

For Translation Purposes Only

Real Estate Investment Fund Issuer:
Mori Hills REIT Investment Corporation
(Securities Code: 3234)
1-12-32 Akasaka, Minato-ku, Tokyo
Hideyuki Isobe, Executive Director

Asset Manager:
Mori Building Investment Management Co., Ltd.
Hideyuki Isobe, President & CEO
Inquiries: Akira Nemoto
General Manager of Financial Department
TEL: +81-3-6234-3234

MHR Announces Forecast for the Fiscal Period Ending January 2022

Mori Hills REIT Investment Corporation (hereinafter “MHR”) announced the forecast of financial results for the thirty-first fiscal period ending January 2022 (August 1, 2021 to January 31, 2022) as follows.

1. Forecast of Financial Results for the Thirty-First Fiscal Period Ending January 2022

	Operating Revenue	Operating Income	Ordinary Income	Net Income	Dividend per Unit (excluding dividend in excess of earnings)	Dividend in Excess of Earnings per Unit
Thirty-first fiscal period ending January 2022	9,899 million yen	6,163 million yen	5,579 million yen	5,577 million yen	2,910 yen	- yen

<Reference>

Thirty-First Fiscal Period Ending January 2022

Forecast number of investment units issued and outstanding at end of period: 1,916,330 units

Forecast net income per unit: 2,910 yen

2. Reason for the Announcement of Forecast of Financial Results

MHR resolved at its board of directors' meeting held today to acquire the specified assets (assets described in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations) and renew the fixed master lease for part of floors at Roppongi Hills Mori Tower. As a result, MHR newly announces the forecast of financial results for the fiscal period ending January 2022.

(Notes)

1. The above forecast has been calculated as of today based on the assumptions stated in the attachment, "Assumptions for Forecast of Results for the Thirty-First Fiscal Period Ending January 2022." Therefore, actual operating revenue, operating income, ordinary income, net income, dividend per unit (excluding dividend in excess of earnings) and dividend in excess of earnings per unit may change due to factors such as change in the future acquisition or transfer of real estate, changes in the real estate market and other changes in circumstances, etc. regarding MHR. Therefore, the above forecasts do not guarantee actual performance or dividend amount.
2. MHR may revise the forecasts if it expects substantial discrepancies from the above forecasts.
3. Figures of less than one unit are rounded off and the percentage is rounded to the first decimal place. The same shall apply hereinafter.

<Reference>

Forecasts of Financial Results for the Twenty-Ninth Fiscal Period Ending January 2021 and Thirtieth Fiscal Period Ending July 2021

	Operating Revenue	Operating Income	Ordinary Income	Net Income	Dividend per Unit (excluding dividend in excess of earnings)	Dividend in Excess of Earnings per Unit
Twenty-ninth fiscal period ending January 2021	9,826 million yen	6,160 million yen	5,558 million yen	5,557 million yen	2,900 yen	- yen
Thirtieth fiscal period ending July 2021	9,874 million yen	6,170 million yen	5,577 million yen	5,576 million yen	2,910 yen	- yen

(Note) The above forecasts have been calculated based on the assumptions stated in "Financial Report for the Twenty-eighth Fiscal Period ended July 31, 2020" under "Assumptions of Forecasts of Results for the Twenty-Ninth Fiscal Period Ending January 31, 2021 (August 1, 2020 - January 31, 2021) and the Thirtieth Fiscal Period Ending July 31, 2021 (February 1, 2021 - July 31, 2021)" dated September 14, 2020. Therefore, actual operating revenue, operating income, ordinary income, net income, dividend per unit (excluding dividend in excess of earnings) and dividend in excess of earnings per unit may change. Furthermore, the above forecast does not guarantee actual performance or dividend amount. MHR may revise the forecast if it expects substantial discrepancies from the above forecast.

- MHR's website address is <https://www.mori-hills-reit.co.jp/en/>

(Attachment)

Assumptions for Forecast of Results for the Thirty-First Fiscal Period Ending January 2022

Item	Assumptions
Accounting Period	Thirty-First Fiscal Period: August 1, 2021 - January 31, 2022 (184 days)
Investment Portfolio	<ul style="list-style-type: none">• In addition to the currently owned 11 properties, MHR is planning the additional acquisition of a portion of Toranomom Hills Mori Tower (hereinafter, the “Asset to Be Acquired”) on August 2, 2021. For details of the acquisition of the Asset to Be Acquired, please refer to the press release “MHR Announces Acquisition of Trust Beneficiary Interest in Domestic Real Estate (Toranomom Hills Mori Tower: Additional Acquisition)” separately announced today.• MHR assumes that it will acquire the Asset to Be Acquired on the anticipated acquisition date above, and that there will be no change in the investment portfolio (such as acquisitions of new properties or transfers of existing properties) until the end of the thirtieth fiscal period ending January 2022.• In actual practice, however, the forecasts are subject to change in the investment portfolio and other factors.
Operating Revenue	<ul style="list-style-type: none">• Rent revenue of real estate is estimated based on lease agreements, etc. effective as of today, taking into account the market environment, trends among individual tenants and other factors.• For the properties owned, MHR is planning the renewal of the fixed master lease for part of floors at Roppongi Hills Mori Tower on August 1, 2021. For details, please refer to the press release “MHR Announces Transaction with a Related Party (Mori Building Co., Ltd.) (Roppongi Hills Mori Tower)” separately announced today.• MHR assumes that there will be no delinquencies or unpaid rent by tenants.

<p>Operating Expenses</p>	<ul style="list-style-type: none"> • For expenses related to the real estate leasing business, which are major operating expenses, is expected 3,420 million yen. Expenses other than those below are calculated by referring to historical figures and adjusted to reflect variable factors. A) For property taxes, city planning taxes, etc., 755 million yen (for six months) is expected for the fiscal periods ending January 2022. Therefore, the property taxes, city planning taxes, etc. associated with Asset to Be Acquired will be calculated at the time of acquisition with the seller using a prorated adjusted amount; however, MHR shall capitalize these amounts as part of the cost of the acquisition and, thus, shall not recognize them as operating expenses for the fiscal period ending January 2022. B) For building maintenance and repairs, MHR recorded the estimated required amount for the respective fiscal periods as 83 million yen. However, please note that 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. C) Depreciation and amortization, which are calculated using the straight-line method with future additional capital expenditures taken into account, are expected to be 1,085 million yen. D) For property management fees, is expected to be 1,176 million yen. • For operating expenses other than expenses related to the real estate leasing business (asset management fee, asset custody fee, administrative service fees, etc.), is expected to be 315 million yen.
<p>Non-Operating Expenses</p>	<ul style="list-style-type: none"> • MHR expects to incur 384 million yen in interest expenses, 46 million yen in interest expenses on investment corporation bonds, and 139 million yen in borrowing expenses. • MHR expects to incur 5 million yen in amortization of investment unit issuance expenses.
<p>Interest-Bearing Debt</p>	<ul style="list-style-type: none"> • MHR's balance of interest-bearing debt as of today is 184,422 million yen. • MHR assumes that it will newly borrow 7,870 million yen in August 2021 as part of the funds for the acquisition of the Asset to Be Acquired in the investment portfolio as described above. • The balance of loans payable outstanding as of today is 167,422 million yen. Of the balance, MHR assumes that 19,000 million yen of loans payable due for repayment by the end of the fiscal period ending January 2022 will be refinanced in the entire amount. • The balance of investment corporation bonds as of today is 17,000 million yen. Of the balance, MHR assumes that 2,000 million yen due for redemption by the end of the fiscal period ending January 2022 will be redeemed with issuance of the same amount of investment corporation bonds.

Issuance of Investment Units	<ul style="list-style-type: none"> The number of investment units issued and outstanding as of today is 1,916,330 units. MHR assumes that there will be no additional issuance of investment units until the end of the fiscal period ending January 2022.
Dividend per Unit (excluding dividend in excess of earnings)	<ul style="list-style-type: none"> 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. 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. Dividends per unit are calculated based on the assumption that changes will not arise in deferred losses on hedges, which is an item of deduction from net assets (as defined in Article 2, Paragraph 2, Item 30 (b) of the Ordinance on Accountings of Investment Corporations) arising from interest rate swap transactions.
Dividend in Excess of Earnings per Unit	<ul style="list-style-type: none"> As dividends in excess of earnings per unit are calculated based on the assumption that changes will not arise in fair value from interest rate swap transactions, MHR does not plan to make distributions in excess of earnings (allowance for temporary difference adjustments). Of dividends in excess of earnings, none falling under the category of distributions accompanying decrease in capital, etc. under tax law is planned at this point in time.
Other	<ul style="list-style-type: none"> 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. MHR assumes that there will be no unforeseeable material changes in general economic conditions, the real estate market, etc.