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Mori Trust Co., Ltd

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PRESS RELEASE

Medium-and Long-Term Vision “Advance 2027” Overseas Investment Kick-Started

Establishment of Subsidiary and Acquisition of Real Estate in the US

Entered into a sale and purchase agreement for two office buildings in Back Bay, Boston

Mori Trust Co., Ltd. (Headquarters: Minato Ward, Tokyo; President: Miwako Date) announces that the Company established its US subsidiary Mori America LLC on November 7, 2016 with the aim of promoting overseas investment business in the US. It also concluded a sale and purchase agreement for two office buildings in Boston, Massachusetts, on November 15, 2016. In future, we are scheduled to acquire the buildings, effective January 5, 2017, after completing the process for such acquisition.

We announced the medium- and long-term vision “Advance 2027” in June of this year when the new president took office. Based on this vision, we are conducting business with an eye to making total investments on the order of 800 billion yen. We set investments in overseas real estate as a key business strategy in the Vision in an attempt to capture business opportunities overseas and build a stable asset portfolio that can ride out a global economic change.

Following the policy of “Advance 2027,” we have decided to establish a subsidiary with the aim of promoting the overseas investment business in the US in earnest and, as the first overseas investment project in the Vision, to acquire two office buildings with a high operational rate in the Back Bay District, which is a popular location for offices in Boston.

Mori Trust Group owns 124 real properties for management and leasing, including offices, hotels and residences, primarily in central Tokyo. Recently, we started construction of the Tokyo World Gate (a total floor area of about 2,150,000 square feet), which is the first project accredited as an architectural structure for National Strategy Urban Planning. In addition to domestic projects like this, we will also pursue a policy of promoting investments in real estate in the US. We intend to expand the total amount of investments overseas to between 100 billion yen and 200 billion yen in the future.



Left: 75 Arlington Street Right: 10 St. James Avenue

[Comment from President]

President and Chief Executive Officer MORI TRUST CO., LTD.

Miwako Date



I am delighted to have taken the first practical step toward promoting our Overseas Business in Boston, an international city that is also called “America’s Birthplace.” Our action plan is described in the medium- and long-term vision “Advance 2027,” which was announced when I assumed the presidency.

Similarly in Japan, the Mori Trust Group has placed importance on locations and quality from the perspective of selection and concentration in its business. I am quite excited to see a larger stage unfold with the addition of these properties – which are situated in a coveted prime area in the US and have an extremely high reputation for their functionality, design and other aspects – to our portfolio.

Going forward, I am determined to operate and manage these properties in a manner that lives up to their history from the customer perspective, thereby protecting their value and contributing to the community.

1. Outline of Properties to be Acquired

Boston, where the above properties are located, is the largest city in Massachusetts in the northeastern US. Boston is one of America’s most prominent cosmopolitan cities and is rich in history and culture, in addition to being called “America’s Birthplace.” The area has some of the world’s most prestigious universities, such as Harvard University and Massachusetts Institute of Technology. Along with a cluster of cutting-edge medical institutions, Boston is a center of education and medicine in the US. In addition, the city is a popular tourist destination for its cityscape, with historic towns and modern buildings combined in harmony, and for its reputation as a safe city. The business areas are concentrated in the Financial District with many high-rise buildings, where a number of banks and other financial institutions are located; the Back Bay District, with its high-end offices, residences and entertainment facilities nearby; and the Sea Port District, where there is an increasing number of urban development projects in recent years. These districts form a dynamic international city that attracts companies and entrepreneurs mainly from the high-tech industry.

The properties to be acquired by this agreement are located in the Back Bay District, which is a popular office area with exclusive fashion boutiques, restaurants, hotels and residences also found in the vicinity. The properties are two buildings with a total rentable floor space of about 825,000 square feet, a complex of a Class A modern high-rise building, rare in this area, and an over 100 year-old historical building, indicating the high value of a stable asset.

10 St. James Avenue won “BOMA Boston 2016 TOBY (the Outstanding Building of the Year) & Industry Awards,” one of the greatest programs in the US to recognize commercial real estate, and have garnered an extremely high reputation for their function, design and other aspects.



10 St. James Avenue



75 Arlington Street

(1) Acquired Property

Property Name	10 St. James Avenue	75 Arlington Street
Property Address	10 St. James Avenue, Boston, MA02116	75 Arlington Street, Boston, MA02116
Rentable Area	565,793 square feet	258,979 square feet
Number of Floors	19 (plus a four-level below-grade parking garage)	10 (plus a basement level)
Year Built	2000	1913 (renovated 2009-2013)



MAP

(2) Schedule

January 5, 2017: Settlement of Payment and Transfer of Properties

2. Outline of Overseas Subsidiary

- (1) Company Name: MORI America LLC
- (2) Member: MORI TRUST CO., LTD.
- (3) Address: 2711 Centerville Road, Suite 400, City of Wilmington,
County of New Castle, Delaware 19808 U.S.A.
- (4) Establishment Date: November 7, 2016
- (5) Line of Business: The US Headquarters for ownership, leasing and their related operations of real estate.

About Mori Trust Group

The Mori Trust Group originated in the Mori Group, which was founded by Taikichiro Mori, and has been in business over 60 years. Current Chairman and CEO Akira Mori, the third son of the founder, created the Mori Trust Group, a major developer in Japan. Since then, the Group has been engaged in the businesses of real estate development, hotels and resorts, and investment. In June 2016, Miwako Date, the granddaughter of Taikichiro Mori and the daughter of Akira Mori, became President and Chief Executive Officer to take over operations. Date formulated the medium- and long-term vision and has pushed forward with the Group's diverse operations.



Founder of Mori Group
Taikichiro Mori



Chairman and CEO
Akira Mori



President and CEO
Miwako Date

◆Real Estate Development Business

As a major real estate developer in Japan, the Mori Trust Group owns 124 facilities for management and leasing with a total floor area of about 15,930,000 square feet (including offices, hotels, residences and commercial complexes) in prime locations in the Tokyo metropolitan area and across the nation.

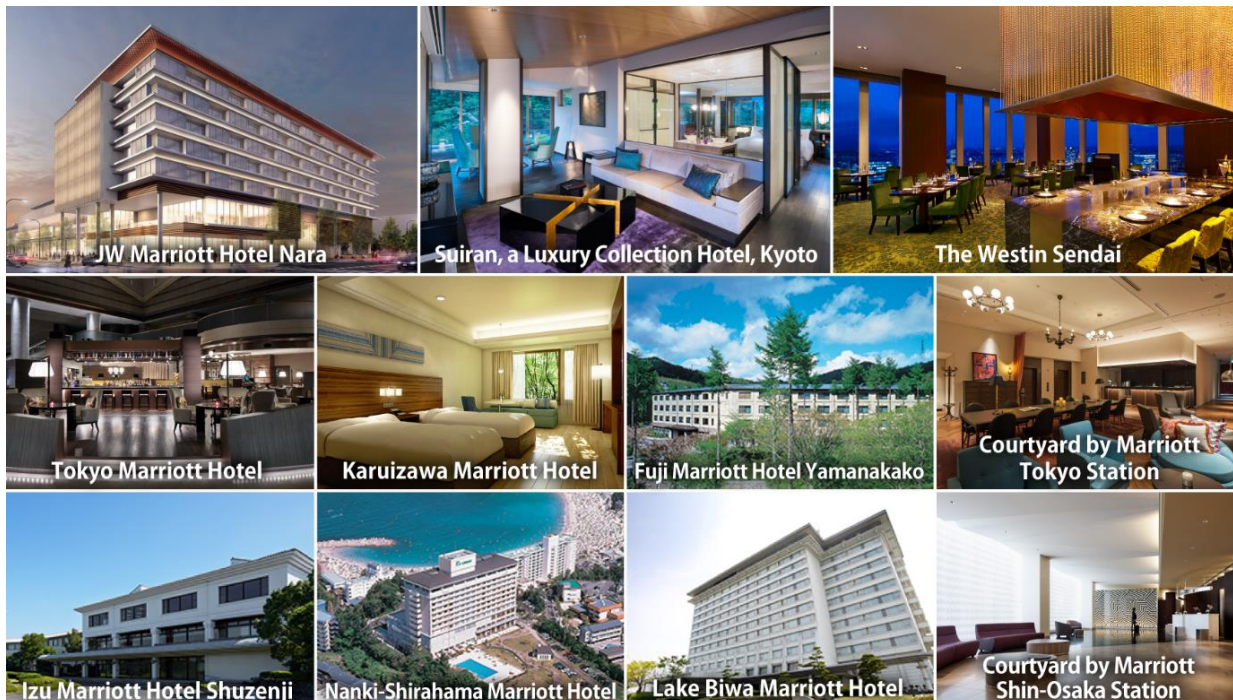
One of its ongoing projects is construction of a 38-story complex in Toranomom in central Tokyo, where numerous international offices, residences and commercial facilities are clustered. “The Tokyo World Gate” with a floor area of about 2,150,000 square feet is a complex containing offices, an international hotel, apartments with hotel-like services, exclusive residences for freehold, and a concierge service to facilitate the daily life of foreigners. It is under construction and is scheduled to be completed in March 2020. Furthermore, development of large complexes is planned in the Akasaka and Shinagawa areas in central Tokyo.



◆Hotels & Resorts Business

The Mori Trust Group has developed, owned and managed 21 hotels and resorts with a total of about 3,800 guest rooms nationwide.

The Group is known as a business operator that has pioneered attracting international hotel brands to Japan. Furthermore, the Group is the biggest Marriot Group hotel owner in Japan, which owns, manages and operates 11 existing, rebranded, and newly developing hotels under the brand name of Marriot International.



Regarding hotel projects currently underway, ten new hotels are planned primarily in areas that are among the most popular cities and regions in Japan, such as Ginza, Hokkaido, Nara and Okinawa.

◆Investment Business

The Group is recognized as a company that contributed to the creation of the REIT market in Japan, and has listed a comprehensive REIT on the Tokyo Stock Exchange (TSE). We are working to list a second REIT that specializes in hotels on the TSE.

◆Financial Results

The consolidated financial position of Mori Trust Group as of March 31, 2016 comprised total net assets of 1.3 trillion yen (market value), equity ratio 31% (book value).

The Group posted, for the term ended March 2016, 163.0 billion yen in operating revenue, 41.2 billion yen in operating income, and 34.0 billion yen in net income.

The Group forecasts 148.0 billion yen in operating revenue, 30.0 billion yen in operating income, and 57.0 billion yen in net income for the term ending March 2017.

◆ Medium- and Long-Term Vision “Advance 2027”

Following current President Miwako Date assuming the position of president, the Group announced a medium- and long-term vision, which emphasizes that the Group is prepared to make investments on the order of 800 billion yen in real properties and projects at home and overseas by 2027 while retaining its current level of owned capital rate, which is high by the standards of Japanese developers.

President of Mori Trust Co., Ltd
Miwako Date

Mori Trust Co., Ltd.	President and CEO
Mori Trust Hotels & Resorts Co., Ltd.	President and CEO
Mampeï Hotel Co., Ltd.	Chair and CEO

Keidanren, Japan Business Federation: Permanent Secretary
Japan Hotel Association: Director

/Chair of the Committee to stimulate Inbound Tourism

Japan Association of Corporate Executives: Secretary
and other roles



After graduating from Keio University’s graduate school, Date joined a major consulting firm. In 1998, she joined the Mori Trust Co., Ltd., and in June 2016, became the President and CEO of the Mori Trust Co. Her father is Akira Mori, current Chairman and CEO.

While overseeing a number of large-scale real estate development projects in central Tokyo, Miwako Date steered the hotels & resorts business into bringing in a number of international hotels including: CONRAD TOKYO; Shangri-La Hotel Tokyo; Tokyo Marriott Hotel; Suiran, a Luxury Collection Hotel, Kyoto; The Westin Sendai; Courtyard by Marriott Tokyo Station; and Courtyard by Marriott Shin-Osaka Station.