

Mori Hills REIT Investment Corporation
Summary of the Q&A Session at the Financial Results Briefing
for the 39th Fiscal Period (held on March 18, 2026)

- Q. Could you provide any updates on the redevelopment of the Laforet Harajuku project?
- A. There are no updates at this time. In general, redevelopment project schedules have been pushed back due to rising construction costs, labor shortages, and other factors.
- For the Laforet Harajuku project, should similar circumstances arise, we have adjusted the size of the current disposition and implemented measures to extend the period during which Mori Hills REIT can exercise its option.
- Q. Given that the expected delay in the sponsor's Roppongi 5-Chome West District Urban Redevelopment Project may also delay the sponsor's funding needs, could this affect Mori Hills REIT's property acquisitions?
- A. The sponsor is progressing not only the Roppongi 5-Chome West District Urban Redevelopment Project but also the Toranomom 3-Chome District Urban Redevelopment Project and other projects. Therefore, we do not expect its funding needs to decline materially.
- Q. The rent increase/decrease rate due to office tenant replacements in the 40th period is expected to narrow compared with the 39th period. Could you explain the factors behind this?
- A. In the 39th period, the rents of tenants who moved out were relatively low, resulting in a large increase rate. For the 40th period, the rents of tenants moving out are expected to be higher, leading to a smaller increase rate, but the upward trend in rents is expected to continue steadily.
- Q. The fixed-rent master lease for Roppongi Hills Mori Tower was renewed with the rent kept unchanged. Is there a possibility of a rent increase?
- A. Compared with five years ago, vacancy rates in the office rental market have improved and rents have been recovering, but they still have not returned to the levels seen at that time.
- Meanwhile, the Roppongi area remains relatively strong in terms of supply and demand, and rent levels have been maintained, which is why the master lease rent was kept unchanged. However, if end-tenant rents remain firm, we believe there is a possibility of an increase.