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For Immediate Release

Real Estate Investment Trust Securities Issuer

MORI TRUST REIT, Inc.

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(Securities Code: 8961)

Asset Management Company

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Notice Concerning Conclusion of Fixed-Term Building Lease Contract  
(Hotel Sunroute Plaza Shinjuku)

MORI TRUST REIT, Inc. (“MTR”) hereby announces that its asset management company, MORI TRUST Asset Management Co., Ltd. (“MTAM”), today decided to conclude new fixed-term building lease contract (the “New Contract”) with the current tenant, Sotetsu Hotel Management Co., Ltd. (the “Current Tenant”), regarding Hotel Sunroute Plaza Shinjuku (the “Property”) owned by MTR. Details are as follows.

Details

1. Overview of the New Contract

(1) Background

The Property is a flagship hotel of the Sunroute Hotel chain, developed primarily by the sponsor MORI TRUST CO., LTD. and leased and operated by the Current Tenant. The current fixed-term building lease contract (the “Current Contract”) started in 2007, the year of its opening, and is a long-term fixed-rent contract for 20 years until 2027. Since its acquisition by MTR in 2016 (Note 1), the Current Contract has contributed to the improvement of revenue stability.

As the Current Contract will expire in August 2027, MTAM has extensively examined the subsequent management policy of the Property. In its consideration, MTAM has sought to change the operating scheme to one that can capture more upside in light of the fact that property and use diversification has been achieved through the merger of investment corporations (Note 2), and that the hotel market is growing due to the increase in inbound travel and the shift to an inflationary environment is becoming more pronounced.

As a result, MTAM has decided to conclude the New Contract with the Current Tenant for September 2027 onward, which includes an increase in fixed rent compared to the Current Contract, as well as the introduction of a new variable rent based on room revenue (revenue from guest rooms) exceeding a certain standard amount. We believe that the shift to the New Contract will make it possible to both raise the long-term revenue base by increasing fixed rents and achieve internal growth by introducing variable rents, which will greatly contribute to improving the stability and growth potential of MTR.

The hotel market in the Shinjuku area, where the Property is located, continues to capture stable growth due to the high convenience of Shinjuku Station, which boasts a large number of passengers, and its proximity to areas popular with tourists, including inbound travelers, such as Nishi-Shinjuku, where the Tokyo Metropolitan Government Building is located, Kabukicho, and Shinjuku Gyoen. We believe that MTR will be able to capture the upside from the introduction of variable rents over the medium to long term.

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With the introduction of variable rents to the Property, five of the six hotels owned by MTR will be hotels that adopt variable rents, creating a more growth-focused hotel portfolio that can capture the growth of the hotel market.

(Note 1) Acquisition by MORI TRUST Hotel Reit, Inc. prior to the merger (defined in Note 2)

(Note 2) Merger of MORI TRUST Sogo Reit Inc. (currently MORI TRUST REIT Inc.) and MORI TRUST Hotel Reit, Inc.

## (2) Contribution to Distribution Growth

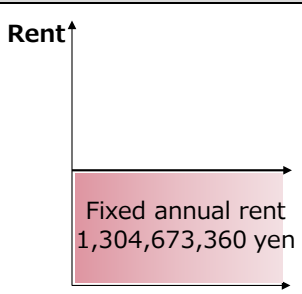
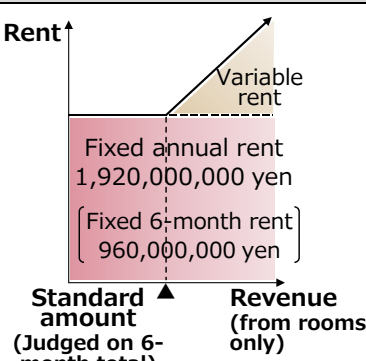
Due to the increase in the fixed rent portion, the rent is expected to increase by approximately 307 million yen (approximately 86 yen per unit) per fiscal period of MTR after the fiscal period ending February 2028 (September 1, 2027 to February 29, 2028), when the New Contract commences. Since variable rents under the New Contract will be calculated based on room revenue from January 2027 onward, the amounts are undetermined at this time, including whether they will accrue. However, the most recent room revenue has exceeded the standard amount required for variable rents to accrue, and the hotel's performance is expected to improve due to renovation work on guest rooms, etc. that the tenant is currently considering implementing. Accordingly, the likelihood that variable rents will accrue is high, and they are expected to contribute to further growth of distributions together with the increase in fixed rents.

We believe that the conclusion of the New Contract is in accordance with our internal growth strategy, which emphasizes the growth of “Distribution on an earnings basis,” excluding one-time factors such as gains on sales.

## (3) Comparison of Current and New Contracts

	Current Contract	New Contract
Lessee (Major Shareholder and Shareholding Ratio)	Sotetsu Hotel Management Co., Ltd. (Sotetsu Holdings Co., Ltd. (100%))	Same as left
Leased Area	21,248.23m <sup>2</sup> (Note 1)	Same as left
Contract Period, etc.	August 20, 2007 - August 31, 2027	September 1, 2027 - August 31, 2047 (Contract date: December 10, 2025)
Rent Type	Fixed	Fixed + Variable (variable every accounting period*) * Variable rent for 6-month is recorded together in March and September
Rent	Fixed rent: 108,722,780 yen per month (1,304,673,360 yen per year)	Fixed rent: 160,000,000 yen per month (1,920,000,000 yen per year) Variable rent (Note 2): (i) For the 6-month from March to August each year, the variable rent is calculated by multiplying a certain rate by the amount exceeding the standard amount of total room revenue for the 6-month from July to December of the previous year. (ii) For the 6-month from September to February of the following year, the variable rent is calculated by multiplying a certain rate by the amount exceeding the standard amount of total room revenue for the 6-month from January to June.

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	Current Contract	New Contract
Rent Image		
Security Deposit	1,273,473,360 yen	1,920,000,000 yen
Early Termination	Not allowed	Same as left
Rent Revision	None	Same as left

(Note 1) As of August 31, 2025, the total leasable area of the Property is 21,248.23m<sup>2</sup> and the total leasable area of MTR is 506,295.29m<sup>2</sup>.

(Note 2) The standard amount and rate used in calculating the variable rent are not disclosed because the lessee's consent has not been obtained.

#### (4) Image of Rent Calculation Method

Year	2027												2028									
Month	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8		
Fiscal Period	50th FP		51st FP						52nd FP						53rd FP							
Base period for caluculation of rent			Room revenue for 52nd FP (6-month total) – standard amount						Room revenue for 53rd FP (6-month total) – standard amount						multiplying a certin rate							
			multiplying a certin rate						Recording variable rent (amount for 6 months)						Recording variable rent (amount for 6 months)							
									Variable rent for 52nd FP						Variable rent for 53rd FP							
									Fixed rent for 52nd FP						Fixed rent for 53rd FP							
Rent based on the New Contract			Recording fixed rent (same amount each month)						▲▲▲▲▲▲						▲▲▲▲▲▲							
Current Contract←									→New Contract													

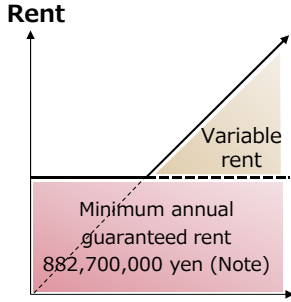
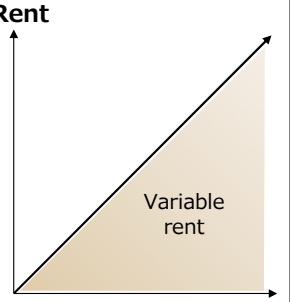
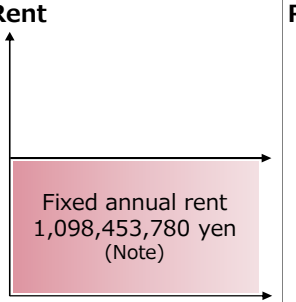
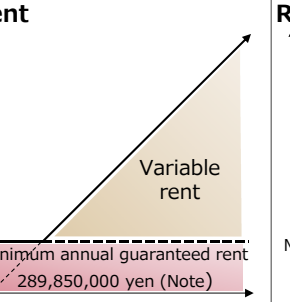
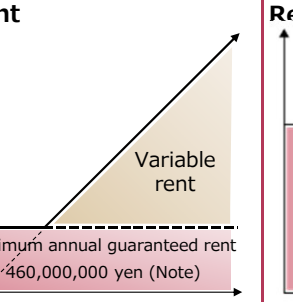
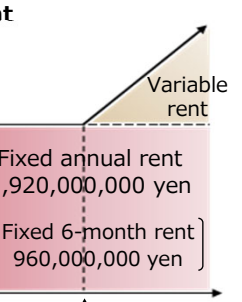
## 2. Outlook for the Future

The New Contract will commence on September 1, 2027, and rents calculated under the New Contract will not begin to be recorded until after MTR's fiscal period ending February 2028 (September 1, 2027 to February 29, 2028). Therefore, there will be no impact on the Forecast for the fiscal periods ending February 2026 (September 1, 2025 to February 28, 2026) and August 2026 (March 1, 2026 to August 31, 2026), announced in the “Financial Summary (REIT) for the Fiscal Period Ended August 31, 2025” disclosed on October 23, 2025.

\* MORI TRUST REIT's website: <https://www.mt-reit.jp/en/>

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# [Attachment] Details of Hotel Property Lease Contracts

							New Contract Concluded
Property name	Shangri-La Tokyo	Hilton Odawara Resort & Spa	Hotel Okura Kobe	Courtyard by Marriott Tokyo Station	Courtyard by Marriott Shin-Osaka Station	Hotel Sunroute Plaza Shinjuku	
Hotel grade	Luxury	Upper Upscale	Upper Upscale	Upscale	Upscale	Upper Midscale	
No. of guestrooms (Note1)	200	163	468	150	332	624 (Note2)	
Developer	Mori Trust	-	-	Mori Trust	Mori Trust	Mori Trust	
Hotel operation format	Leased	MC (Note3)	Leased	FC (Note4)	FC (Note4)	Leased	
Hotel operator	Shangri-La Hotels Japan	Hilton Worldwide Manage	Hotel Okura Kobe	MORI TRUST HOTELS & RESORTS CO., LTD.	MORI TRUST HOTELS & RESORTS CO., LTD.	Sotetsu Hotel Management	
Contract period	From Sep. 1, 2016 to Nov. 30, 2033	From Sep. 2, 2019 to Dec. 31, 2049	From Apr. 1, 2022 to Mar. 31, 2032	From Sep.16, 2016 to Apr. 1, 2039	From Sep. 16, 2016 to Nov. 1, 2040	From Sep. 1, 2027 to Aug. 31, 2047	
[Termination during the contracted period]	Not allowed	Not allowed for the first 5 years	Not allowed	Not allowed for the first 10 years	Not allowed for the first 10 years	Not allowed	
[Revision of rent]	Possible by consultation every 5 years	Possible by consultation every 5 years	None	Possible by consultation every 5 years	Possible by consultation every 5 years	None	
Tenant	Mori Trust (Master Lessee)	MT & Hilton Hotel	Hotel Okura Kobe	Mori Trust (Master Lessee)	Mori Trust (Master Lessee)	Sotetsu Hotel Management	
[Subtenant]	Shangri-La Hotels Japan	-	-	MORI TRUST HOTELS & RESORTS CO., LTD.	MORI TRUST HOTELS & RESORTS CO., LTD.	-	
Rent type	Variable (monthly) With minimum annual guaranteed rent	Variable (Rent varies each fiscal period*) *Record the same amount every month (The monthly amount is fixed during a fiscal period.)	Fixed (Note)	Variable (monthly) With minimum annual guaranteed rent	Variable (monthly) With minimum annual guaranteed rent	Fixed + Variable (Rent varies each fiscal period*) *Collectively recorded for 6-month in March and September	
Calculation base for variable rent (Referenced Period)	Total revenue (Monthly)	Profit (Annual)	-	Profit (Monthly)	Profit (from related to accommodation department *5) (Monthly)	Revenue (from rooms only) – standard amount (6-month)	
Lease agreements							
	Rent scheme	<p>(Note) If the total rent for the period from April each year to March next year falls short of the minimum annual guaranteed rent, the difference shall be paid by the end of February next year, together with the rent for March next year.</p>	<p>(Note) Along with fixed annual rent, the total amount of property tax and city planning tax equivalent amount and casualty insurance equivalent amount is paid as variable rent.</p>	<p>(Note) If the total rent for the period from October each year to September next year falls short of the minimum annual guaranteed rent, the difference shall be paid by the end of August next year, together with the rent for September next year. Minimum annual guaranteed rent shows the figures equivalent to 93.5% quasi-co-ownership interest in the trust beneficiary interest owned by MTR.</p>	<p>(Note) If the total rent for the period from October each year to September next year falls short of the minimum annual guaranteed rent, the difference shall be paid by the end of August next year, together with the rent for September next year.</p>	<p>(Note) If the total rent for the period from October each year to September next year falls short of the minimum annual guaranteed rent, the difference shall be paid by the end of August next year, together with the rent for September next year.</p>	<p>(Note) If the total rent for the period from October each year to September next year falls short of the minimum annual guaranteed rent, the difference shall be paid by the end of August next year, together with the rent for September next year.</p>

(Note1) The number of guestrooms for Shangri-La Tokyo indicates guestrooms available for sale, while for others, it indicates the total number of guestrooms at each hotel (in some cases, this includes the share of other co-owners or quasi-co-owners).

(Note2) The number of guestrooms is subject to change in the future.

(Note3) This signifies a management contract, indicating a format whereby hotel operation is outsourced by Mori Trust Group to a brand operator.

(Note4) This signifies a franchise, indicating a format whereby Mori Trust Group operates a hotel by itself by being lent brand usage rights from a given brand.

(Note5) Accommodation Department Revenue (room revenue + other accommodation department revenue) - Expenses related to the accommodation department revenue