

**For Translation Purposes Only**

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**MHR Revises Forecast for the Fiscal Period Ending January 2021  
and Announces Forecast for the Fiscal Period Ending July 2021**

Mori Hills REIT Investment Corporation (hereafter “MHR”) has revised its forecast of financial results for the twenty-ninth fiscal period ending January 2021 (August 1, 2020 to January 31, 2021) disclosed as of March 13, 2020, and announces its new forecast of financial results for the thirtieth fiscal period ending July 2021 (February 1, 2021 to July 31, 2021) as follows.

1. Revision of Forecast of Financial Results for the Twenty-Ninth Fiscal Period Ending January 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
Previous forecast (A)	9,645 million yen	6,029 million yen	5,439 million yen	5,437 million yen	2,900 yen	- yen
Revised forecast (B)	9,824 million yen	6,162 million yen	5,560 million yen	5,559 million yen	2,900 yen	- yen
Difference (B)–(A)	179 million yen	132 million yen	121 million yen	121 million yen	- yen	- yen
Rate of increase/decrease	1.9%	2.2%	2.2%	2.2%	- %	- %

Note:

This document is a press release regarding the revision of financial forecasts for the fiscal period ending January 2021 and forecast of financial results for the fiscal period ending July 2021, and has not been prepared as an inducement or invitation for investment. We caution readers to refer to MHR’s Prospectus for the Issuance of New Investment Units and Secondary Offering of Investment Units and the Notices of Amendments thereto, and to undertake any investment decision at their own judgment and responsibility.

## 2. Forecast of Financial Results for the 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
Thirtieth fiscal period ending July 2021	9,877 million yen	6,170 million yen	5,577 million yen	5,576 million yen	2,910 yen	- yen

### <Reference>

#### Twenty-Ninth Fiscal Period Ending January 2021

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

Forecast net income per unit: 2,900 yen

#### Thirtieth Fiscal Period Ending July 2021

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

Forecast net income per unit: 2,910 yen

(Note) The forecast number of investment units issued and outstanding at the end of the fiscal period is calculated as the sum of the 1,874,960 investment units issued and outstanding as of today and the 41,370 investment units (39,400 investment units issued through public offering and 1,970 investment units issued through third-party allotment) to be issued as resolved at MHR's board of directors' meeting held today under the assumption the issuance takes place in its entirety.

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

MHR resolved at its board of directors' meeting held today to issue new investment units in order to procure funds for a part of the acquisition of specified assets (assets described in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations) and acquisition costs. As a result, the assumptions for the forecast of financial results for the fiscal period ending January 2021 stated in the press release "Financial Report for the Twenty-seventh Fiscal Period Ended January 31, 2020" dated March 13, 2020, have been revised accordingly, and MHR newly announces the forecast of financial results for the fiscal period ending July 2021.

### (Notes)

1. The above forecasts have been calculated as of today based on the assumptions stated in the attachment, "Assumptions for Forecasts of Results for the Twenty-Ninth Fiscal Period Ending January 2021 and the Thirtieth Fiscal Period Ending July 2021." 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 number and amount of new investment units that MHR will actually decide to issue, 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 hereafter.

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<Reference>

Forecast of Financial Results for the Twenty-Eighth Fiscal Period Ending July 2020

	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-eighth fiscal period ending July 2020	9,621 million yen	6,015 million yen	5,420 million yen	5,419 million yen	2,890 yen	- yen

(Note) The above forecast has been calculated based on the assumptions stated in “Financial Report for the Twenty-seventh Fiscal Period ended January 31, 2020” under “Forecasts of Results for the Twenty-eighth Fiscal Period Ending July 31, 2020 (February 1, 2020 - July 31, 2020) and Twenty-ninth Fiscal Period Ending January 31, 2021 (August 1, 2020 - January 31, 2021)” dated March 13, 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/>

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(Attachment)

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

Item	Assumptions
Accounting Period	Twenty-Ninth Fiscal Period: August 1, 2020 - January 31, 2021 (184 days) Thirtieth Fiscal Period: February 1, 2021 - July 31, 2021 (181 days)
Investment Portfolio	<ul style="list-style-type: none"><li>• In addition to the currently owned 11 properties, MHR is planning the additional acquisition of a portion of Toranomom Hills Mori Tower (hereafter, the “Asset to Be Acquired”) on September 1, 2020. 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.</li><li>• 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 July 2021.</li><li>• In actual practice, however, the forecasts are subject to change 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, trends among individual tenants and other factors.</li><li>• MHR assumes that there will be no delinquencies or unpaid rent by tenants.</li></ul>

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<p>Operating Expenses</p>	<ul style="list-style-type: none"> <li>• For expenses related to the real estate leasing business, which are major operating expenses, 3,342 million yen is expected for the fiscal period ending January 2021, and 3,398 million yen is expected for the fiscal period ending July 2021. 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., 736 million yen (for six months) and 768 million yen (for six months) are expected for the fiscal periods ending January 2021 and July 2021, respectively. Furthermore, property taxes, city planning taxes, etc. associated with the acquisition of the 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 2021. Additionally, part of the property taxes, city planning taxes, etc. associated with this property acquisition will be incorporated into the cost of acquisition, and 10 million yen (for three months) is expected to be recognized as operating expenses for the fiscal period ending July 2021.</li> <li>B) For building maintenance and repairs, MHR recorded the estimated required amount for the respective fiscal periods as 80 million yen for the fiscal period ending January 2021 and 80 million yen for the fiscal period ending July 2021. 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.</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 1,062 million yen in the fiscal period ending January 2021 and 1,087 million yen in the fiscal period ending July 2021.</li> <li>D) For property management fees, 1,175 million yen is expected for the fiscal period ending January 2021 and 1,163 million yen is expected for the fiscal period ending July 2021.</li> </ul> </li> <li>• For operating expenses other than expenses related to the real estate leasing business (asset management fee, asset custody fee, administrative service fees, etc.), 319 million yen is expected for the fiscal period ending January 2021 and 308 million yen is expected for the fiscal period ending July 2021.</li> </ul>
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<p>Non-Operating Expenses</p>	<ul style="list-style-type: none"> <li>• MHR expects to incur 385 million yen for the fiscal period ending January 2021 and 383 million yen for the fiscal period ending July 2021 in interest expenses; 50 million yen for the fiscal period ending January 2021 and 49 million yen for the fiscal period ending July 2021 in interest expenses on investment corporation bonds; and 144 million yen for the fiscal period ending January 2021 and 138 million yen for the fiscal period ending July 2021 in borrowing expenses.</li> <li>• MHR expects to incur 12 million yen for the fiscal period ending January 2021 and 12 million yen for the fiscal period ending July 2021 in amortization of investment unit issuance expenses including the issuance of new investment units resolved at the board of directors' meeting held today (hereafter, "Issuance of New Investment Units").</li> </ul>
<p>Interest-Bearing Debt</p>	<ul style="list-style-type: none"> <li>• MHR's balance of interest-bearing debt as of today is 179,222 million yen.</li> <li>• MHR assumes that it will newly borrow 5,200 million yen in August 2020 as part of the funds for the acquisitions of the Asset to Be Acquired in the investment portfolio as described above.</li> <li>• The balance of loans payable outstanding as of today is 162,222 million yen. Of the balance, MHR assumes that 12,500 million yen of loans payable due for repayment by the end of the fiscal period ending July 2021 will be refinanced in the entire amount.</li> <li>• The balance of investment corporation bonds as of today is 17,000 million yen. Of the balance, MHR assumes that 5,500 million yen due for redemption by the end of the fiscal period ending July 2021 will be redeemed with issuance of the same amount of investment corporation bonds.</li> </ul>
<p>Issuance of Investment Units</p>	<ul style="list-style-type: none"> <li>• The number of investment units issued and outstanding as of today is 1,874,960 units. MHR assumes that a total of 41,370 units (39,400 units additionally issued through public offering and an upper limit of 1,970 units additionally issued through third-party allotment) will 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 2021.</li> </ul>

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<p>Dividend per Unit (excluding dividend in excess of earnings)</p>	<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> <li>• 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.</li> </ul>
<p>Dividend in Excess of Earnings per Unit</p>	<ul style="list-style-type: none"> <li>• 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) for the fiscal periods ending January 31, 2021, and July 31, 2021.</li> <li>• 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.</li> </ul>
<p>Other</p>	<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>

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