

For Translation Purposes Only

Real Estate Investment Fund Issuer:  
Mori Hills REIT Investment Corporation  
(Securities Code: 3234)  
1-8-7 Roppongi, Minato-ku, Tokyo  
Hideyuki Isobe, Executive Director

Asset Manager:  
Mori Building Investment Management Co., Ltd.  
Hideyuki Isobe, President & CEO  
Inquiries: Yoshimi Nishibeppu  
General Manager, Administration Department  
TEL: +81-3-6234-3234

MHR Revises the Forecast for the Period Ending January 2015  
and Announces the Forecast for the Period Ending July 2015

Mori Hills REIT Investment Corporation (hereafter “MHR”) announced the following revision to financial results for the seventeenth fiscal period ending January 2015 (August 1, 2014 to January 31, 2015) and the forecast of financial results for the eighteenth fiscal period ending July 2015 (February 1, 2015 to July 31, 2015).

1. Revision to the Forecast of Financial Results for the Seventeenth Fiscal Period Ending January 2015

	Operating Revenue	Operating Income	Ordinary Income	Net Income	Dividend per Unit (excluding dividend in excess of earnings)	Dividend in Excess of Earnings per Unit
Previous forecast (A)	5,797 million yen	3,845 million yen	3,047 million yen	3,046 million yen	2,200 yen	0 yen
Revised forecast (B)	6,511 million yen	4,413 million yen	3,580 million yen	3,579 million yen	2,280 yen	0 yen
Difference (B) – (A)	713 million yen	568 million yen	532 million yen	532 million yen	80 yen	0 yen
Rate of increase/decrease	12.3%	14.8%	17.5%	17.5%	3.6%	0.0%

2. Forecast of Financial Results for the Eighteenth Fiscal Period Ending July 2015

	Operating Revenue	Operating Income	Ordinary Income	Net Income	Dividend per Unit (excluding dividend in excess of earnings)	Dividend in Excess of Earnings per Unit
Eighteenth fiscal period ending July 2015	6,500 million yen	4,417 million yen	3,674 million yen	3,673 million yen	2,340 yen	0 yen

Note:  
This document is a press release regarding the revision to the financial forecasts for the period ending January 2015 and forecast of financial results for the period ending July 2015, and has not been prepared as an inducement or invitation for investment.

(Reference)[Seventeenth Fiscal Period Ending January 2015]

Forecast number of investment units outstanding at end of period: 1,570,040 units

Forecast net income per unit: 2,280 yen

[Eighteenth Fiscal Period Ending July 2015]

Forecast number of investment units outstanding at end of period: 1,570,040 units

Forecast net income per unit: 2,340 yen

(Note) The forecast numbers of investment units outstanding at the end of the period are calculated as the sum of the 1,384,925 investment units outstanding as of today and 185,115 new investment units (176,300 investment units through a Japanese public offering and an international offering, and 8,815 investment units through a third-party allotment), with the assumption that the entire issuance resolved at MHR's Board of Directors Meeting held today is conducted.

### 3. Reason for the Revision and the Announcement of Forecast of Financial Results

MHR has resolved at its Board of Directors Meeting held today, to issue new investment units in order to procure funds for the acquisition of specified assets (assets described in Article 2 Paragraph 1 of the Act on Investment Trusts and Investment Corporations). As a result, the assumptions of forecasts of financial results for the fiscal period ending January 2015, stated in the press release "Financial Report for the Fifteenth Fiscal Period Ended January 31, 2014" dated March 14, 2014, have changed. Accordingly, MHR revised the forecasts of financial results and newly announced the forecast of financial results for the fiscal period ending July 2015.

(Notes)

1. The forecasts above have been calculated as of today based on the assumptions stated in the attachment, "Assumptions of Forecasts of Results for the Seventeenth Fiscal Period Ending January 2015 and the Eighteenth Fiscal Period Ending July 2015." Therefore, actual operating revenue, operating income, ordinary income, net income and dividend per unit may change due to factors such as the change in number and amount of the issuance of new investment units to be actually determined, future acquisition or transfer of real estate, changes in the real estate market and other changes in the situation surrounding MHR, etc. Therefore, the above forecasts do not guarantee actual performance, or dividend amount.
2. MHR may revise the forecast if it expects substantial discrepancies from the above forecasts.
3. Figures of less than one unit are rounded off. Figures are rounded off to the second decimal place. The same shall apply hereafter.

<Reference>

Forecast of Financial Results for the Sixteenth Fiscal Period Ending July 2014

	Operating Revenue	Operating Income	Ordinary Income	Net Income	Dividend per Unit (excluding dividend in excess of earnings)	Dividend in Excess of Earnings per Unit
Sixteenth fiscal period ending July 2014	5,785 million yen	3,840 million yen	2,964 million yen	2,963 million yen	2,140 yen	0 yen

(Note) The forecasts above have been calculated based on the assumptions stated in "Financial Report for the Fifteenth Fiscal Period ended January 2014: "Assumptions of Forecast of Results for the Sixteenth Fiscal Period Ending July 31, 2014 (February 1, 2014-July 31, 2014) and Seventeenth Fiscal Period Ending January 31, 2015 (August 1, 2014-January 31, 2015)" dated March 14, 2014. Therefore, actual operating revenue, operating income, ordinary income, net income and

Note:  
This document is a press release regarding the revision to the financial forecasts for the period ending January 2015 and forecast of financial results for the period ending July 2015, and has not been prepared as an inducement or invitation for investment.

dividend per unit may change. Furthermore, the above forecasts do not guarantee actual performance, or dividend amount. MHR may revise the forecast if it expects substantial discrepancies from the above forecasts.

- This press release was distributed to the Kabuto Club (the press club of the Tokyo Stock Exchange), the Ministry of Land, Infrastructure, Transport and Tourism Press Club, and the Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications.
- MHR's website address is <http://www.mori-hills-reit.co.jp/>

Note:  
This document is a press release regarding the revision to the financial forecasts for the period ending January 2015 and forecast of financial results for the period ending July 2015, and has not been prepared as an inducement or invitation for investment.

(Attachment)

**Assumptions of Forecasts of Results for the Seventeenth Fiscal Period Ending January 2015  
and the Eighteenth Fiscal Period Ending July 2015**

Item	Assumptions
Accounting Period	The Seventeenth Fiscal Period: August 1, 2014-January 31, 2015 (184 days) The Eighteenth Fiscal Period: February 1, 2015-July 31, 2015 (181 days)
Investment Portfolio	<ul style="list-style-type: none"><li>• In addition to the currently owned 9 properties, MHR plans additional acquisition of Roppongi Hills Mori Tower and new acquisition of ARK Hills South Tower (hereafter, “Assets to be Acquired”) on August 1, 2014. For details of the assets to be acquired, please refer to the press release “MHR Announces Asset Acquisitions and Lease (Roppongi Hills Mori Tower: Additional Acquisition and ARK Hills South Tower: New Acquisition)” separately announced today.</li><li>• MHR assumes that it will acquire the assets to be acquired on the planned acquisition date above, and there will be no change in the investment portfolio (acquisitions of new properties, transfers of existing properties) until the end the eighteenth fiscal period ending July 2015.</li><li>• In actual practice, however, the forecast is subject 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. effective as of today, taking into account the market environment, the trends of individual tenants and other factors.</li><li>• MHR assumes that there will be no delinquencies or unpaid rent by tenants.</li></ul>

Note:  
This document is a press release regarding the revision to the financial forecasts for the period ending January 2015 and forecast of financial results for the period ending July 2015, and has not been prepared as an inducement or invitation for investment.

Item	Assumptions
Operating Expenses	<ul style="list-style-type: none"> <li>• For expenses related to the of real estate leasing business, major operating expenses, 1,795 million yen is expected for the period ending January 2015, and 1,799 million yen is expected for the period ending July 2015. 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. of 385 million yen (for six months) and 420 million yen (for six months) are expected for the period ending January 2015 and the period ending July 2015, respectively. Furthermore, property taxes, city planning taxes, etc. associated with the assets to be acquired, will be calculated at the time of acquisition with the seller using a prorated adjusted amount; however, MHR shall incorporate these amounts into the cost of acquisitions and, thus, shall not recognize them as operating expenses for the fiscal period ending January 2015. Additionally, part of the property taxes, city planning taxes, etc. associated with these property acquisitions will be incorporated into the cost of acquisition, and 27 million yen (for three months) is expected to be recognized as operating expenses for the fiscal period ending July 2015.</li> <li>B) For building maintenance and repairs, MHR records the estimated required amount for the respective fiscal periods: (21 million yen for the period ending January 2015; 26 million yen for the period ending July 2015). However, please note the actual expenses for maintenance and repairs in the respective fiscal periods may differ materially from the estimated amounts due to various reasons. For example, an unforeseeable event may cause serious damage to a building 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 895 million yen in the period ending January 2015 and 861 million yen in the period ending July 2015.</li> <li>D) For property management fees, 268 million yen is expected for the period ending January 2015 and 273 million yen is expected for the period ending July 2015.</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.), 302 million yen is expected for the period ending January 2015 and 283 million yen is expected for the period ending July 2015.</li> </ul>

Note:  
This document is a press release regarding the revision to the financial forecasts for the period ending January 2015 and forecast of financial results for the period ending July 2015, and has not been prepared as an inducement or invitation for investment.

Item	Assumptions
Non-Operating Expenses	<ul style="list-style-type: none"> <li>• MHR expects to incur 435 million yen for the period ending January 2015 and 386 million yen for the period ending July 2015 in interest expenses, 139 million yen for the period ending January 2015 and 121 million yen for the period ending July 2015 in interest expenses on investment corporation bonds, and 212 million yen for the period ending January 2015 and 189 million yen for the period ending July 2015 in borrowing expenses.</li> <li>• MHR expects to incur 29 million yen for the period ending January 2015 and 29 million yen for the period ending July 2015 in the cost of issuance of new investment units resolved at the Board of Directors Meeting held today (hereafter, “Issuance of New Investment Units”).</li> </ul>
Interest-Bearing Debt	<ul style="list-style-type: none"> <li>• MHR’s balance of interest-bearing debt as of today is 126,200 million yen.</li> <li>• MHR assumes that it will newly borrow 7,000 million yen in August 2014 as part of funds for the acquisitions of the assets to be acquired described in the investment portfolio above.</li> <li>• The balance of loans payable outstanding as of today is 101,200 million yen. MHR assumes that the 31,700 million yen remaining of loans payable due by the end the period ending July 2015 is planned to be refinanced in the entire amount. In addition, MHR assumes the 2,000 million yen of short-term loans payable (due November 30, 2014) in the above new borrowings will be refinanced in the same amount.</li> <li>• Concerning the investment corporation bonds, MHR assumes that of the balance of 25,000 million yen as of today, 8,000 million yen due for repayment by the end of the fiscal period ending July 2015 will be redeemed through issuing new 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 issued and outstanding as of today was 1,384,925 units. MHR assumes that a total of 185,115 units (176,300 units additionally issued through a Japanese public offering and an international offering and 8,815 units additionally issued through third-party allotment), will all be issued. For details of the issuance of new investment units, please refer to the press release “MHR Announces Issuance of New Investment Units and Secondary Offering of Investment Units” separately announced today.</li> <li>• MHR assumes that there will be no additional issuance of investment units other than the above until the end of the fiscal period ending July 2015.</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 MHR 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>• MHR assumes at present that it will not make any cash distributions in excess of earnings (dividend in excess of earnings per unit).</li> </ul>

Note:  
This document is a press release regarding the revision to the financial forecasts for the period ending January 2015 and forecast of financial results for the period ending July 2015, and has not been prepared as an inducement or invitation for investment.

Item	Assumptions
Other	<ul style="list-style-type: none"> <li>• MHR assumes that there will be no amendments to laws and regulations, taxation systems, accounting standards, listing regulations, rules of the Investment Trusts Association, Japan etc. that would affect the above forecasts.</li> <li>• MHR assumes that there will be no unforeseeable material changes in general economic conditions, the real estate market, etc.</li> </ul>

Note:  
This document is a press release regarding the revision to the financial forecasts for the period ending January 2015 and forecast of financial results for the period ending July 2015, and has not been prepared as an inducement or invitation for investment.