



September 13, 2013

**FINANCIAL REPORT  
FOR THE FOURTEENTH FISCAL PERIOD ENDED JULY 31, 2013**

Mori Hills REIT Investment Corporation is listed on the Tokyo Stock Exchange with the securities code number 3234.

Representative: Hideyuki Isobe, Executive Director

URL: <http://www.mori-hills-reit.co.jp/en>

Asset Manager: Mori Building Investment Management Co., Ltd.

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Planned submission of semiannual security report: October 30, 2013

Planned start of dividend payments: October 16, 2013

This financial report has been prepared in accordance with Japanese accounting standards, Japanese laws and other relevant regulations in Japan.

Figures are rounded down to the nearest one million yen.

**1. PERFORMANCE FOR THE FOURTEENTH FISCAL PERIOD ENDED JULY 31, 2013**

(February 1, 2013 – July 31, 2013)

**(1) Business Results**

(Millions of yen; Percentage change represents a period-on-period comparison)

	Operating Revenue	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change	Net Income	Percentage Change
<b>Fourteenth Fiscal Period</b>	¥5,052	8.0%	¥3,430	9.8%	¥2,433	14.6%	¥2,432	14.6%
<b>Thirteenth Fiscal Period</b>	¥4,676	(2.5%)	¥3,125	(1.8%)	¥2,123	0.2%	¥2,122	0.2%

	Net Income per Unit	Net Income to Total Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
<b>Fourteenth Fiscal Period</b>	¥9,710	2.2%	1.1%	48.2%
<b>Thirteenth Fiscal Period</b>	¥9,169	2.0%	1.0%	45.4%

**(2) Dividend**

	Dividend per Unit (excluding dividend in excess of earnings)	Total Dividends	Dividend in Excess of Earnings per Unit	Total Dividends in Excess of Earnings	Dividend Payout Ratio	Dividend Ratio to Net Assets
<b>Fourteenth Fiscal Period</b>	¥9,552	¥2,432 million	¥0	¥0	99.9%	2.1%
<b>Thirteenth Fiscal Period</b>	¥9,169	¥2,122 million	¥0	¥0	99.9%	2.0%

(Note) The dividend payout ratio is calculated by using the formula below and is rounded down to the first decimal place.  
 Dividend Payout Ratio = [Total Dividends ÷ Net Income] × 100

**(3) Financial Position**

	Total Assets	Net Assets	Total Net Assets to Total Assets	Net Assets per Unit
<b>Fourteenth Fiscal Period</b>	¥240,681 million	¥115,503 million	48.0%	¥453,632
<b>Thirteenth Fiscal Period</b>	¥218,813 million	¥104,239 million	47.6%	¥450,237

**(4) Cash Flows**

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Period
<b>Fourteenth Fiscal Period</b>	¥3,198 million	(¥19,592 million)	¥18,700 million	¥11,786million
<b>Thirteenth Fiscal Period</b>	¥2,551 million	(¥610 million)	(¥2,113 million)	¥9,479 million

**2. FORECAST OF RESULTS FOR THE FIFTEENTH FISCAL PERIOD ENDING JANUARY 31, 2014**  
(August 1, 2013 – January 31, 2014)

(Millions of yen; Percentage change represents a period-on-period comparison)

	Operating Revenue	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change	Net Income	Percentage Change
<b>Fifteenth Fiscal Period</b>	¥5,617	11.2%	¥3,800	10.8%	¥2,770	13.9%	¥2,769	13.9%

	Dividend per Unit (excluding dividend in excess of earnings)	Dividend in Excess of Earnings per Unit
<b>Fifteenth Fiscal Period</b>	¥10,000	¥0

(Reference) Estimated net income per unit for the fifteenth fiscal period: ¥10,000

**3. OTHER**

**(1) Changes in Accounting Policies, Changes in Accounting Estimates and Corrections of Errors**

- (a) Changes in accounting policies accompanying amendments to accounting standards, etc.: None
- (b) Changes in accounting policies other than (a): None
- (c) Changes in accounting estimates: None
- (d) Corrections of errors: None

**(2) Number of Units Outstanding**

- (a) Number of units outstanding at end of period (including own units)

Fourteenth fiscal period: 254,620 units      Thirteenth fiscal period: 231,520 units

- (b) Number of own units at end of period

Fourteenth fiscal period:      0 units      Thirteenth fiscal period:      0 units

**\*Presentation of the status of implementation of audit procedures**

At the time of disclosure of the original Japanese language Financial Release (*Kessan-Tanshin*), from which selected information is translated in this document, audit procedures pursuant to the Financial Instruments and Exchange Act have not been completed.

**\*Explanation on the appropriate use of the forecast of results, and other matters of special note**

The forecast of results and other forward-looking statements contained in this document are based on information currently available to and certain assumptions deemed reasonable by Mori Hills REIT Investment Corporation (“the Company”). Accordingly, actual results, etc. may differ materially due to a variety of factors. Furthermore, these forecasts shall not be construed as a guarantee of dividend amounts. For the assumptions underlying the forecasts of results, please refer to “Assumptions of Forecast of Results for the Fifteenth Fiscal Period Ending January 31, 2014 (August 1, 2013 – January 31, 2014) and the Sixteenth Fiscal Period Ending July 31, 2014 (February 1, 2014 – July 31, 2014)” presented on pages 11 to 13.

## 4. **BUSINESS RESULTS**

### (1) **Overview of the Fourteenth Fiscal Period**

#### (a) **Brief Background of the Company**

Mori Hills REIT Investment Corporation (“the Company”) was incorporated by Mori Building Investment Management Co., Ltd. (the Company’s Asset Manager) on February 2, 2006, and the Company was listed on the Real Estate Investment Trust Section of the Tokyo Stock Exchange on November 30, 2006 (Securities Code: 3234).

In the fourteenth fiscal period (February 1, 2013 to July 31, 2013), the Company held its public offering, etc. (23,100 units; includes third-party allotment through over-allotment). As of the end of the Company’s fiscal period under review, the total number of investment units outstanding was 254,620.

#### (b) **Investment Environment and Business Performance**

##### i) **Investment Environment**

In the fourteenth fiscal period, the Japanese economy experienced continued depreciation of the yen and increasing equity prices driven largely by measures taken by the new Abe administration. As a result, the domestic economy showed signs of a self-sustaining recovery as corporate earnings improved, particularly those in the manufacturing sector, while private consumption was strong with the improvement of consumer sentiment.

Within this economic environment, the rental office building market is starting to see signs of improvement centering on large blue-chip properties as the amount of supply of large-scale office buildings in central Tokyo was significantly below the historical average and demand for floor space increased with the recovery of economic sentiment. In the luxury rental housing market, occupancy rates and rents have remained at stable levels as supply was low and non-Japanese tenants are substantially increasing budgets due to the depreciation of the yen. As for the real estate trading market, property acquisitions were steady along with the listings of new J-REITs and public offerings of existing J-REITs, partially due to the favorable fund procurement environment, and the total amount of property acquisitions by J-REITs reached a record level in the first half.

##### ii) **Business Performance**

In the fourteenth fiscal period, the Company strove to enhance tenant satisfaction through such measures as meticulous operational management and systematic maintenance and repair of properties in its portfolio. Moreover, the Company maintained and enhanced occupancy rates by proactively launching marketing activities targeting new and existing tenants based on a flexible price policy while taking into account the quality of tenants.

The Company’s real estate portfolio as of the end of the fourteenth fiscal period was comprised of 9 properties (Note 1) under management with a total leasable floor area of 112,337.42m<sup>2</sup>. The Company has already invested 230,816 million yen (based on acquisition price) into this portfolio. The occupancy rate at the end of the fourteenth fiscal period (Note 2) was 99.5%.

(Notes)

1. For Roppongi View Tower, the Company acquired the trust beneficial interests pertaining to 6% co-ownership interest on March 22, 2006 and the trust beneficial interests pertaining to 40% co-ownership interest on April 13, 2006. However, the Company treats these as one property for purposes of calculating the number of properties in the portfolio. The same shall apply hereafter. Regarding ARK Mori Building, the Company made acquisitions as follows to date. However, the

Company treats these as one property for purposes of calculating the number of properties in the portfolio. The same shall apply hereafter.

- 1) Trust beneficial interests pertaining to sectional ownership for the 13th floor portion on March 22, 2006.
- 2) 75% quasi co-ownership interest of the trust beneficial interests pertaining to sectional ownership for the 12th and 22nd floor portions on March 28, 2008.
- 3) The remaining 25% quasi co-ownership interest of the trust beneficial interests pertaining to sectional ownership for the 12th and 22nd floor portions on September 30, 2008.
- 4) 50% co-ownership interest in sectional ownership for the 23rd floor portion on March 23, 2010.  
The Company holds trust beneficial interests from adding this co-ownership interest as a trust asset of 5) on March 18, 2011.
- 5) Trust beneficial interests pertaining to the remaining 50% co-ownership interest in sectional ownership for the 23rd floor portion and trust beneficial interests pertaining to sectional ownership for the 25th floor portion on March 18, 2011.
- 6) Trust beneficial interests pertaining to sectional ownership for the 4th, 15th and 24th floor portions on August 1, 2011.
- 7) Trust beneficial interests pertaining to sectional ownership for heating and cooling district on April 1, 2013.

Regarding Akasaka Tameike Tower, the Company made acquisitions as follows to date. However, the Company treats these as one property for purposes of calculating the number of properties in the portfolio. The same shall apply hereafter.

- 1) Trust beneficial interests pertaining to the office and shop portions (including parts of storage areas, parking lots, etc.) (approx. 35.5% of total exclusive floor area) on September 30, 2008.
- 2) Trust beneficial interests pertaining to residential portion (including parts of parking lots, etc.) (approx. 30% of total exclusive floor area) on March 18, 2011.

Regarding Roppongi Hills Mori Tower, the Company made acquisitions as follows to date. However, the Company treats these as one property for purposes of calculating the number of properties in the portfolio. The same shall apply hereafter.

- 1) 50% co-ownership interest in sectional ownership for the 24th floor portion on March 23, 2010.  
The Company holds trust beneficial interests from adding this co-ownership interest as a trust asset of 2) on August 1, 2011.
- 2) Trust beneficial interests pertaining to sectional ownership for the 23rd floor portion and trust beneficial interests pertaining to the remaining 50% co-ownership interest in sectional ownership for the 24th floor portion on August 1, 2011.

Regarding Atago Green Hills, the Company made acquisitions as follows to date. However, the Company treats these as one property for purposes of calculating the number of properties in the portfolio. The same shall apply hereafter.

- 1) 45% quasi co-ownership interest of the trust beneficial interest pertaining to co-ownership interest in sectional ownership of Atago Green Hills' 3 buildings (MORI Tower, Forest Tower and Plaza), as well as co-ownership interest in ownership of the sites and quasi co-ownership interest in leasehold right and easement of the sites (approx. 20.0% of total exclusive floor area) on May 1, 2012.
- 2) 29% quasi co-ownership interest of the trust beneficial interest pertaining to co-ownership interest in sectional ownership of Atago Green Hills' 3 buildings (MORI Tower, Forest Tower and Plaza), as well as co-ownership interest in ownership of the sites and quasi co-ownership interest in leasehold right and easement of the sites (approx. 12.9% of total exclusive floor area) on April 1, 2013.

2. The occupancy rate at the end of the fiscal period expresses the sum total of the total leased floor area at the end of the fiscal period as a percentage of the sum total of the total leasable floor area at the end of the fiscal period, rounded to first decimal place.

### **(c) Overview of Fund Procurement**

During the fourteenth fiscal period, the Company issued investment corporation bonds in the amount of 10,955 million yen (amount paid in) and took out long-term loans payable in the amount of 10,000 million yen to be allotted to funds for the acquisition of new properties. Also, the Company took out long-term loans payable in the amount of 3,478 million yen for the refinancing of existing short-term loans payable in the amount of 3,478 million yen and the redemption of investment corporation bonds in the amount of 5,000 million yen and issued investment

corporation bonds in the amount of 5,000 million yen. The Company also made a previously agreed repayment in the amount of 62 million yen on existing long-term loans payable during the fourteenth fiscal period.

As a result, as of the end of the fourteenth fiscal period, the balance of loans payable stands at 91,762 million yen (long-term loans payable: 90,762 million yen (of which, current portion of long-term loans payable: 28,084 million yen); and short-term loans payable: 1,000 million yen), the balance of investment corporation bonds stands at 25,000 million yen (of which, current portion of investment corporation bonds: 5,000 million yen) and the balance of interest-bearing debt stands at 116,762 million yen.

Of the loans payable, in addition to the 25,000 million yen in investment corporation bonds and 7,662 million yen in long-term loans payable that have fixed interest rates, the Company utilizes interest rate swaps to in effect convert the interest rates for loans payable that have variable interest rates into fixed interest rates in order to hedge against the risk of upward fluctuations in interest rates. Such measures have been taken for 28,478 million yen of the 83,100 million yen in long-term loans payable that have variable interest rates. Concerning future loans payable, the Company will strive to minimize refinancing risks by diversifying repayment dates for loans payable.

As of the end of the fourteenth fiscal period, the Company has obtained AA- long-term issuer rating (rating outlook: stable) from Japan Credit Rating Agency, Ltd.

(Note) Long-term loans payable are loans payable with a period of over one year until the repayment date at the time of drawdown, and short-term loans payable are loans payable with a period of one year or less until the repayment date at the time of drawdown. The same shall apply hereafter.

#### **(d) Overview of Business Results and Distributions**

The asset management activities described above resulted in the Company recording 5,052 million yen in operating revenue, 3,430 million yen in operating income, 2,433 million yen in ordinary income and 2,432 million yen in net income in the fourteenth fiscal period.

In regard to dividends, to ensure that income distributions would be deductible for tax purposes based on application of Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957; including amendments thereto), the Company decided to pay out the entire amount of unappropriated retained earnings, excluding fractions of the dividend per unit that are less than 1 yen. Consequently, the Company declared a dividend per unit of 9,552 yen.

### **(2) Outlook for the Fifteenth Fiscal Period**

#### **(a) Future Management Policy**

Pursuant to the Company's investment policy, the Company will seek to grow and increasingly enhance the profitability and asset value of assets under management by focusing on the competitiveness and the ability to create value attributable to "urban" areas (central Tokyo being the core area) and concentrating investment into "urban" areas. Specifically, the Company will seek to develop an urban portfolio centered on office buildings and residential and retail properties that are situated in "Premium Areas" and that are capable of maintaining competitiveness in the future due to attributes such as quality, size and specifications ("Premium Properties (Note)"). The quintessential example is the "Hills" brand of large redevelopment properties exhibiting high creativity and added-value in a manner perfected over the years by the Mori Building Group.

With respect to the management of properties in the portfolio, the Company will seek to ensure stable revenue over the medium to long term and maintain and enhance the asset value of its portfolio by adopting the basic policy of enhancing tenant satisfaction and conducting rational, efficient and systematic asset management and administration.

In addition, the Company will seek to maximize investor value through continuously conducting dividend-oriented management, by pursuing further enhancement of the portfolio NOI cap rate through external growth and by further strengthening its financial standing - primarily by reducing borrowing costs and extending the average duration of loans payable.

(Note) Premium Properties refer to properties that are situated in “Premium Areas” (central five wards of Tokyo (Minato Ward, Chiyoda Ward, Chuo Ward, Shinjuku Ward and Shibuya Ward) and their vicinity; the same hereafter), where the Mori Building Group (Mori Building Co., Ltd., Mori Building Co., Ltd.’s consolidated subsidiaries and, of affiliated companies accounted for by the equity method, companies that are engaged in business in Japan; the same hereafter) can fully demonstrate its brand/marketing strength and facilities management capabilities, etc. and that are capable of maintaining competitiveness in the future due to attributes such as quality, size and specifications. The same shall apply hereafter.

## **(b) Significant Subsequent Events**

### **Issuance of New Investment Units**

Issuance of new investment units was resolved at the Company’s Board of Directors Meeting held on August 19, 2013 and August 28, 2013. Furthermore, the contribution for the issuance of new investment units through public offering was completed on September 4, 2013.

As a result, unitholders’ capital is 123,789,819,810 yen, with the total number of investment units issued and outstanding at 275,920 units as of September 4, 2013.

#### **i. Issuance of New Investment Units through Public Offering (Primary Offering)**

Number of new investment units issued:	21,300 units
Issue price (offer price):	526,500 yen per unit
Total amount of issue price (offer price):	11,214,450,000 yen
Amount paid in (purchase price):	508,140 yen per unit
Total amount paid in (purchase price):	10,823,382,000 yen
Contribution date:	September 4, 2013

#### **ii. Issuance of New Investment Units through Third-Party Allotment**

Number (ceiling) of units to be issued:	1,065 units
Amount to be paid in (purchase price):	508,140 yen per unit
Total amount (ceiling) to be paid in (purchase price):	541,169,100 yen
Allottee:	Mizuho Securities Co., Ltd.
Subscription period (subscription date):	October 1, 2013
Contribution date:	October 2, 2013

(Note) There may be cases where there will be no subscription to the investment units to be issued in the third-party allotment, in whole or in part, and accordingly the final number of investment units issued by the third-party allotment would decrease to that extent due to forfeiture, or such issuance itself will not take place at all.

#### **iii. Use of Funds Obtained**

Funds obtained from the primary offering and third-party allotment will be used as part of the funds for acquisition of the asset (part of Roppongi Hills Mori Tower). The remaining

funds, if any, will be kept as cash on hand, and will be used for part of future acquisition of specified assets.

## (Reference Information)

### i) Acquisition of Asset

The Company resolved at its Board of Directors' Meeting held on August 19, 2013 to conduct an additional acquisition at Roppongi Hills Mori Tower.

The seller Mori Building Co., Ltd. constitutes an interested party, etc. of the Company's Asset Manager, and the transaction constitutes a transaction with an interested party, etc. as defined in the Investment Trusts Act. Accordingly, to comply with applicable laws and regulations and with the asset management agreement, as well as to prevent the interests of the Company from being negatively impacted with respect to the acquisition price and other terms and conditions, the Asset Manager has taken steps pursuant to the Related Parties Transaction Guidelines.

#### i. Overview of Acquisition

##### Roppongi Hills Mori Tower

Asset-to-be-acquired:	Trust beneficial interests (Note 1)
Property name:	Roppongi Hills Mori Tower
Acquisition price:	21,900 million yen (Note 2)
Appraisal value:	24,500 million yen
Agreement date:	August 19, 2013
Acquisition date:	October 1, 2013 (planned)
Seller:	Mori Building Co., Ltd.
Acquisition financing:	Capital acquired through the issuance of new investment units, borrowings, and cash on hand (planned)

(Note 1) The Company plans to acquire the trust beneficial interests in sectional ownership of the 19th and 22nd floors.

(Note 2) The indicated planned acquisition price does not include acquisition-related costs, consumption taxes and other expenses. The same shall apply hereafter.

#### ii. Details of the Asset-to-be-Acquired

##### Roppongi Hills Mori Tower

Property name		Roppongi Hills Mori Tower
Type of specified asset		Trust beneficial interests
Trust fiduciary		Sumitomo Mitsui Trust Bank, Limited
Trust beneficiary		Mori Hills REIT Investment Corporation
Trust establishment		October 1, 2013 (planned)
Trust maturity date		September 30, 2028
Location	Lot number	6-502-1, Roppongi, Minato-ku, Tokyo, etc. (total:13 lots)
	Residential indication	6-10-1 Roppongi, Minato-ku, Tokyo
Use		Offices, Shops, Museum
Area	Land	57,177.66m <sup>2</sup>

(Note 1)	Building	442,150.70m <sup>2</sup>
Structure		Steel-framed and steel-framed reinforced concrete structure with flat roof, 54 floors above ground and 6 floors below ground
Construction completion		April 2003
Designers		Mori Building Co., Ltd., first class architect office Irie Miyake Architects & Engineers
Contractors		A consortium of Obayashi Corporation and Kajima Corporation
Building verification agency		Tokyo Metropolitan Government
Form of ownership	Land	Ownership (Note 2)
	Building	Sectional ownership (Note 3)
Former owner		Mori Building Co., Ltd.
Planned acquisition price		21,900 million yen
Acquisition date		October 1, 2013 (planned)
Appraisal	Appraiser	Japan Real Estate Institute
	Appraisal date	June 1, 2013
	Appraisal value	24,500 million yen
PML (Note 4)		0.29%
Collateral		None
Property manager		Mori Building Co., Ltd.
Details of tenants (as of October 1, 2013)		
Total number of end tenants		1 (Note 5)
Gross rent income (annual rent)		1,140,711,732 yen
Deposits/Guarantees		950,593,110 yen
Total leasable floor area (Note 6)		8,609.47m <sup>2</sup>
Total leased floor area (Note 7)		8,609.47m <sup>2</sup>
Other special consideration		None

(Note 1) Area (land) is the area of the entire site, and the total floor area of the entire building, as indicated in the real estate registry, hereafter the same.

(Note 2) As for land, land use rights for the Property are designated. The site area corresponding to the trust beneficial interests that the Company plans to acquire as indicated in the real estate registry is approx. 2,028.37m<sup>2</sup>. The land use right interest ratio is approx. 3.5%. Moreover, the site area corresponding to the trust beneficial interests that the Company is to own after the Acquisition as indicated in the real estate registry, is approx. 4,116.36m<sup>2</sup> and the land use right interest ratio is approx. 7.2%.

(Note 3) The exclusive floor area corresponding to the trust beneficial interests that the Company plans to acquire as indicated in the real estate registry is 8,748.28m<sup>2</sup>. The exclusive floor area interest ratio is approx. 2.8%. Moreover, exclusive floor area corresponding to the trust beneficial interests that the Company is to own after the Acquisition, as indicated in the real estate registry, is 17,636.67m<sup>2</sup> and the exclusive floor area interest ratio is approx. 5.6%.

(Note 4) PML refers to the probability of the maximum loss expected to result from an earthquake. There is no standardized precise definition. Rather, definitions vary depending on the intended purpose and use. Herein, however, PML is defined as “the percentage of losses against building price which will not be exceeded based on a 90% probability, should the greatest earthquake that has a 10% probability occurring within the average useful life of a building of 50 years, occur.” The value as indicated on the earthquake risk PML assessment report dated July 9, 2013 by Tokyo Bldg-Tech Center Co., Ltd. is shown.

(Note 5) With regard to the Property, the Company will outsource building lease operations to Mori Building

Co., Ltd. and shall receive a fixed amount of rent from the Company, regardless of the rent amount paid by end tenants. Due to this, Mori Building Co., Ltd. is treated as the end tenant in the Acquisition.

(Note 6) Total leasable floor area is the floor area deemed leasable to end tenants.

(Note 7) Total leased floor area is the floor area being leased to end tenants indicated in the lease agreement. Moreover, total leasable floor area and total leased floor area exclude storage, parking lots, mechanical rooms, etc.

## ii) Borrowing of Funds

The Company resolved at its Board of Directors' Meeting held on September 13, 2013, the following with regard to agreements on borrowings to be used as part of the funds for acquisition of the asset (part of Roppongi Hills Mori Tower).

### i. Long-Term Loan Payable

Lenders	Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Aozora Bank, Ltd., Development Bank of Japan, Inc. The Norinchukin Bank, The Bank of Fukuoka, Ltd., Resona Bank, Limited., Shinsei Bank, Limited and Mizuho Trust & Banking Co., Ltd.
Borrowing amount	10,500 million yen
Interest rate	Base Interest Rate (1-month JBA Japanese Yen TIBOR) + 0.35% (Note)
Drawdown date	September 30, 2013
Principal repayment date	September 30, 2018 (However, if such date is not a business day, the next business day shall be the payment date. If this next business day falls into the following month, the business day immediately prior shall be the payment date.)
Method of principal repayment	To be repaid in full on the principal repayment date
Collateral	Unsecured/Unguaranteed

(Note) Regarding part or all of its borrowings, the Company plans to convert interest rate payments to a virtual fixed rate by concluding interest rate swap agreements separately.

## (c) Outlook of Business Results

The Company expects the following business results for the fifteenth fiscal period (August 1, 2013 to January 31, 2014) and the sixteenth fiscal period (February 1, 2014 to July 31, 2014). For the assumptions underlying the forecasts of results, please refer to "Assumptions of Forecasts of Results for the Fifteenth Fiscal Period Ending January 31, 2014 (August 1, 2013 – January 31, 2014) and the Sixteenth Fiscal Period Ending July 31, 2014 (February 1, 2014 – July 31, 2014)" presented below.

[Fifteenth Fiscal Period Ending January 31, 2014 (August 1, 2013 – January 31, 2014)]

Operating revenue	¥5,617 Million
Operating income	¥3,800 Million
Ordinary income	¥2,770 Million
Net income	¥2,769 Million
Dividend per unit	¥10,000
Dividend in excess of earnings per unit	¥0

[Sixteenth Fiscal Period Ending July 31, 2014 (February 1, 2014 – July 31, 2014)]

Operating revenue	¥5,780 Million
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Operating income	¥3,874 Million
Ordinary income	¥2,964 Million
Net income	¥2,963 Million
Dividend per unit	¥10,700
Dividend in excess of earnings per unit	¥0

(Note) The forecasted figures above are calculated as of today based on certain assumptions. Forecasts for operating revenue, operating income, ordinary income, net income, dividend per unit and dividend in excess of earnings per unit may differ from actual results due to changes in operating conditions and a variety of factors. Furthermore, these forecasts shall not be construed as a guarantee of dividend amounts.

**Assumptions of Forecasts of Results for the Fifteenth Fiscal Period Ending January 31, 2014**  
**(August 1, 2013 – January 31, 2014) and the Sixteenth Fiscal Period Ending July 31, 2014**  
**(February 1, 2014 – July 31, 2014)**

Item	Assumptions
Accounting Period	The Fifteenth Fiscal Period: August 1, 2013 – January 31, 2014 (184 days) The Sixteenth Fiscal Period: February 1, 2014 – July 31, 2014 (181 days)
Investment Portfolio	<ul style="list-style-type: none"> <li>• In addition to the currently owned 9 properties, the Company plans additional acquisition of Roppongi Hills Mori Tower (hereafter, “Asset to be Acquired”) on October 1, 2013.</li> <li>• The Company assumes the investment portfolio for the period from August 1 to September 30, 2013 is comprised of the currently owned 9 properties as of the end of the fourteenth fiscal period, and that after October 1, 2013, it acquires the asset to be acquired on the planned acquisition date above, and there will be no change in the investment portfolio (acquisition of new properties, transfers of existing properties) until the end the sixteenth fiscal period ending July 2014.</li> <li>• In actual practice, however, the forecast is subject to change due to changes in the investment portfolio and other factors.</li> </ul>
Operating Revenue	<ul style="list-style-type: none"> <li>• Rent revenue of real estate is estimated based on lease agreements, etc. of assets under management above, taking into account market environment, the trends of individual tenants and other factors.</li> <li>• The Company assumes that there will be no delinquencies or unpaid rent by tenants.</li> </ul>

Item	Assumptions
Operating Expenses	<ul style="list-style-type: none"> <li>• For expenses related to the of real estate leasing business, major operating expenses, 1,539 million yen is expected for the period ending January 2014, and 1,635 million yen is expected for the period ending July 2014. The expenses other than those below are calculated by referring to historical figures and adjusted to reflect variable factors. <ul style="list-style-type: none"> <li>A) For property taxes, city planning taxes, etc. 309 million yen (for six months) and 347 million yen (for six months) are expected for the period ending January 2014 and the period ending July 2014, respectively. Furthermore, property taxes, city planning taxes, etc. associated with the acquisition of Atago Green Hills and ARK Mori Building additionally acquired in the period ending July 2013, and the asset to be acquired, will be calculated at the time of acquisition with the seller using a prorated adjusted amount; however, the Company shall incorporate these amounts into the cost of acquisition and, thus, shall not recognize them as operating expenses for the fifteenth fiscal period. Additionally, part of the property taxes, city planning taxes, etc. associated with these property acquisitions will be incorporated into the cost of acquisition, and 36 million yen (for three months) is expected to be recognized as operating expenses for the sixteenth fiscal period.</li> <li>B) For building maintenance and repairs, the Company recorded the estimated required amount for the respective fiscal periods: (28 million yen for the period ending January 2014; 31 million yen for the period ending July 2014). However, note the actual expenses for maintenance and repairs in the respective fiscal periods may differ materially from estimated amounts due to various reasons. For example, an unforeseeable event may cause serious damage to buildings and emergency repairs may be required as a consequence. Also, maintenance and repairs are expenses that are not accrued on a regular basis and the amount of variation may vary significantly from one period to the next.</li> <li>C) Depreciation and amortization, which are calculated using the straight-line method with future additional capital expenditures taken into account, are expected to be 810 million yen in the period ending January 2014 and 834 million yen in the period ending July 2014.</li> <li>D) For property management fees, 169 million yen is expected for the period ending January 2014 and 209 million yen is expected for the period ending July 2014.</li> </ul> </li> <li>• For the operating expenses other than expenses related to the real estate leasing business (asset management fee, asset custody fee, administrative service fees, etc.), 277 million yen is expected for the period ending January 2014 and 270 million yen is expected for the period ending July 2014.</li> </ul>
Non-Operating Expenses	<ul style="list-style-type: none"> <li>• The Company expects to incur 567 million yen for the period ending January 2014 and 515 million yen for the period ending July 2014 in interest expenses, 162 million yen for the period ending January 2014 and 151 million yen for the period ending July 2014 in interest expenses on investment corporation bonds, and 247 million yen for the period ending January 2014 and 226 million yen for the period ending July 2014 in borrowing expenses.</li> <li>• Expenses of 37 million yen are expected for the period ending January 2014 for the cost of issuance of new investment units (hereafter, “Issuance of New Investment Units”), etc.</li> </ul>

Item	Assumptions
Interest-Bearing Debt	<ul style="list-style-type: none"> <li>• The Company's balance of interest-bearing debt as of the end of the period ended July 2013 is 116,762 million yen.</li> <li>• The Company assumes that it will newly borrow 10,500 million yen in September 2013 as part of funds for the acquisition of the asset to be acquired described in the investment portfolio above.</li> <li>• The balance of loans payable outstanding as of the end of the period ended July 2013 is 91,762 million yen. The Company assumes that regarding 29,084 million yen remaining of loans payable due for repayment by the end the period ending July 2014, of which the amount of 1,000 million yen of a short-term loan payable was repaid on August 31, 2013, and refinancing of 2,062 million yen of long-term loan payable (due for payment on November 30, 2013) is planned by a 62 million yen reduction in the payment period, and the remaining 26,022 million yen will be refinanced in the entire amount. The Company also assumes that combined with the new loans payable above, the balance will be 101,200 million yen at the end of the periods ending January 2014 and July 2014.</li> <li>• The Company assumes that of the balance of 25,000 million yen as of the end of the period ended July 2013, 5,000 million yen outstanding due for repayment by the end of the period ending July 2014 will be redeemed through issuance of investment corporation bonds of the same value.</li> </ul>
Issuance of Investment Units	<ul style="list-style-type: none"> <li>• The number of investment units outstanding as of the end of the period ended July 2013 was 254,620 units. The Company assumes that a total of 22,365 units (21,300 units additionally issued through public offering and 1,065 units additionally issued through third-party allotment), will all be issued.</li> <li>• The Company assumes that there will be no additional issuance of investment units until the end of the sixteenth fiscal period.</li> </ul>
Dividend per Unit (excluding dividend in excess of earnings)	<ul style="list-style-type: none"> <li>• Dividend per unit is calculated based on the assumption that the Company will make distributions in accordance with the distribution policy set forth in its Articles of Incorporation.</li> <li>• Dividend per unit may vary due to various factors, including changes in the investment portfolio, changes in rent income due to tenant replacement, unexpected repairs, changes in interest rates, or additional issuance of new investment units.</li> </ul>
Dividend in Excess of Earnings per Unit	<ul style="list-style-type: none"> <li>• At present, the Company has no plan to make any cash distributions in excess of earnings (dividend in excess of earnings per unit).</li> </ul>
Other	<ul style="list-style-type: none"> <li>• The Company assumes that there will be no amendments to legislation, taxation, accounting standards, listing regulations, rules, etc. provided by the Investment Trusts Association Japan that would affect the above forecasts.</li> <li>• The Company assumes that there will be no unforeseen material changes in general economic conditions, the real estate market, etc.</li> </ul>

**5. FINANCIAL STATEMENTS****(1) Balance Sheets**

(Unit: thousands of yen)

	Thirteenth Fiscal Period (as of January 31, 2013)	Fourteenth Fiscal Period (as of July 31, 2013)
Assets		
Current assets		
Cash and deposits	2,633,516	3,960,756
Cash and deposits in trust	6,845,858	7,825,875
Operating accounts receivable	73,626	74,073
Prepaid expenses	431,022	423,788
Deferred tax assets	18	17
Consumption taxes receivable	81,821	115,985
Other	-	7,229
Total current assets	10,065,863	12,407,726
Noncurrent assets		
Property, plant and equipment		
Land	22,074,160	22,074,160
Buildings in trust	41,650,705	46,868,973
Accumulated depreciation	(4,673,002)	(5,366,193)
Buildings in trust, net	36,977,703	41,502,780
Structures in trust	393,266	495,486
Accumulated depreciation	(118,078)	(134,290)
Structures in trust, net	275,188	361,195
Machinery and equipment in trust	449,066	529,870
Accumulated depreciation	(48,222)	(60,477)
Machinery and equipment in trust, net	400,844	469,392
Tools, furniture and fixtures in trust	60,940	63,545
Accumulated depreciation	(22,826)	(27,545)
Tools, furniture and fixtures in trust, net	38,114	35,999
Land in trust	122,721,231	132,702,890
Construction in progress in trust	273	273
Total property, plant and equipment	182,487,516	197,146,693
Intangible assets		
Leasehold rights in trust	25,825,688	30,650,962
Other intangible assets in trust	398	1,208
Other	1,996	1,496
Total intangible assets	25,828,083	30,653,667
Investments and other assets		
Lease and guarantee deposits	10,000	10,000
Long-term prepaid expenses	357,936	386,058
Total investments and other assets	367,936	396,058
Total noncurrent assets	208,683,536	228,196,420
Deferred assets		
Investment corporation bonds issuance cost	63,781	77,108
Total deferred assets	63,781	77,108
Total assets	218,813,181	240,681,255

Mori Hills REIT Investment Corporation (3234) Fourteenth Fiscal Period Financial Report

(Unit: thousands of yen)

	Thirteenth Fiscal Period (as of January 31, 2013)	Fourteenth Fiscal Period (as of July 31, 2013)
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	160,700	82,343
Short-term loans payable	4,478,000	1,000,000
Current portion of investment corporation bonds	5,000,000	5,000,000
Current portion of long-term loans payable	15,125,000	28,084,500
Accounts payable – other	22,280	56,817
Accrued expenses	357,230	316,669
Income taxes payable	809	801
Accrued consumption taxes	43,594	22,692
Advances received	678,529	790,266
Deposits received	99,762	99,711
Total current liabilities	25,965,907	35,453,802
Noncurrent liabilities		
Investment corporation bonds	20,000,000	20,000,000
Long-term loans payable	62,222,000	62,678,000
Lease and guarantee deposited in trust	6,386,240	7,045,564
Total noncurrent liabilities	88,608,240	89,723,564
Total liabilities	114,574,147	125,177,367
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital	102,010,939	112,966,437
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	105,244	105,244
Total voluntary retained earnings	105,244	105,244
Unappropriated retained earnings	2,122,849	2,432,207
Total surplus	2,228,093	2,537,451
Total unitholders' equity	104,239,033	115,503,888
Total net assets	104,239,033	115,503,888
Total liabilities and net assets	218,813,181	240,681,255

**(2) Statements of Income and Retained Earnings**

(Unit: thousands of yen)

	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)	Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)
Operating revenue		
Rent revenue of real estate	4,568,819	4,949,170
Other rent revenue of real estate	107,776	103,034
Total operating revenue	4,676,596	5,052,204
Operating expenses		
Expenses of real estate rent	1,257,009	1,358,705
Asset management fee	220,361	184,957
Directors' compensation	5,400	5,400
Asset custody fee	5,485	5,470
Administrative service fees	14,096	15,444
Other operating expenses	48,831	51,430
Total operating expenses	1,551,184	1,621,408
Operating income	3,125,411	3,430,796
Non-operating income		
Interest income	866	840
Exclusion gain of unpaid dividend	2,178	2,230
Income from settlement of management association accounts	-	607
Other	-	860
Total non-operating income	3,044	4,539
Non-operating expenses		
Interest expenses	553,240	532,111
Interest expenses on investment corporation bonds	188,041	168,407
Amortization of investment corporation bonds issuance cost	17,556	17,558
Borrowing expenses	243,935	243,582
Investment unit issuance cost	-	38,699
Other	1,855	1,840
Total non-operating expenses	1,004,628	1,002,199
Ordinary income	2,123,827	2,433,136
Income before income taxes	2,123,827	2,433,136
Income taxes - current	982	972
Income taxes - deferred	(4)	(0)
Total income taxes	977	972
Net income	2,122,849	2,432,164
Retained earnings brought forward	-	42
Unappropriated retained earnings	2,122,849	2,432,207

**(3) Statements of Unitholders' Equity**

(Unit: thousands of yen)

	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)	Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)
Unitholders' equity		
Unitholders' capital		
Balance at beginning of the period	102,010,939	102,010,939
Change during the period		
Issuance of new investment units	-	10,955,498
Total changes of items during the period	-	10,955,498
Balance at end of the period	102,010,939	112,966,437
Surplus		
Voluntary retained earnings		
Provision for reduction entry		
Balance at beginning of the period	-	105,244
Change during the period		
Provision of reserve for reduction entry	105,244	-
Total changes of items during the period	105,244	-
Balance at end of the period	105,244	105,244
Total voluntary retained earnings		
Balance at beginning of the period	-	105,244
Change during the period		
Provision of reserve for reduction entry	105,244	-
Total changes of items during the period	105,244	-
Balance at end of the period	105,244	105,244
Unappropriated retained earnings (undisposed loss)		
Balance at beginning of the period	2,119,468	2,122,849
Change during the period		
Provision of reserve for reduction entry	(105,244)	-
Dividends from surplus	(2,014,224)	(2,122,806)
Net income	2,122,849	2,432,164
Total changes of items during the period	3,381	309,357
Balance at end of the period	2,122,849	2,432,207
Total surplus		
Balance at beginning of the period	2,119,468	2,228,093
Change during the period		
Dividends from surplus	(2,014,224)	(2,122,806)
Net income	2,122,849	2,432,164
Total changes of items during the period	108,625	309,357
Balance at end of the period	2,228,093	2,537,451
Total unitholders' equity		
Balance at beginning of the period	104,130,407	104,239,033
Change during the period		
Issuance of new investment units	-	10,955,498
Dividends from surplus	(2,014,224)	(2,122,806)
Net income	2,122,849	2,432,164
Total changes of items during the period	108,625	11,264,855
Balance at end of the period	104,239,033	115,503,888
Total net assets		
Balance at beginning of the period	104,130,407	104,239,033
Change during the period		
Issuance of new investment units	-	10,955,498
Dividends from surplus	(2,014,224)	(2,122,806)
Net income	2,122,849	2,432,164
Total changes of items during the period	108,625	11,264,855
Balance at end of the period	104,239,033	115,503,888

**(4) Statements of Cash Distributions**

(Unit: yen)

Period	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)	Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)
I. Unappropriated retained earnings	2,122,849,651	2,432,207,002
II. Amount of dividends	2,122,806,880	2,432,130,240
[Amount of dividends per unit]	[9,169]	[9,552]
III. Retained earnings carried forward	42,771	76,762

**(5) Statements of Cash Flows**

(Unit: thousands of yen)

Account	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)	Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes	2,123,827	2,433,136
Depreciation and amortization	672,023	727,293
Amortization of investment corporation bonds issuance cost	17,556	17,558
Investment unit issuance cost	-	38,699
Interest income	(866)	(840)
Exclusion gain of unpaid dividend	(2,178)	(2,230)
Interest expenses	741,282	700,519
Decrease (increase) in operating accounts receivable	825	(447)
Decrease (increase) in consumption taxes refund receivable	(81,746)	(34,164)
Increase (decrease) in operating accounts payable	9,028	(10,709)
Increase (decrease) in accounts payable – other	(1,349)	(792)
Increase (decrease) in accrued expenses	(15,639)	(36,989)
Increase (decrease) in accrued consumption taxes	(70,872)	(20,902)
Increase (decrease) in advances received	(3,189)	111,736
Increase (decrease) in deposits received	(7,069)	9,267
Decrease (increase) in prepaid expenses	(29,211)	7,233
Decrease (increase) in long-term prepaid expenses	(13,316)	(28,122)
Other, net	140	(7,229)
Subtotal	3,339,245	3,903,014
Interest income received	866	840
Interest expenses paid	(787,361)	(704,090)
Income taxes paid	(894)	(979)
Net cash provided by (used in) operating activities	2,551,856	3,198,785
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	(47,706)	(15,415,551)
Purchase of intangible assets in trust	-	(4,826,500)
Repayments of lease and guarantee deposited in trust	(672,226)	(92,181)
Proceeds from lease and guarantee deposited in trust	109,323	742,187
Net cash provided by (used in) investing activities	(610,609)	(19,592,045)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	1,000,000	-
Decrease in short-term loans payable	(5,500,000)	(3,478,000)
Proceeds from long-term loans payable	17,500,000	13,478,000
Repayment of long-term loans payable	(13,062,500)	(62,500)
Proceeds from issuance of investment corporation bonds	6,963,659	4,969,110
Redemption of investment corporation bonds	(7,000,000)	(5,000,000)
Proceeds from issuance of investment unit	-	10,916,798
Cash dividends paid	(2,014,508)	(2,122,893)
Net cash provided by (used in) financing activities	(2,113,349)	18,700,516
Net increase (decrease) in cash and cash equivalents	(172,102)	2,307,256
Cash and cash equivalents at beginning of period	9,651,478	9,479,375
Cash and cash equivalents at end of period	9,479,375	11,786,631

**6. OVERVIEW OF LEASE CONDITIONS (as of July 31, 2013)**

Property no.	Property name	Leasing scheme	Total leasable floor area (m <sup>2</sup> )	Total leased floor area (m <sup>2</sup> )	Occupancy rate (%)	Total no. of end tenants	Gross rent income (annual rent) (millions of yen)	Deposits / Guarantees (millions of yen)
O-0	Roppongi Hills Mori Tower	Fixed master lease	8,993.45	8,993.45	100.0	1	1,207	1,006
O-1	ARK Mori Building	Fixed master lease	24,588.43	24,588.43	100.0	1	2,543	2,104
O-4	Koraku Mori Building	Pass-through master lease	16,197.45	15,804.27	97.6	17	1,213	1,201
O-6	Akasaka Tameike Tower	Fixed master lease	19,698.54	19,698.54	100.0	1	1,333	946
O-7	Atago Green Hills	Fixed master lease	29,667.58	29,667.58	100.0	1	2,223	1,482
R-1	Moto-Azabu Hills	Pass-through master lease	1,325.30	1,325.30	100.0	7	126	51
R-3	Roppongi First Plaza	Pass-through master lease	2,956.77	2,821.98	95.4	40	137	49
R-4	Roppongi View Tower	Fixed master lease	6,344.84	6,344.84	100.0	1	218	-
S-1	Laforet Harajuku (Land)	Business-use fixed-term land lease	2,565.06	2,565.06	100.0	1	1,293	-
Total portfolio			112,337.42	111,809.45	99.5	70	10,298	6,842

**7. STATUS OF INCOME AND EXPENDITURES (February 1, 2013 – July 31, 2013)**

(Unit: thousands of yen)

Property no.	O-0 Premium		O-1 Premium		O-4 Premium		O-6 Premium		O-7 Premium	
	Roppongi Hills Mori Tower		ARK Mori Building (Note 2)		Koraku Mori Building		Akasaka Tameike Tower		Atago Green Hills (Note 2)	
Fiscal period (Note 1)	Thirteenth	Fourteenth	Thirteenth	Fourteenth	Thirteenth	Fourteenth	Thirteenth	Fourteenth	Thirteenth	Fourteenth
Days of operations	184	181	184	181	184	181	184	181	184	181
Rent revenue of real estate	603,955	603,955	1,163,923	1,235,770	578,680	586,812	666,446	666,446	676,073	966,534
Other rent revenue of real estate	-	-	-	-	105,815	101,173	289	289	-	-
Total property operating revenue	603,955	603,955	1,163,923	1,235,770	684,495	687,986	666,735	666,735	676,073	966,534
Property management fees	1,200	1,200	4,800	5,600	67,638	66,156	3,000	3,000	1,620	2,316
Property taxes	40,336	41,157	70,723	70,574	31,560	31,499	43,441	43,008	-	21,419
Utilities	-	-	-	-	84,040	79,604	-	-	-	-
Maintenance and repairs	-	-	-	-	10,525	6,875	-	-	-	-
Insurance premium	1,088	945	1,985	1,873	2,198	1,910	2,578	2,237	2,772	3,447
Depreciation and amortization	98,872	99,022	120,274	123,776	128,979	128,760	173,230	174,612	119,958	170,035
Other lease business expenses	27	27	2,674	2,731	68,732	67,844	905	906	21,888	32,424
Total property operating expenses	141,525	142,352	200,457	204,556	393,675	382,651	223,157	223,764	146,239	229,642
NOI	561,302	560,624	1,083,740	1,154,990	419,799	434,094	616,809	617,583	649,792	906,927

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(Unit: thousands of yen)

Property no.	R-1 Premium		R-3 Premium		R-4		S-1 Premium	
	Moto-Azabu Hills		Roppongi First Plaza		Roppongi View Tower		Laforet Harajuku (Land)	
Fiscal period (Note 1)	Thirteenth	Fourteenth	Thirteenth	Fourteenth	Thirteenth	Fourteenth	Thirteenth	Fourteenth
Days of operations	184	181	184	181	184	181	184	181
Rent revenue of real estate	63,039	63,039	60,474	70,384	109,426	109,426	646,800	646,800
Other rent revenue of real estate	1,071	1,186	600	384	-	-	-	-
Total property operating revenue	64,110	64,226	61,074	70,769	109,426	109,426	646,800	646,800
Property management fees	8,852	9,905	13,083	11,836	3,738	3,738	-	-
Property taxes	2,069	2,063	6,954	6,972	10,755	10,769	54,958	57,708
Utilities	12	-	282	144	-	-	-	-
Maintenance and repairs	6,186	2,760	5,238	29,461	-	-	-	-
Insurance premium	158	137	321	278	415	361	-	-
Depreciation and amortization	6,395	6,412	10,757	11,118	13,055	13,055	-	-
Other lease business expenses	3,875	3,956	4,388	4,559	455	499	-	-
Total property operating expenses	27,550	25,235	41,025	64,371	28,419	28,422	54,958	57,708
NOI	42,955	45,403	30,805	17,516	94,062	94,058	591,842	589,092

## (Notes)

1. The thirteenth fiscal period was from August 1, 2012 to January 31, 2013.  
The fourteenth fiscal period was from February 1, 2013 to July 31, 2013.
2. Acquired on April 1, 2013.

Disclaimer:

This report contains translations of selected information described in the Financial Release (*Kessan-Tanshin*) dated September 13, 2013 prepared under the timely-disclosure requirements of the Tokyo Stock Exchange, and portions of the Financial Statements and the Performance Information Report for the fourteenth fiscal period from February 1, 2013 to July 31, 2013, of Mori Hills REIT Investment Corporation (“the Company”), prepared pursuant to the Law Concerning Investment Trusts and Investment Corporations of Japan.

This English language document was prepared solely for the convenience of and reference by investors and does not necessarily correspond to the original Japanese documents nor is it intended to constitute a disclosure document. The Japanese language *Kessan-Tanshin* and the Financial Statements and the Performance Information Report for the aforementioned should always be referred to as originals of this document.

English terms for Japanese legal, accounting, tax and business concepts used herein may not be precisely identical to the concepts of the equivalent Japanese terms. With respect to any and all terms herein, including without limitation, financial statements, if there exist any discrepancies in the meaning or interpretation thereof between the original Japanese documents and English statements contained herein, the original Japanese documents will always govern the meaning and interpretation.

None of the Company, Mori Building Investment Management Co., Ltd. (MIM) or any of their respective directors, officers, employees, partners, shareholders, agents or affiliates will be responsible or liable for the completeness, appropriateness or accuracy of English translations or the selection of the portion(s) of any document(s) translated into English. No person has been authorized to give any information or make any representations other than as contained in this document in relation to the matters set out in this document, and if given or made, such information or representation must not be relied upon as having been authorized by the Company, MIM or any of their respective directors, officers, employees, partners, shareholders, agents or affiliates.

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), including provisions set forth in the Investment Trust Act of Japan and the Financial Instruments and Exchange Act and related regulations, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards. The accompanying financial statements are a translation of the financial statements of the Company, which were prepared in accordance with Japanese GAAP and were presented in the Securities Report of the Company filed with the Kanto Local Finance Bureau of the Ministry of Finance. In preparing the accompanying financial statements, certain reclassifications have been made to the financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan.

Certain provisions of this document contain forward-looking statements and information. We base these statements on our beliefs as well as our assumptions based solely on certain limited information currently available to us. Because these statements reflect our current views concerning future events, these statements involve known and unknown risks, uncertainties and assumptions.

These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements, including without limitation: the general economy, market conditions, financial markets including the performance of the real estate market, interest rate fluctuations, competition with our properties, and the impact of changing regulations or taxation.

The forward-looking statements contained in this document express information only as of the date of release, September 13, 2013, and the Company does not undertake to update those forward-looking statements to reflect events or circumstances occurring after the date of this release.

The version posted on the website is the latest version. Accordingly, the content may vary depending on the timing of release.