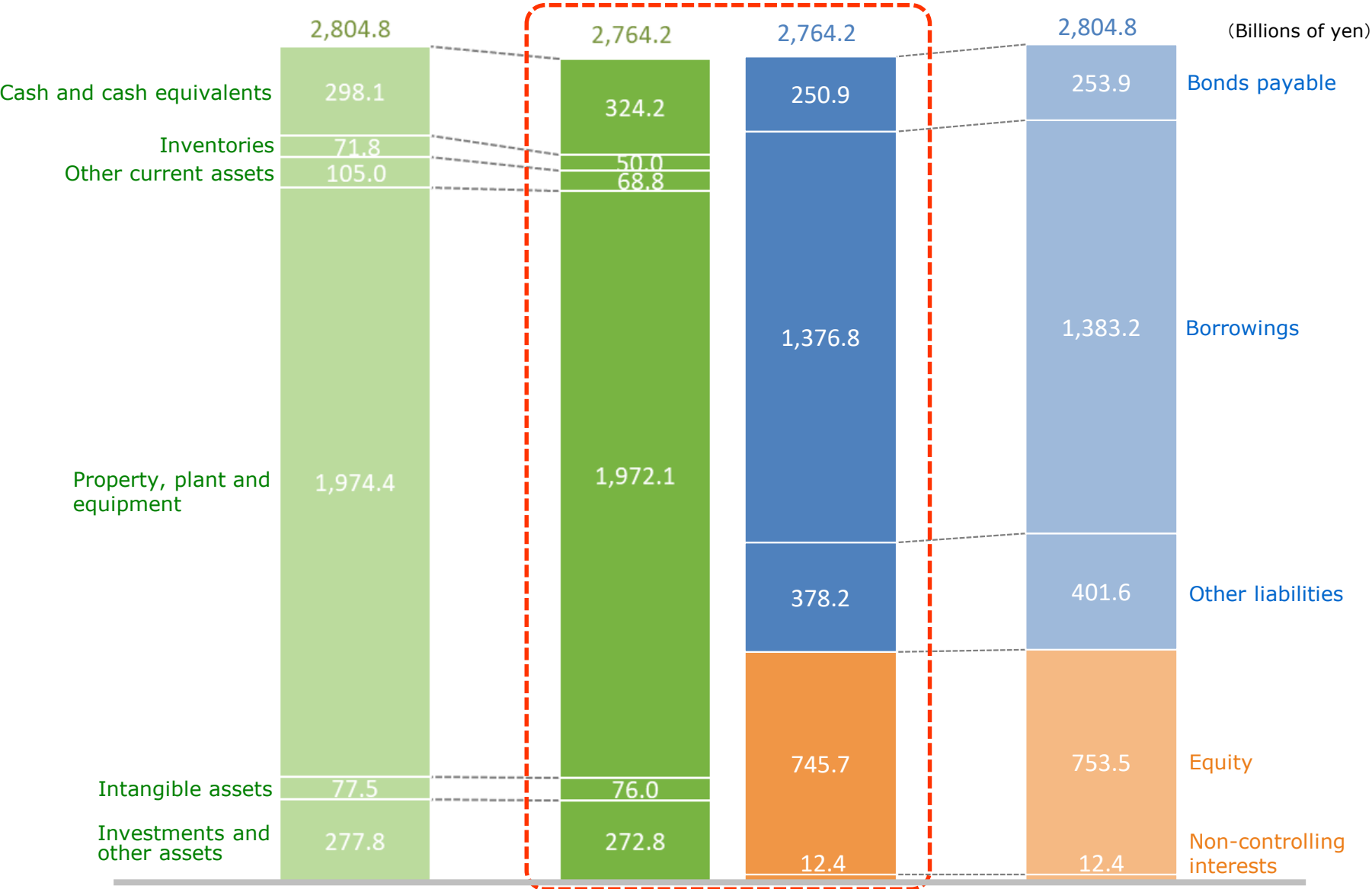
Changes in operating revenue



Changes in operating income



Summary of Consolidated Balance Sheet for FY2024 First Half Period

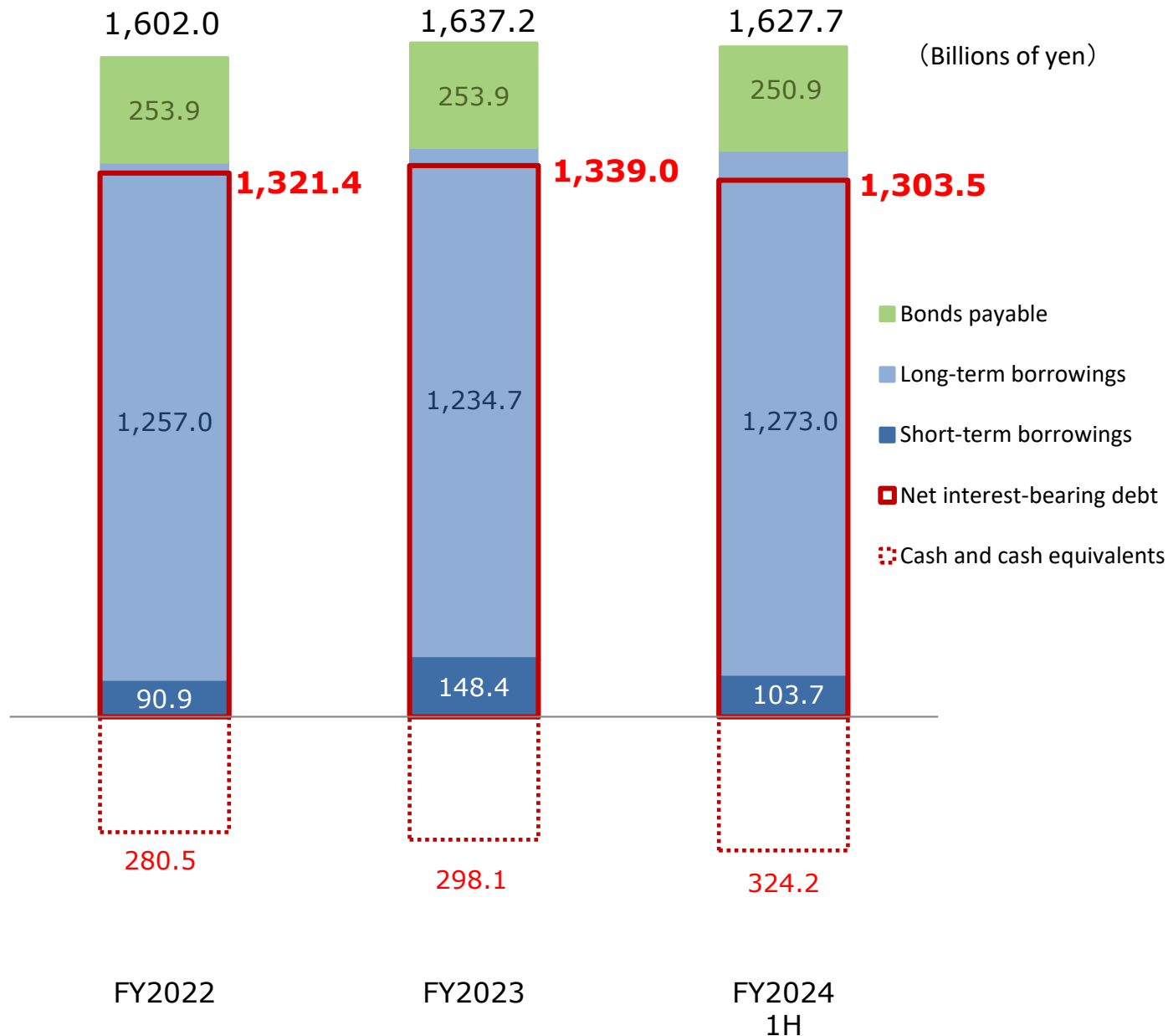


FY2023
As of Mar-31, 2024

FY2024
As of Sep-30, 2024

FY2023
As of Mar-31, 2024

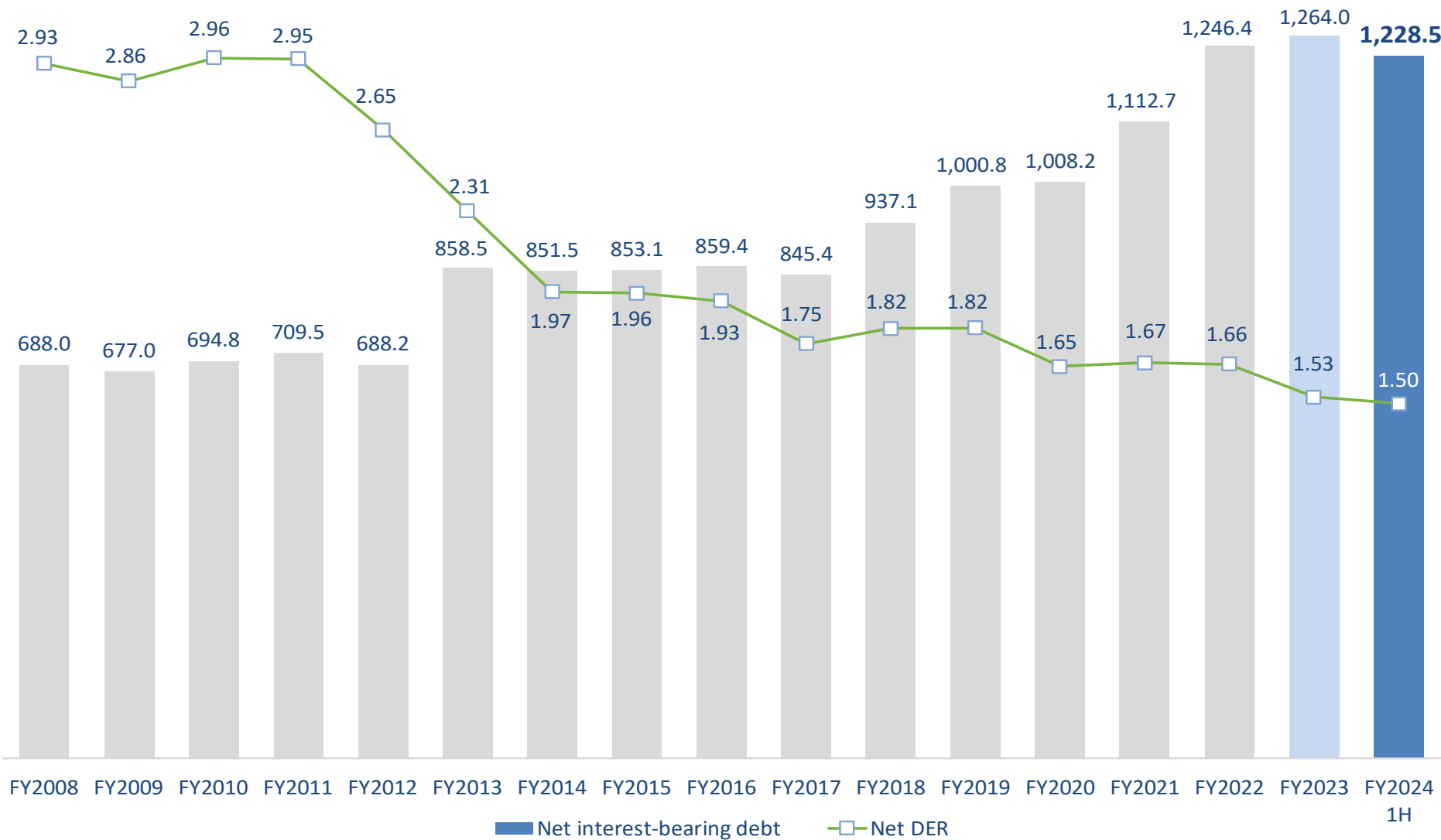
Status of Interest-bearing Debt for FY2024 First Half Period



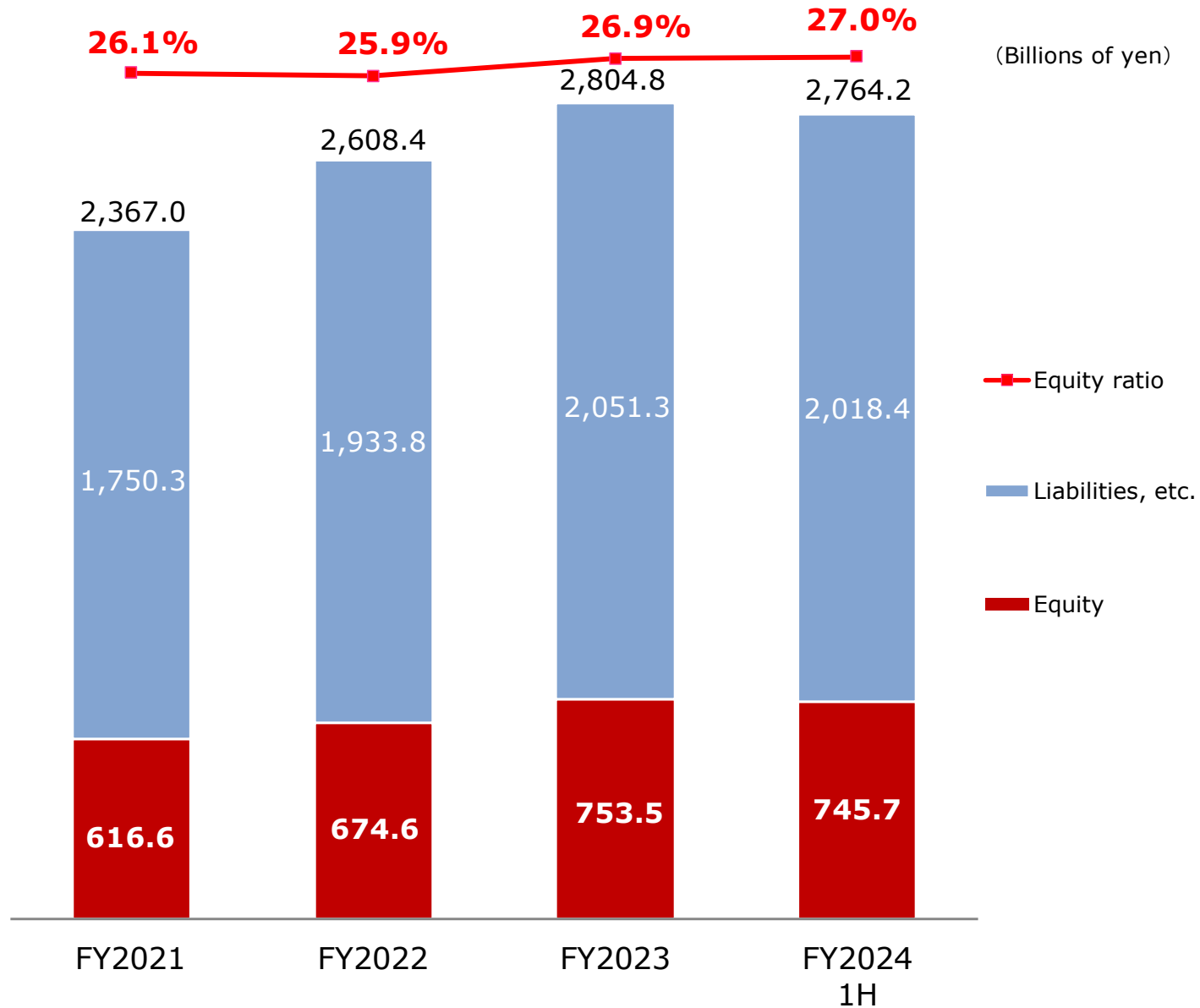
Changes in Net Interest-bearing Debt and Net DER

※ After considering equity capital attributes of hybrid securities

(Billions of yen)



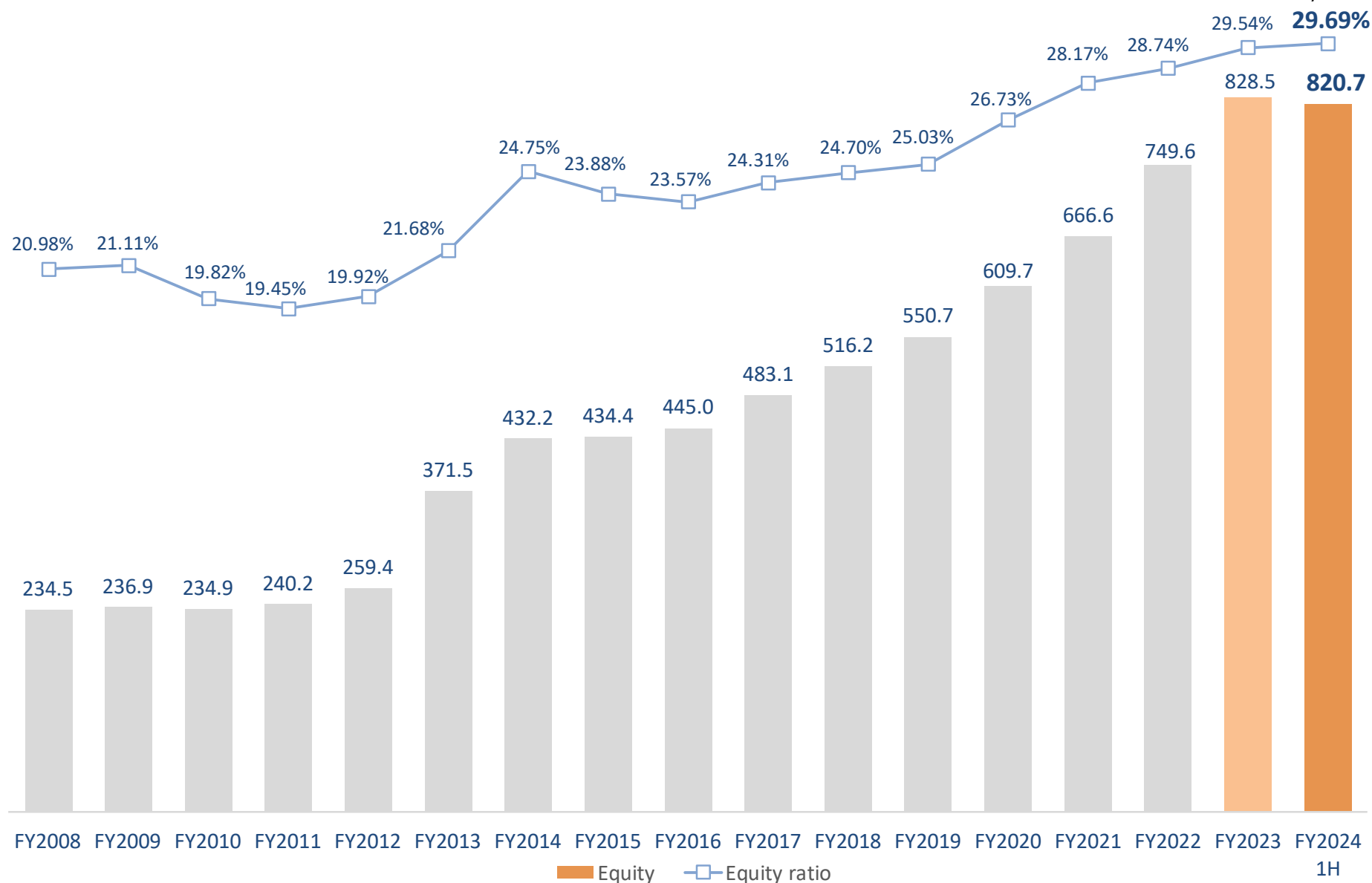
Status of Equity (Ratio) for FY2024 First Half Period



Changes in Equity (Ratio)

※ After considering equity capital attributes of hybrid securities

(Billions of yen)



Change of Rating (Upgrade)

Mori Building Co., Ltd. is pleased to announce that our Long-term Issuer Rating, as issued by Japan Credit Rating Agency, Ltd., has been upgraded as shown below.

■ Rating change (Effective date of change: June 27, 2024)

Rating Agency	Rating Category	Before Change	After Change
JCR	Long-term Issuer Rating	A+ / Positive	AA- / Stable

■ Overview

Two major projects, Azabudai Hills and Toranomom Hills Station Tower, were completed in 2023, and the revenue stream derived from the leasing of these properties is showing continued strength, with the levels of performance and cash flow expected to correspondingly increase. The underlying financial structure has shown continued improvement and is not solely reliant on the initial high levels of investment. Moreover, with the investment cycle now complete, the financials are expected to continue this trend of strong growth going forward.

For details of the above ratings, please refer to the JCR website.

URL: <https://www.jcr.co.jp/en/ratinglist/corp/3270>

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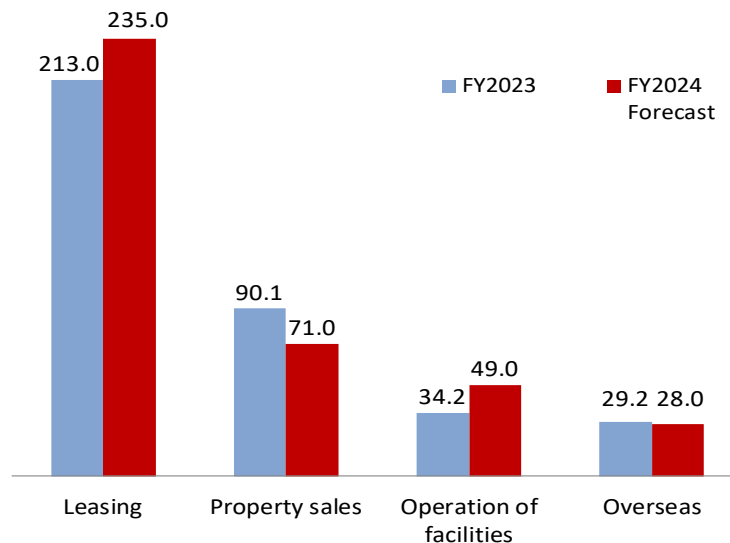
Financial Forecasts for FY2024

(Billions of yen)

	FY2023	FY2024 Forecast	change
Operating revenue	360.4	377.0	+16.5
Leasing	213.0	235.0	+21.9
Property sales	90.1	71.0	△19.1
Operation of facilities	34.2	49.0	+14.7
Overseas	29.2	28.0	△1.2
Operating income	78.1	79.0	+0.8
Leasing	32.9	40.0	+7.0
Property sales	50.0	42.0	△8.0
Operation of facilities	4.2	5.0	+0.7
Overseas	9.1	8.0	△1.1
Ordinary income	71.7	72.0	+0.2
Profit attributable to owners of parent	58.9	51.0	△7.9

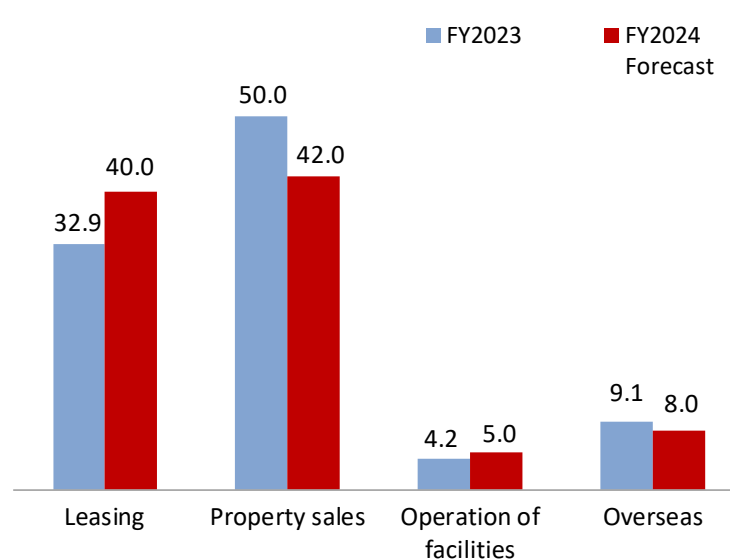
■ Operating revenue

(Billions of yen)



■ Operating income

(Billions of yen)



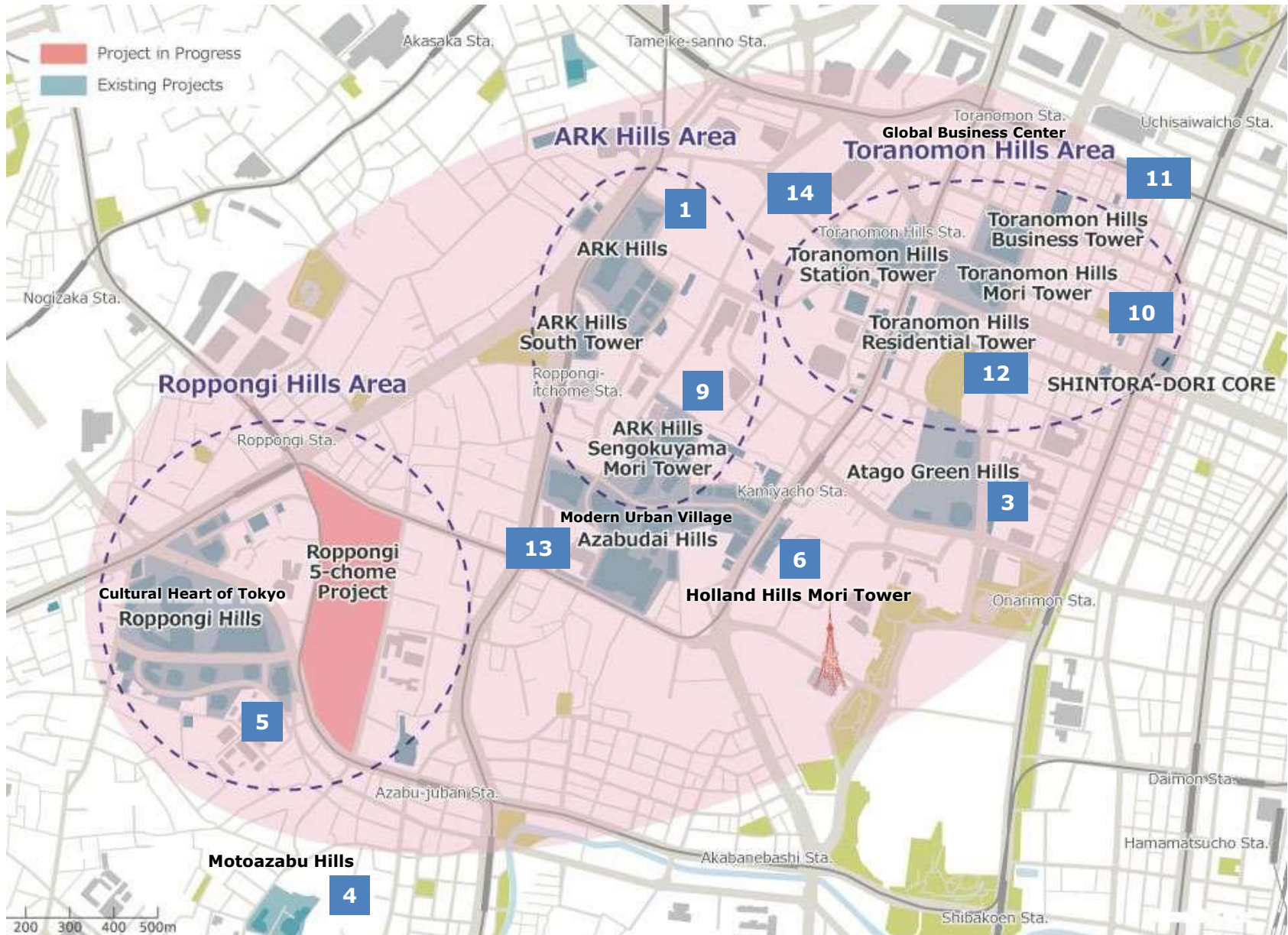
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Ongoing Projects



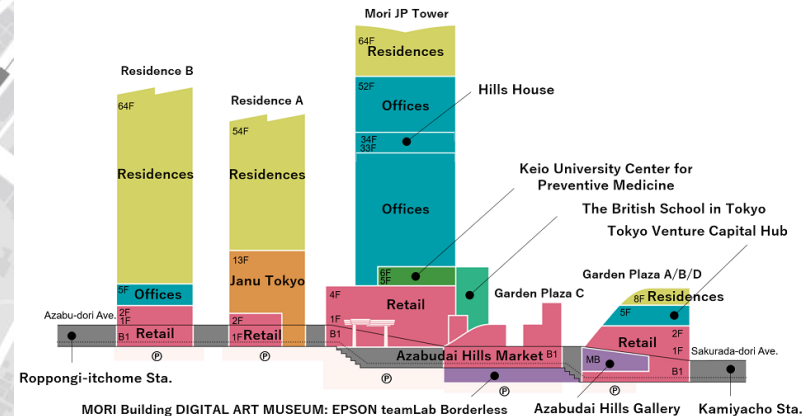
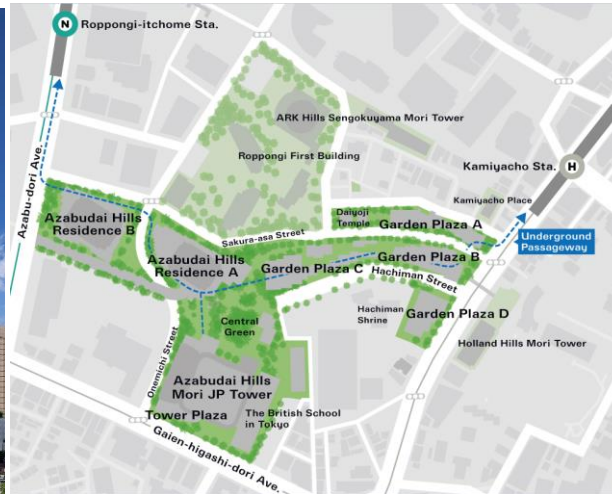
Portfolio (Major Properties)

	1		2		3		4		5		6		7	
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		Omotesando Hills	
Location	Akasaka, Minato-ku		Pudong , Shanghai		Atago, Minato-ku		Motoazabu, Minato-ku		Roppongi, Minato-ku		Toranomon, Minato-ku		Jingumae, Shibuya-ku	
Completion date	March 1986		April 1998		July 2001	October 2001	May 2002		April 2003		February 2005		January 2006	
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		6 above ground 6 underground	
Total floor area	181,833㎡		116,823㎡		86,570㎡	62,475㎡	45,023㎡		379,408㎡		35,656㎡		34,062㎡	

	8		9		10		11		12		13		14	
Name of the property	Shanghai World Financial Center		ARK Hills Sengokuyama Mori Tower		Toranomon Hills Mori Tower		Toranomon Hills Business Tower		Toranomon Hills Residential Tower		Azabudai Hills Mori JP Tower		Toranomon Hills Station Tower	
Location	Pudong District , Shanghai		Roppongi, Minato-ku		Toranomon, Minato-ku		Toranomon, Minato-ku		Atago, Minato-ku		Azabudai, Minato-ku		Toranomon, Minato-ku	
Completion date	August 2008		August 2012		May 2014		January 2020		January 2022		June 2023		July 2023	
Number of floors	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		64 above ground 5 underground		49 above ground 4 underground	
Total floor area	381,600㎡		143,426㎡		244,360㎡		172,925㎡		121,000㎡		461,774㎡		236,638㎡	

Azabudai Hills One Year Since Opening

- This "Hills of the Future" complex, boasting an overwhelming scale and impact, opened on Nov. 24, 2023.
- Azabudai Hills has created a vast open space filled with greenery in the heart of Tokyo. Supported by its "Green" and "Wellness" pillars, it provides an exceptionally verdant environment where diverse people can come together in harmony with nature to form a community and genuinely enjoy life together.
- In the Central Green, events are held to take advantage of the rich greenery, such as the AT THE GREEN to allow visitors to enjoy each season's greenery, workshops in the vegetable garden, and a running program in collaboration with NIKE to promote community building.
- In addition, a one-of-a-kind luxury street unique to Japan will feature 10 top-class luxury brands, opening sequentially.



1990	2000	2010	2020
<ul style="list-style-type: none"> • Council of Redeveloping Cities established (1989) 	<ul style="list-style-type: none"> • Urban Redevelopment Preparations Committee established (1993) 	<ul style="list-style-type: none"> • Redevelopment area rezoned (2001) 	<ul style="list-style-type: none"> • City Plan approved (Sep. 2017) • Urban Redevelopment Association approved (Mar. 2018) • Rights conversion plan approved (Feb. 2019) • Construction started (Aug. 2019) • Opened (Nov. 2023)

Site area	8.1ha
Ground area	63,900m ²
Total floor area	861,700m ²
Construction start	August 2019
Opening	November 2023

- MORI Building DIGITAL ART MUSEUM: EPSON teamLab Borderless, a joint venture between Mori Building and teamLab, opened on February 9, 2024.
- In August, the museum was named one of the "World's Greatest Places 2024" by TIME magazine, chosen for its quality and originality. In just six months since opening, it became a hot topic around the world.
- On September 30, it welcomed its one millionth visitor, just eight months after opening.
- The Azabudai Hills Gallery, the "cultural communication" hub of Azabudai Hills located in Garden Plaza A, embodies the concept of making the entire complex a museum. Equipped with museum-quality facilities and equipment, the gallery showcases diverse cultural genres, including art, fashion and entertainment.



Family that included the millionth visitor,
with their commemorative present



TIME magazine selected the museum
the "World's Greatest Places 2024"

©teamLab

- The vast 4,000m² Azabudai Hills Market opened in the basement under the Central Green on March 31, 2024.
- A total of 34 leading specialty stores in Japan have come together to create a next-generation market worthy of global recognition. Rather than simply selling products, these top establishments emphasize the enjoyment and richness of food, including through workshops and other learning and discovery events.
- Going forward, a series of collaborations with tenant stores, known as the Azabudai Hills Market Lab, will offer food education for children, as well as wellness and environmental programs.



Azabudai Hills Market



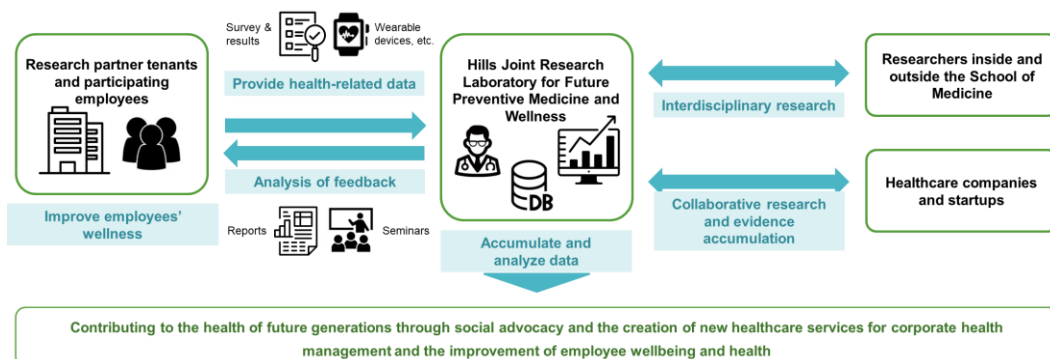
Workshop at Azabudai Hills Market Lab

Joint Research with Keio University

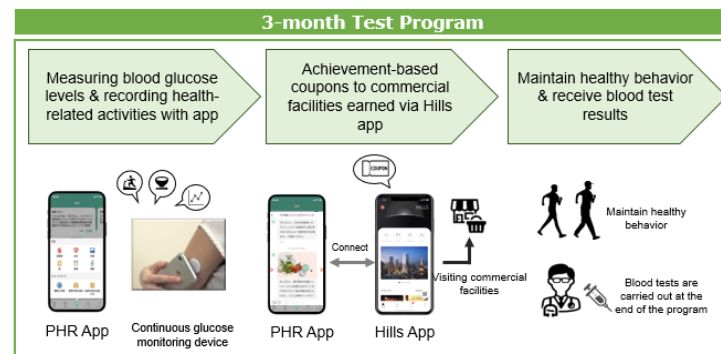
- The Hills Joint Research Laboratory for Future Preventive Medicine, established by Keio University and Mori Building, is conducting a study of employees at 24 companies in Azabudai Hills to improve their wellness, including physical and mental health.
- Based on the results, wellness-enhancing services and environments will be implemented in Azabudai Hills to promote individual wellness and collective health management in companies. The research results are expected to contribute to health management and preventive medicine for future generations.
- From the next fiscal year, the scope of the study will be expanded, and various data will be collected over time from up to 10,000 employees in central Tokyo.

Joint Program with Ministry of Economy, Trade and Industry (METI)

- Mori Building was commissioned by METI to conduct a demonstration of using personal health records in daily life in fiscal 2024.
- The study was conducted from September to December 2024 among employees of tenant companies in Azabudai Hills to test the effectiveness of using personal health and medical information to encourage people to modify their behavior and visit commercial facilities.



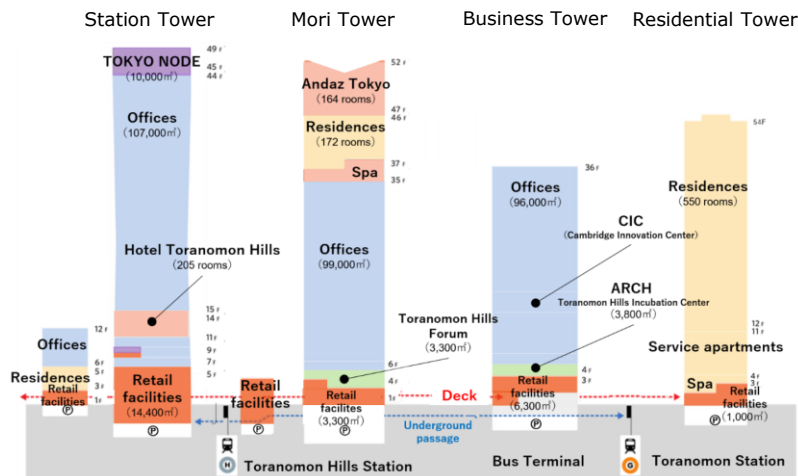
Joint Research with Keio University



Joint Program with METI

Toranomon Hills Station Tower One Year Since Opening

- Toranomon Hills Station Tower's opening on October 6, 2023 completed the expansion and evolution of Toranomon Hills.
- The Station Tower features the Station Atrium plaza and the 20-meter-wide "T-Deck" pedestrian walkway over Sakurada-dori Avenue, both of which help to make the subway station a lively and dynamic area.
- Now covering 7.5 hectares and 800,000m² of floor area, Toranomon Hills integrates diverse urban functions and both road and rail infrastructure as a new international hub and global business center, enhancing Tokyo's magnetism with a scale and impact comparable to that of groundbreaking Roppongi Hills.
- The Station Atrium, a new space for fostering communication, has become a venue for business-pitch events and the Hills Breakfast talk event, which had been held for many years at Roppongi Hills.



Toranomon Hills Area Project (total of 4 buildings)

Site area: 7.5 ha
 Total floor area: 792,000 m²
 Offices: 305,000 m²
 Residence: 730 units
 Retail facilities: 26,000 m²
 Green area: 21,000 m²

Toranomon Hills
 (September 12, 2023)

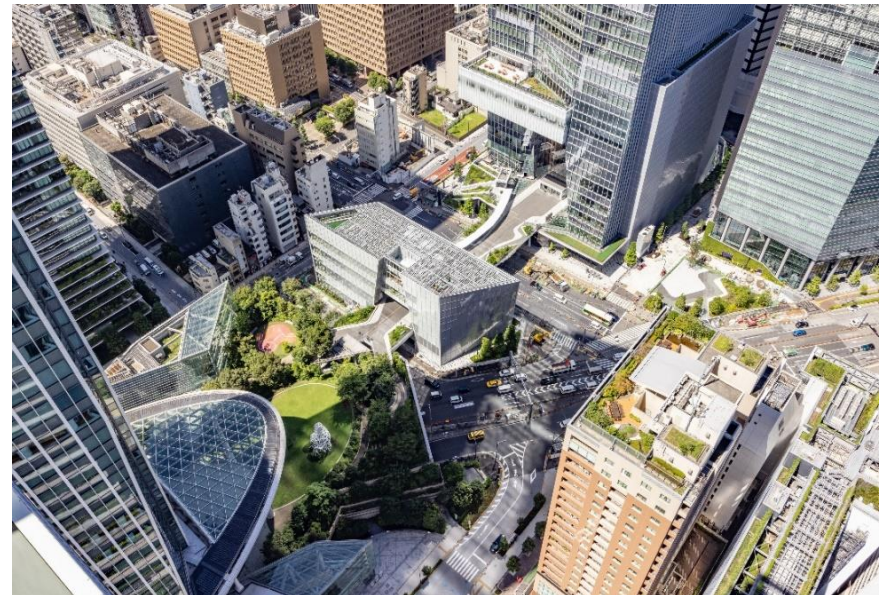
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Toranomon Hills Mori Tower		● Jun. Opened								
Toranomon Hills Business Tower		● Jul. City planning approval ● Jan. Redevelopment association established	● Feb. Construction started				● Jan. Completion			
Toranomon Hills Residential Tower		● Sep. City planning approval	● Mar. Construction started						● Jan. Completion	
Toranomon Hills Station Tower				● Mar. City planning approval ● Nov. Construction started		● Nov. Redevelopment association established				● Jul. Completion ● Oct. Opened
Toranomon Hills Station						● Jun. Opened				

Glass Rock at Toranomon Hills Completed and Enhanced Accessibility

- The Glass Rock building in Toranomon Hills was completed on August 29 and the official opening is scheduled in the spring of 2025.
- Located between Mori Tower and Station Tower, this four-story complex with three underground floors and a total floor area of approximately 8,800m² is integrated with the expansive T-Deck pedestrian walkway on its second floor.
- Glass Rock is directly connected to the Station Atrium in front of Toranomon Hills Station on the Tokyo Metro Hibiya Line, and T-Deck runs directly through the building, helping to improve circulation in the Toranomon Hills area.
- The building will house seven stores, the opening of which will expand total retail space in Toranomon Hills to around 170 establishments and 26,000m², adding to the area's vibrancy.



Glass Rock, a 4-story complex (plus 3 levels below ground) with a total floor area of 8,800 m²



Glass Rock, located between Mori Tower and Station Tower, greatly improves accessibility in the area.

Toranomon Hills Station Tower

TOKYO NODE: Unique Interactive Facility for New Initiatives

- The top floors of Toranomon Hills Station Tower (45th to 49th floors and a section of the 8th floor) is home to TOKYO NODE, a 10,000m² interactive communication facility designed to connect Tokyo with the world as a nexus for disseminating new experiences, values, content and information created through collaborations that transcend domains such as business, art, entertainment, technology and fashion.
- The 8th floor is home to TOKYO NODE LAB, a research and development team of companies and creators dedicated to creating new urban experiences. Numerous projects are underway, including the OPEN LAB festival for presenting research outcomes.
- The 49th-floor rooftop, 250 meters above ground, features a sky garden, an infinity pool and two restaurants curated by world-class chefs. The French restaurant "apothéose" earned a star in the Michelin Guide Tokyo 2025 in its first year of operation.
- The exhibition "Perfume Disco-Graphy: 25 Years of History and Miracles," was held from August 9 to October 14 to celebrate the 25th anniversary of the artist Perfume.



TOKYO NODE LAB announced its R&D results during the OPEN LAB festival (Oct. 4-14)

Perfume Disco-Graphy independently organized experiential exhibition (Aug. 9-Oct. 14)

- An urban planning proposal for the Roppongi 5-chome Project, a redevelopment project being jointly undertaken with Sumitomo Realty & Development Co., Ltd., was submitted to the local government in July 2023 and formally approved in April 2024.
- The project, one of the largest redevelopments in Japan, encompasses 10 hectares, a total floor area of 1,080,000m², a 66-story, about 330-meter-high super high-rise tower, and offices, residences, hotels, commercial facilities and cultural facilities.
- An artificial surface covering the vast site was created and then covered with lush greenery to form a rooftop garden, named the Forest in the Heart of the City, measuring some 16,000m².



- The Japan Innovation Campus opened as a business base in Silicon Valley (Palo Alto), USA in November 2023, commissioned by the Ministry of Economy, Trade and Industry (METI) as part of a project designed to stimulate overseas entrepreneurship and establish business bases. The campus is managed by Mori Building in recognition of its achievements with the ARCH incubation center in the Toranomon Hills Business Tower.
- As a nexus of Japan's global startup ecosystem, the Japan Innovation Campus is equipped with offices and co-working spaces for Japanese startups and entrepreneurs who are trying to expand overseas, as well as various exchange programs for open innovation with local companies.
- The contract has been extended through FY2027, with the number of participating companies expected to expand to approximately 100 through a second round of applications. A basic agreement has been signed with the Japan External Trade Organization (JETRO) to establish and currently working to strengthen a collaborative framework for supporting startups.



Outside of Japan Innovation Campus



Japan Center Showcase

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Leasing

■ Leasing and management and operation of real estate

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

■ Consigned operation of real estate

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

■ Contracted construction

■ Regional heating and cooling/electricity supply

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

■ Other

Investment, observation deck , forum , etc.

Property sales

■ Real estate sales business for investors

■ Residential sales business for individual customers

Operation of facilities

■ Hotel & Membership club

- Mori Hospitality Corporation

■ Golf

- Mori building Golf Resort Co.,Ltd.

■ Nursing home

- ※ Prime Stage Co.,. Ltd.

Overseas

■ Offices

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

■ Hotels, etc.

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

○:Consolidated subsidiaries ※:Affiliates accounted for using the equity method

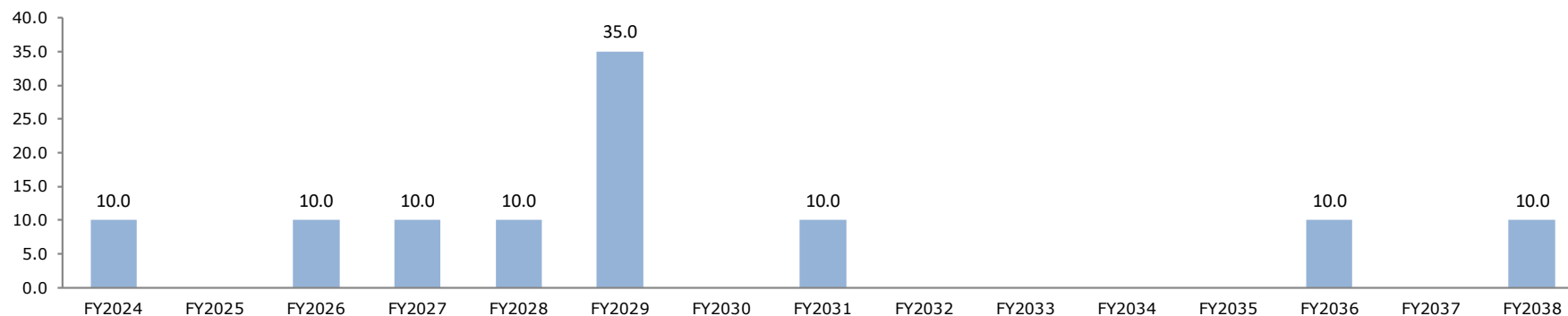
Bond Issuance Policy

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, 2024)

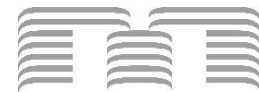
Issue No.	Launch date	Maturity date	Years of maturity (Year)	Amount of bonds issued (Billions of yen)	Coupon Interest	Bp against government bonds	Bp against SWAP
15th Bond	2/6/2015	2/13/2025	10	10.0	0.784%	43.0bp	16.4bp
16th Bond	4/24/2015	4/30/2027	12	10.0	1.002%	56.0bp	30.2bp
18th Bond	4/20/2016	4/25/2031	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
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
27th Bond	7/5/2024	7/11/2029	5	10.0	0.893%	30.0bp	-
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	-
Total Bond Balance	-	-	-	250.0	-	-	-

■ Bond redemption schedule (Billions of yen)



*Excluding subordinated bonds

Consolidated Balance Sheet for FY2024 First Half Period



MORI BUILDING

(millions of yen)

Assets				Liabilities			
Account name	FY2023 As of Mar-31,2024	FY2024 As of Sep-30,2024	change	Account name	FY2023 As of Mar-31,2024	FY2024 As of Sep-30,2024	change
Current assets				Current liabilities			
Cash and deposits	298,158	324,201	26,043	Notes and accounts payable - trade	21,213	15,509	△ 5,704
Accounts receivable - trade	31,058	23,450	△ 7,607	Short-term borrowings	148,491	103,772	△ 44,719
Contract assets	1,118	1,865	746	Current portion of bonds payable	23,000	10,000	△ 13,000
Inventories	71,833	50,049	△ 21,784	Income taxes payable	6,893	13,100	6,206
Other	72,858	43,548	△ 29,309	Contract liabilities	13,467	7,507	△ 5,960
Allowance for doubtful accounts	△ 18	△ 17	0	Provision for bonuses	2,003	2,154	150
Total current assets	475,008	443,097	△ 31,911	Other	105,845	83,370	△ 22,474
				Total current liabilities	320,915	235,413	△ 85,501
Fixed assets				Long-term liabilities			
Property, plant and equipment				Bonds payable	230,950	240,950	10,000
Buildings and structures	615,971	605,853	△ 10,117	Long-term borrowings	1,234,774	1,273,043	38,269
Machinery, equipment and vehicles	24,683	24,732	48	Leasehold and guarantee deposits received	102,382	110,254	7,871
Tools, furniture and fixtures	16,478	15,634	△ 843	Long-term deposits received	1,258	1,259	1
Land	662,693	662,081	△ 612	Retirement benefit liability	1,985	2,001	16
Construction in progress	32,137	40,164	8,026	Provision for retirement benefits for directors	1,316	1,338	22
Real estate in progress	56,257	56,260	3	Provision for dismantling cost of fixed assets	2,680	2,677	△ 3
Beneficial interests in real estate trust	564,492	565,708	1,215	Deferred tax liabilities	139,259	136,105	△ 3,153
Other	1,753	1,754	1	Other	3,341	2,949	△ 391
Total Property, plant and equipment	1,974,467	1,972,189	△ 2,277	Total long-term liabilities	1,717,948	1,770,582	52,633
				Total liabilities	2,038,863	2,005,995	△ 32,867
Intangible assets				Net assets			
Leasehold right	59,768	59,617	△ 150	Shareholders' equity			
Goodwill	10,726	9,970	△ 756	Capital stock	89,500	89,500	-
Other	7,074	6,485	△ 589	Capital surplus	32,598	32,598	-
Total intangible assets	77,570	76,074	△ 1,496	Retained earnings	541,854	548,176	6,322
				Treasury stock	△ 11,507	△ 11,507	-
Investments and other assets				Total shareholders' equity	652,445	658,767	6,322
Investment securities	128,241	121,046	△ 7,194	Accumulated other comprehensive income			
Equity investments	22,592	22,591	△ 1	Valuation difference on available-for-sale securities	35,844	31,743	△ 4,100
Long-term loans receivable	75,288	78,269	2,980	Deferred gains or losses hedges	995	1,016	21
Retirement benefit asset	1,014	1,005	△ 8	Foreign currency translation adjustment	64,153	54,090	△ 10,063
Deferred tax assets	1,043	1,097	54	Remeasurements of defined benefit plans	146	132	△ 13
Other	50,640	49,722	△ 917	Total accumulated other comprehensive income	101,139	86,983	△ 14,155
Allowance for doubtful accounts	△ 972	△ 876	95	Non-controlling interests	12,446	12,471	24
Total investments and other assets	277,849	272,857	△ 4,991	Total net assets	766,031	758,222	△ 7,809
Total fixed assets	2,329,886	2,321,121	△ 8,765	Total liabilities and net assets	2,804,895	2,764,218	△ 40,677
Total assets	2,804,895	2,764,218	△ 40,677				

Consolidated Income Statement for FY2024 First Half Period

(millions of yen)

Account name	FY2023 1H (Apr-Sep)	FY2024 1H (Apr-Sep)	change
Operating revenue	125,269	208,735	83,465
Cost of revenue from operations	91,731	139,107	47,375
Operating gross profit	33,537	69,628	36,090
Selling, general and administrative expenses	15,181	17,085	1,903
Operating income	18,356	52,543	34,186
Interest income	448	694	246
Dividend income	199	227	27
Equity in earnings of affiliates	822	798	△ 24
Other	2,507	1,487	△ 1,020
Non-operating income	3,978	3,208	△ 770
Interest expenses	4,287	4,846	559
Finance charges and fees	698	716	17
Other	104	181	76
Non-operating expenses	5,090	5,744	653
Ordinary income	17,244	50,007	32,762
Gain on sales of fixed assets	2,319	1,616	△ 702
Gain on sale of investment securities	584	-	△ 584
Other	627	52	△ 575
Extraordinary income	3,531	1,669	△ 1,862
Loss on reduction of fixed assets	48	359	311
Building interior demolition costs	-	2,790	2,790
Other	76	6	△ 70
Extraordinary losses	125	3,155	3,030
Income before income taxes	20,650	48,520	27,870
Income taxes - current	5,587	15,982	10,395
Income taxes - deferred	1,013	△ 1,351	△ 2,364
Profit	14,050	33,889	19,839
Profit attributable to non-controlling interests	312	309	△ 2
Profit attributable to owners of parent	13,737	33,579	19,841

Major Sustainability Initiatives

Category		Initiatives
E Environment	<ul style="list-style-type: none"> Large-scale greening, coexistence with nature, and protection of biodiversity 	<ul style="list-style-type: none"> Grow greenery and improve green coverage ratio, mitigate heat-island phenomenon Create bases for ecological networks
	<ul style="list-style-type: none"> Contributions to decarbonized societies 	<ul style="list-style-type: none"> Establish medium- and long-term targets for greenhouse gas reduction (net zero by 2050) Join RE100 initiative (targeting 100% renewable electricity by 2030) Disclosure of climate-related information based on TCFD (1.5°C / 4°C scenario) Obtain SBTi certification for FY2030 targets (1.5°C of pre-industrial levels) and CDP Climate Change A-rating in 2023 Support an action plan for decarbonization Install renewable-energy systems at major domestic properties, and develop and operate solar-power plants on farms Pursue initiatives to reduce plastic usage groupwide Establish waste-related KPIs (reuse at least 75% of waste and reduce waste-derived CO2 emissions)
	<ul style="list-style-type: none"> Sustainability-related certifications 	<ul style="list-style-type: none"> Obtain green-building certifications, improve property valuation based on sustainability
S Society	<ul style="list-style-type: none"> Contributions to society through urban development 	<ul style="list-style-type: none"> Create enjoyable urban environments / Promote urban development together with communities
	<ul style="list-style-type: none"> Business contingency planning (disaster prevention and building resilience) Safety for tenants and visitors 	<ul style="list-style-type: none"> BPC-enhancement hardware and software Education for office workers and tenants / Identify potential hazards at properties through support-crew activities involving employees Largest private-sector stockpile for disaster preparedness
	<ul style="list-style-type: none"> Contributions to society through area management 	<ul style="list-style-type: none"> Culture and art promotion Support for innovation creation Education support (Hills Machi-iku project, Kids workshops, etc.) Enrich communities, including via neighborhood associations Create guidelines for implementing sustainable, low-emission events hosted by the company
	<ul style="list-style-type: none"> Respect for human rights Promotion of diversity Human resources development 	<ul style="list-style-type: none"> Formulate human rights policies, identify outstanding human rights issues through due diligence, and participate in construction and real estate industry's Human Rights Due Diligence Promotion Council Support women's empowerment, childcare, nursing care, and health management and diversity Information dissemination and training to prevent harassment Training in company values and by job rank, and maintaining system for qualification acquisition
	<ul style="list-style-type: none"> Healthy, comfortable work environments and work-life balance 	<ul style="list-style-type: none"> Encourage employees to take paid leave and reduce overtime Maintain employee health and safety management systems Conduct events, wellness programs, etc., for employee health
	<ul style="list-style-type: none"> Supply-chain management 	<ul style="list-style-type: none"> Implement sustainable-procurement guidelines Conduct periodic evaluations of suppliers Participation in Declaration of Partnership Building
G Governance	<ul style="list-style-type: none"> Compliance and corporate ethics Risk identification and management 	<ul style="list-style-type: none"> Sustainability Committee, Environmental Promotion Committee, and Committee on Human Rights and Societal Issues Maintain appropriate environment for whistleblower system Establish anti-bribery policy



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.