



HILLS REIT

MORI HILLS REIT INVESTMENT CORPORATION (CODE:3234)

Results of 6th Fiscal Period (Ended Jul. 31, 2009)



MORI HILLS REIT INVESTMENT CORPORATION

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

Mori Building Investment Management Co.,Ltd.

<http://www.morifund.co.jp/english/>

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1-1 6th period financial highlights

Financial summary and projections



(Amount: mn yen)

		Actual			Forecast	
		5th period (Aug. 1, 2008 - Jan. 31, 2009)	6th period (Feb. 1, 2009 - Jul. 31, 2009)	6th - 5th period	7th period (Aug. 1, 2009 - Jul. 31, 2010)	7th - 6th period
Days of operation		184 days	181 days		181 days	
Operating revenue	Rent revenue-real estate	5,549	5,789	239	5,504	▲ 284
	Other lease business revenue					
	Gain on sales of real estate properties	151	—	▲ 151	—	—
Operating income		3,062	3,004	▲ 58	2,728	▲ 275
Net income		2,179	2,026	▲ 153	1,639	▲ 386
Dividend per unit (yen)		13,688(Note)	12,726	▲962(Note)	10,300	▲ 2,426
Average occupancy rate		96.5%	95.0%		91.8%	
No. of properties		10 properties	10 properties		10 properties	
Total acquisition price		201,654	201,654		201,654	
Total debt		114,000	114,000		113,950	
Unitholders' capital		87,371	87,371		87,371	
LTV		53.5%	53.6%		53.6%	
No. of outstanding units		159,200	159,200		159,200	
Total assets		212,964	212,860		212,424	

(Note) Sale of 1 residential unit at Moto-azabu Hills in the 5th period led to JPY952 profit on sale of property per unit (based on the # of units issued as of end of 5th period)

Management highlights

Prioritized sustaining occupancy rate in the midst of weak economic conditions and accomplished effective cost saving

- 6th Period The revenue from the properties acquired in the previous period fully contributed throughout the period; and occupancy levels of MHR offices and residentials remained high
- 7th Period Focus on defensive property management due to declining occupancy and rent levels becoming evident

Financial strategy

Successful refinancing amid continued severe financial conditions

- 6th Period Successful refinancing in Mar 2009, (JPY10bn), DBJ participated as a new lender
- 7th Period Successful refinancing in Aug 2009 (JPY7bn)
Scheduled refinancing for Nov 2009 (JPY27.94bn), Bank of Fukuoka to participate as a new lender

6th period financial highlights

Financial summary 【Revenue breakdown】

	(Amount: mn yen)				
	Actual		Difference		
	5th period	6th period	6th - 5th period		
Days of operation	184 days	181 days			
Operating revenue	5,701	5,789	87	1.5%	
Rent revenue-real estate	5,015	5,217	202	4.0%	Akasaka Tameike Tower Full period operation +220
Rents incl. CAM fees	4,961	5,161	200	4.0%	Ark Mori Building (path-through) Full period operation +35
Office	3,475	3,759	283	8.2%	Kouraku Mori Building +34
Residential	1,307	1,224	▲ 82	▲ 6.3%	Roppongi First Building ▲6
Commercial	178	177	▲ 0	▲ 0.4%	
Other rent revenue	54	56	1	3.6%	
Other lease business revenue	534	571	37	7.0%	Ark Forest Terrace ▲15
Gain on sales of real estate properties	151	–	▲ 151	▲ 100.0%	Roppongi Hills Gate Tower ▲17
Operating expenses	2,638	2,784	146	5.5%	Moto-Azabu Hills ▲47
Expenses related to rent business	2,251	2,367	115	5.1%	Electricity +34
Profit on real estate rental business	3,298	3,421	123	3.7%	Revenue from parking fee +7
Depreciation expense	706	740	33	4.8%	Revenue from after-hours Heating/cooling usage, etc. ▲6
NOI ^(Note 1)	4,004	4,162	157	3.9%	PM fee ▲12
NOI (annualized) /real estate acquisition price	4.2% (Note 2)	4.2%	0	0.0%	Real estate taxes and public charges +24
SG&A	386	417	30	7.8%	Depreciation expenses +33
Operating income	3,062	3,004	▲ 58	▲ 1.9%	Building management fee +34
Non-operating income	16	15	▲ 0	▲ 5.1%	Repair charges +37
Non-operating expenses	899	992	93	10.4%	Acquisition in the 5th period
Interest expenses	750	846	96	12.8%	Increase in AM fee +69
Other non-operating expenses	148	146	▲ 2	▲ 1.6%	Change in AM fee tariff ▲34
Non-operating income/expenses	▲ 882	▲ 977	▲ 94	10.7%	Loans related to acquisition in the 5th period
Ordinary income	2,179	2,027	▲ 152	▲ 7.0%	Impact adjusted to the full period +44
Income before income taxes	2,179	2,027	▲ 152	▲ 7.0%	
Corporate income, inhabitant and business taxes	0	1	0	19.8%	Loans handling commission ▲20
Net income	2,179	2,026	▲ 153	▲ 7.0%	Expenses related to the capital increase in the 5th period +17
Dividend per unit (yen)	13,688	12,726	▲ 962	▲ 7.0%	
Real estate acquisition price	201,654	201,654	0	0.0%	

(Note 1) Calculated as [NOI=Rent revenue-real estate + Other lease business revenue – Expenses related to rent business + Depreciation] Does not include the profit on the sale of real estate associated with the partial transfer of Moto-Azabu Hills. The same shall apply hereinafter.

(Note 2) NOI yield taking into account the operation duration of newly acquired properties. The same shall apply hereinafter.

6th period financial highlights

Comparison between projections and results

(Amount: mn yen)

	6th period			
	Plan 181 days	Actual 181 days	Comparison between projections and results	
Operating revenue	5,830	5,789	▲ 41	▲0.7%
Rent revenue-real estate	5,256	5,217	▲ 38	▲0.7%
Rents incl. CAM fees	5,200	5,161	▲ 39	▲0.8%
Office	3,760	3,759	▲ 1	0.0%
Residential	1,262	1,224	▲ 38	▲3.0%
Commercial	177	177	▲0	▲0.1%
Other rent revenue	56	56	0	0.7%
Other lease business revenue	574	571	▲ 2	▲0.5%
Gain on sales of real estate properties	-	-	-	-
Operating expenses	2,849	2,784	▲ 65	▲2.3%
Expenses related to rent business	2,428	2,367	▲ 60	▲2.5%
Profit on real estate rental business	3,402	3,421	18	0.5%
Depreciation expense	756	740	▲ 15	▲2.1%
NOI	4,159	4,162	2	0.1%
NOI (annualized) /real estate acquisition price	4.2%	4.2%	0	0.1%
SG&A	421	417	▲ 4	▲1.1%
Operating income	2,980	3,004	23	0.8%
Non-operating income	11	15	3	29.4%
Non-operating expenses	1,017	992	▲ 24	▲2.4%
Interest expenses	873	846	▲ 26	▲3.1%
Other non-operating expenses	144	146	2	1.5%
Non-operating income/expenses	▲ 1,005	▲ 977	28	▲2.8%
Ordinary income	1,975	2,027	51	2.6%
Income before income taxes	1,975	2,027	51	2.6%
Corporate income, inhabitant and business taxes	1	1	▲0	▲8.1%
Net income	1,974	2,026	51	2.6%
Dividend per unit (yen)	12,400	12,726	326	2.6%
Real estate acquisition price	201,654	201,654	0	0.0%

Roppongi First Plaza	▲5
Roppongi Hills Gate Tower	▲10
Moto-Azabu Hills	▲18

Depreciation expenses	▲15
Electricity	▲8
Real estate taxes and public charges	▲8
Repair charges	▲7
Leasing fees	▲6

Increase in interest rate	▲26
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(Note) "Planned profit and loss for 6th period" was released in 5th period and disclosed as an amendment to the expected dividend per unit (12,600 yen) as of Jul 14, 2009.

1-4

6th period financial highlights

Projection 【Revenue breakdown】



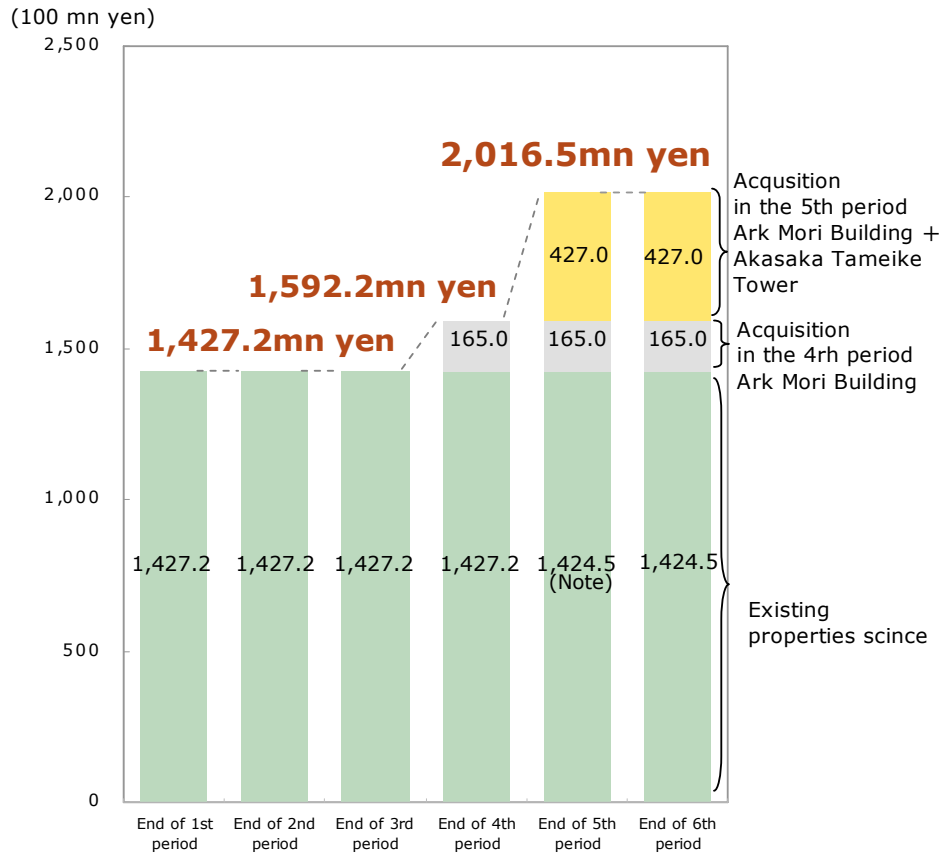
(Amount: mn yen)

	Actual	Forecast	Difference		
	6th period	7th period	7th - 6th period		
Days of operation	181 days	184 days			
Operating revenue	5,789	5,504	▲ 284	▲ 4.9%	Akasaka Tameike Tower +17
Rent revenue-real estate	5,217	4,952	▲ 265	▲ 5.1%	Ark Mori Building (pass-through) ▲28
Rents incl. CAM fees	5,161	4,896	▲ 264	▲ 5.1%	Roppongi First Building ▲85
Office	3,759	3,569	▲ 189	▲ 5.0%	Kouraku Mori Building ▲93
Residential	1,224	1,149	▲ 75	▲ 6.1%	Roppongi First Plaza ▲6
Commercial	177	177	0	0.1%	Roppongi Hills Gate Tower ▲11
Other rent revenue	56	55	▲0	▲ 1.0%	Ark Forest Terrace ▲18
Other lease business revenue	571	552	▲ 19	▲ 3.4%	Moto-Azabu Hills ▲39
Gain on sales of real estate properties	—	—	—	—	Revenue from after-hours heating/cooling usage, etc. +19
Operating expenses	2,784	2,775	▲ 8	▲ 0.3%	Cleaning fee ▲5
Expenses related to rent business	2,367	2,333	▲ 34	▲ 1.5%	Cancellation penalty ▲7
Profit on real estate rental business	3,421	3,171	▲ 250	▲ 7.3%	Electricity ▲26
Depreciation expense	740	712	▲ 27	▲ 3.7%	Electricity ▲22
NOI	4,162	3,884	▲ 277	▲ 6.7%	PM fee ▲19
NOI (annualized) /real estate acquisition price	4.2%	3.8%	▲0.3	▲ 8.2%	Revenue from after-hours heating/cooling usage, etc. +8
SG&A	417	442	25	6.1%	Rent +9
Operating income	3,004	2,728	▲ 275	▲ 9.2%	Real estate taxes and public charges +24
Non-operating income	15	6	▲ 8	▲ 55.3%	Roppongi First Building (End of amortization of ventilating installation, etc.) ▲21
Non-operating expenses	992	1,094	102	10.3%	General meeting of unitholders (related cost) +10
Interest expenses	846	892	46	5.5%	
Other non-operating expenses	146	202	55	38.2%	Loan handling commission for refinancing +50
Non-operating income/expenses	▲ 977	▲ 1,087	▲ 110	11.3%	
Ordinary income	2,027	1,640	▲ 386	▲ 19.1%	
Income before income taxes	2,027	1,640	▲ 386	▲ 19.1%	
Corporate income, inhabitant and business taxes	1	1	0	8.8%	
Net income	2,026	1,639	▲ 386	▲ 19.1%	
Dividend per unit (yen)	12,726	10,300	▲ 2,426	▲ 19.1%	
Real estate acquisition price	201,654	201,654	0	0.0%	

2-1 Management highlights

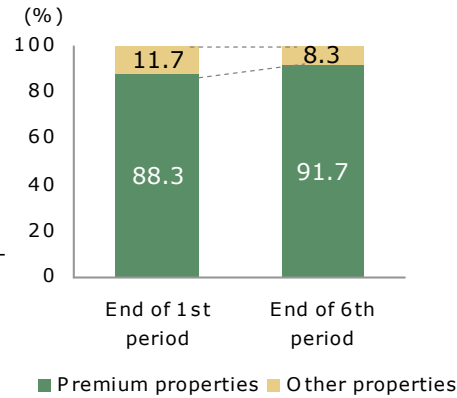
Strengthening of MHR's portfolio

Change in assets under management

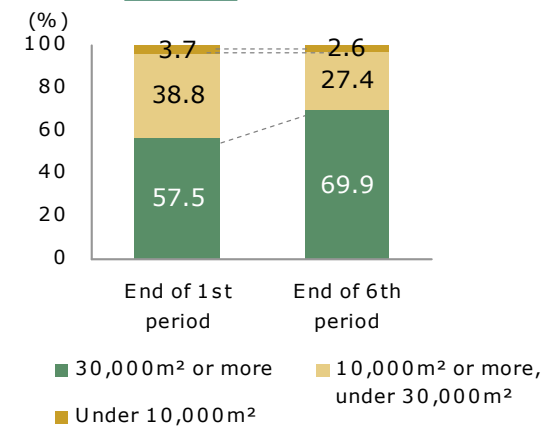


(Note) MHR sold one residential unit in the 5th period.

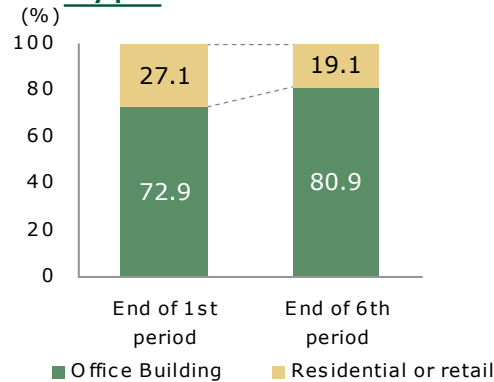
Quality



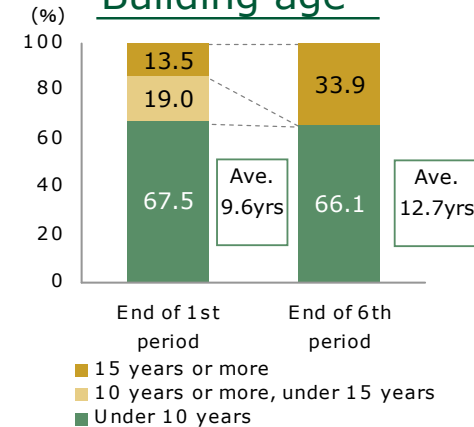
Scale



Type



Building age



(Note 1) The ratios represent proportions of Acquisition price to Total acquisition price. Figures are rounded up to one digit below decimal point

(Note 2) Prime core properties are defined as properties located in prime areas (Tokyo's Central 5 wards and its surrounding areas) that enable Mori Building Group to demonstrate its brand/marketing strength and facilities management capabilities based on the outstanding quality, size, and specification which are expected to maintain their competitive strength over a long time

Amendment of the rules on transactions with stakeholders

The condition of **"Cap on acquisition price for property acquisition from stakeholders"** in the rules on transactions with stakeholders was amended (May 27, 2009)

Before: 110% of appraised value

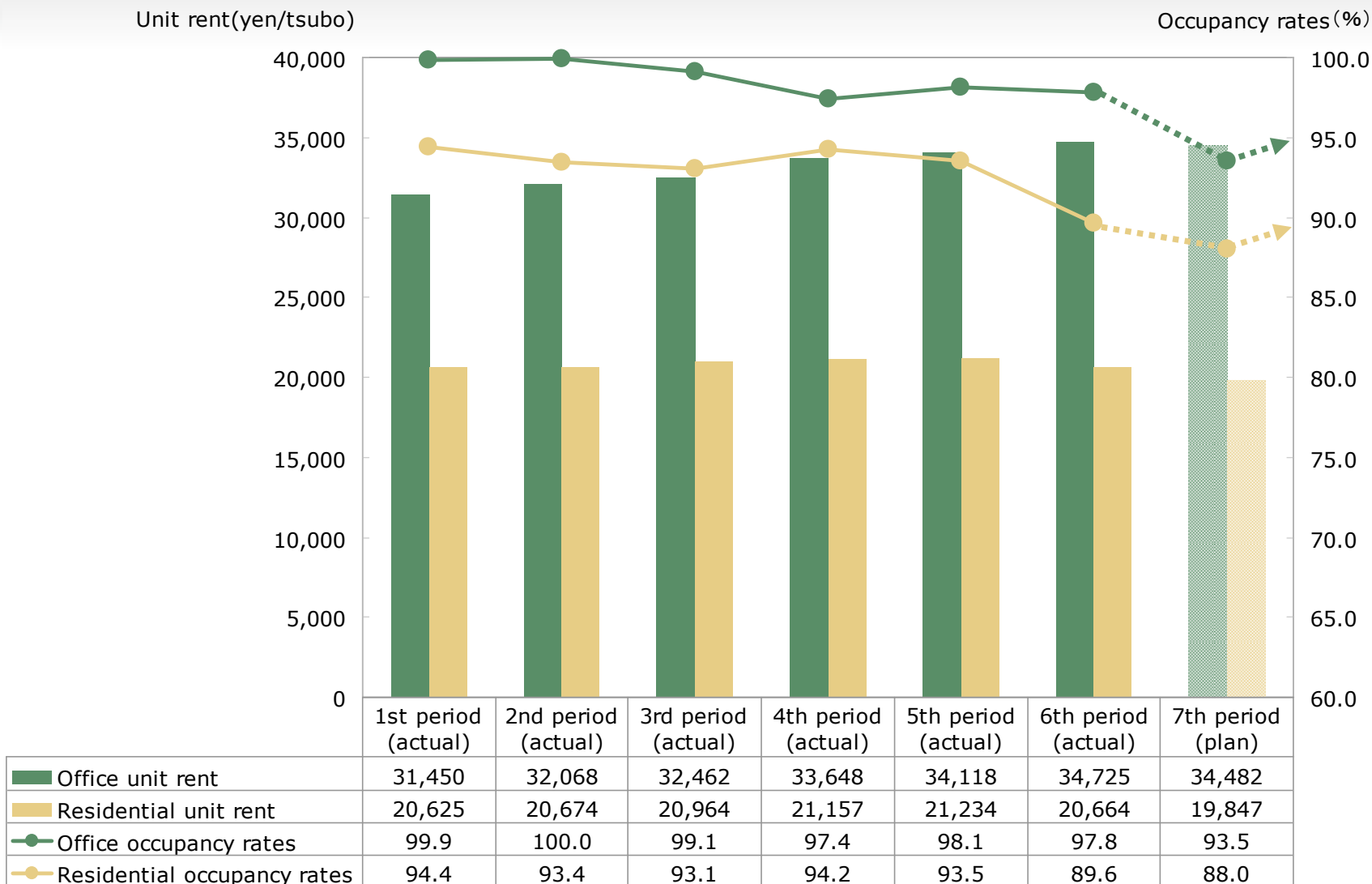


After: Appraised value

(However, 110% of Appraised value permitted if supported by reasonable justification)

2-2 Management highlights

Changes in the rent per tsubo and occupancy rates of the REIT



7th Period (Plan) Declining occupancy rates expected but plan assumes occupancy of office and residential property will recover after the 8th Period. Meanwhile, MHR will focus on defensive property management by sustaining occupancy

(Note1) The definitions of the Office and Residential categories used in these materials differ from those used in discussions of operating rates on Mori Hills REIT Investment Corporation’s website (<http://www.mori-hills-reit.co.jp/eng/cms/operate.html>). In these materials, Office and Residential figures are compiled using individual figures for all office and residential properties in which Mori Hills REIT Investment Corporation has invested. Figures on Mori Hills REIT Investment Corporation’s website are defined as per Portfolio Overview (page 42)

(Note 2) The above rents and occupancy rates indicate the average rent and the average occupancy rate during relevant periods

2-3 Management highlights

Tenant leasing overview (as of time this material was made)

Result of rent revision

(million yen)

		No. of tenants	Monthly rent prior to rent change	Monthly rent after rent change	Increase/decrease in monthly rent	Rate of revision
Rent revision completed	2nd period	7 tenants	62.9	69.1	6.2	9.9
	3rd period	6 tenants	70.8	81.3	10.5	14.8
	4th period	7 tenants	102.5	110.9	8.4	8.2
	5th period	12 tenants	78.0	87.1	9.0	11.6
	6th period	14 tenants	162.4	170.1	7.7	4.7
	7th period	5 tenants	37.1	35.5	-1.6	-4.4
	8th period	1 tenants	1.3	1.0	-0.3	-22.5
	Tenants facing rent revision	6th period	1 tenant	8.2	-	-
	7th period	6 tenants	79.6	-	-	-10~-20 (Note 2)
	8th period	11 tenants	78.7	-	-	-10~-20 (Note 2)

Increase of approx. 4.7% in the 6th period

- 6th Period: achieving approximately 4.7% (average) rent increase
- Decline in rental level expected from the 7th Period due to occupancy-sustaining leasing strategies by implementing measures to keep tenants
- Of the scheduled rent renewals in the 7th and 8th Period (term/ordinary leasing), 20.4% are at market rent levels

(Note1) Based on rental revision situation when this material was drafted

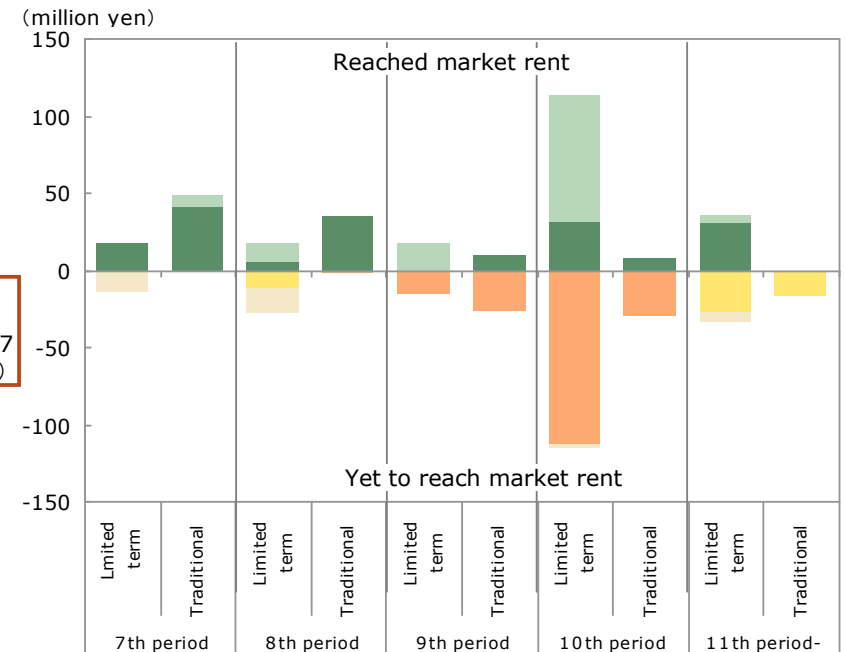
(Note 2) For tenants with ongoing negotiations, the rate changes are based on estimates by asset manager

Difference in current office rent and market rent

(million yen)

		Reached market rent		Yet to reach market rent			Total
		~+10%	+10%~0%	0%~-10%	-10%~-20%	-20%~	
7th period	Limited term	0	17.0	0	0	13.3	30.3
	Traditional	8.0	41.2	0	0	0	49.2
8th period	Limited term	12.8	5.0	0	11.8	15.0	44.6
	Traditional	0	35.0	2.1	0	0	37.1
9th period	Limited term	17.4	0	14.6	0	0	31.9
	Traditional	0	10.8	26.5	0	0	37.3
10th period	Limited term	82.1	32.2	113.2	0	2.2	229.8
	Traditional	0	8.2	29.6	0	0	37.9
11th period-	Limited term	4.4	31.3	0.9	26.2	5.9	68.8
	Traditional	0	0	0	16.8	0	16.8
Total		124.8	180.7	187.0	54.8	36.5	583.7
Ratio		21.4%	31.0%	32.0%	9.4%	6.2%	
		52.3%		47.7%			

Approx. 20.4% of Total (583.7 million yen)



(Note1) Figures in the charts are based on data that show rent by Month/Period which reflects the situation of tenants at that particular time including move in/out and rent revision that are classified by % divergence from market rent levels

(Note2) Market rents are determined by the asset manager based on the capitalized value used for appraisal of properties at the end of the 6th Period as appears in the appraisal report

2-4 Management highlights

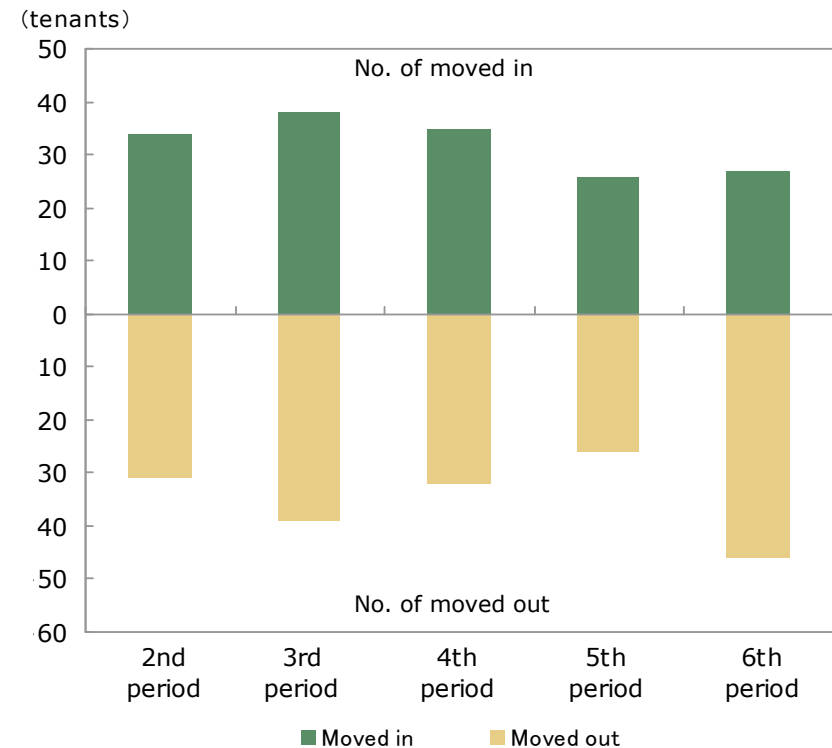
Residential leasing overview (As of Jul. 31, 2009)



Rent revision - residential

		Moved in	Moved out	Difference
2nd period	Number of tenants	34	31	3
	Average rent (yen/tsubo month)	25,776	24,639	1,137
3rd period	Number of tenants	38	39	-1
	Average rent (yen/tsubo month)	24,210	23,639	571
4th period	Number of tenants	35	32	3
	Average rent (yen/tsubo month)	24,885	23,648	1,237
5th period	Number of tenants	26	26	0
	Average rent (yen/tsubo month)	24,607	25,466	-859
6th period	Number of tenants	28	46	-18
	Average rent (yen/tsubo month)	20,183	23,223	-3,040

Change in moved in and moved out



Number of new tenants remained as high as in the previous Period although tenant move-outs increased reflecting the weak economic conditions

2-5 Management highlights

Tenant status (As of Jul. 31, 2009)

Classification of office tenants

		5th period		6th period		Difference	
		Monthly rent (mn yen)	Ratio (%)	Monthly rent (mn yen)	Ratio (%)	6th-5th (mn yen)	Change (%)
Manufacturing	Domestic companies	74	11.9	75	12.1	1	1.4
	Foreign affiliated companies	146	23.4	143	23.0	-3	-2.1
Non-manufacturing	Domestic companies	121	19.4	124	20.0	3	2.5
	Foreign affiliated companies	89	14.3	85	13.6	-4	-4.5
Financial institution	Domestic companies	23	3.6	23	3.6	0	0.0
	Foreign affiliated companies	34	5.5	35	5.6	1	2.9
Public institution	Domestic companies	137	21.9	137	22.1	0	0.0
	Foreign affiliated companies	0	0	0	0	0	0.0
Total		624	100	622	100	-2	-0.3

		5th period		6th period		Difference	
		Tenants (No. of tenants)	Ratio (%)	Tenants (No. of tenants)	Ratio (%)	6th-5th (No. of tenants)	Change (%)
Manufacturing	Domestic companies	2	4.2	2	4.3	0	0.0
	Foreign affiliated companies	10	20.8	10	21.3	0	0.0
Non-manufacturing	Domestic companies	15	31.3	15	31.9	0	0.0
	Foreign affiliated companies	7	14.6	6	12.8	-1	-14.3
Financial institution	Domestic companies	4	8.3	4	8.5	0	0.0
	Foreign affiliated companies	7	14.6	7	14.9	0	0.0
Public institution	Domestic companies	3	6.3	3	6.4	0	0.0
	Foreign affiliated companies	0	0	0	0	0	0.0
Total		48	100	47	100	-1	-2.1

Classification of residential tenants

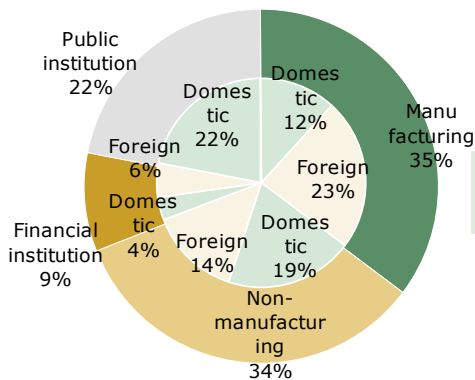
		5th period		6th period		Difference	
		Monthly rent (mn yen)	Ratio (%)	Monthly rent (mn yen)	Ratio (%)	6th-5th (mn yen)	Change (%)
Corporate (Foreign financial institution)	Japanese	8	4.2	8	4.2	0	0.0
	Foreign	40	20.2	27	15.2	-13	-32.5
Corporate (Others)	Japanese	62	31.4	57	32.0	-5	-8.1
	Foreign	59	29.7	57	31.5	-2	-3.4
Individual	Japanese	23	11.8	24	13.4	1	4.3
	Foreign	5	2.6	6	3.6	1	20.0
Total		198	100	180	100	-18	-9.1

		5th period		6th period		Difference	
		Tenants (No. of tenants)	Ratio (%)	Tenants (No. of tenants)	Ratio (%)	6th-5th (No. of tenants)	Change (%)
Corporate (Foreign financial institution)	Japanese	13	6.1	11	5.6	-2	-15.4
	Foreign	42	19.6	29	14.9	-13	-31.0
Corporate (Others)	Japanese	69	32.2	61	31.3	-8	-11.6
	Foreign	59	27.6	54	27.7	-5	-8.5
Individual	Japanese	24	11.2	31	15.9	7	29.2
	Foreign	7	3.3	9	4.6	2	28.6
Total		214	100	195	100	-19	-8.9

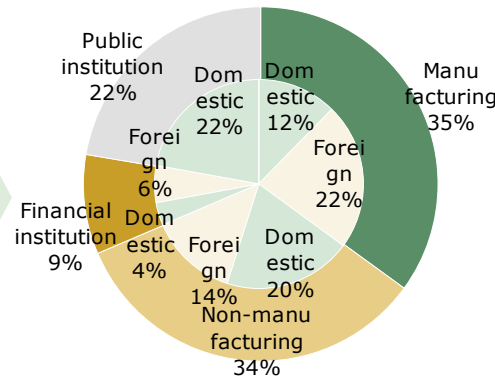
(Note) This table excludes Roppongi View Tower which is leased to the Urban Renaissance Agency

Foreign residents from foreign financial institutions decreased in the 6th Period; but in the 7th period, tenant outflow seem to have receded reflecting market recovery

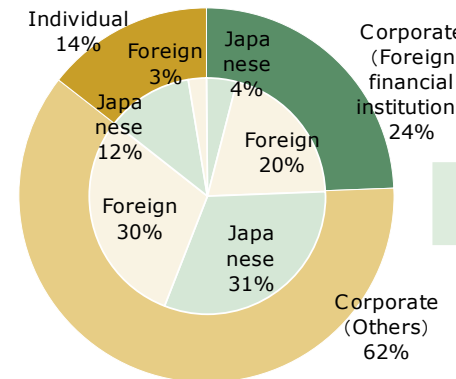
Breakdown of office tenants for the 5th period (based on monthly rent)



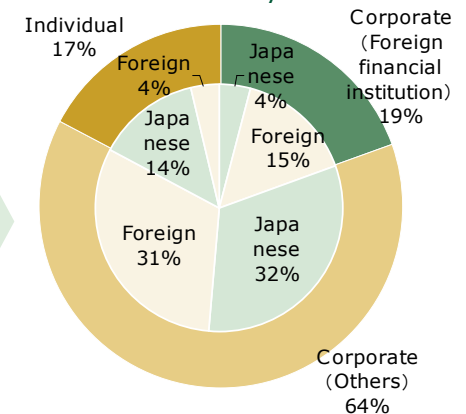
Breakdown of office tenants for the 6th period (based on monthly rent)



Breakdown of residential tenants for the 5th period (based on monthly rent)



Breakdown of residential tenants for the 6th period (based on monthly rent)



2-5 Management highlights

Accomplishment of cost reduction

Reduction of asset management fee

Following the acquisition of additional properties in the 5th Period, the Asset Management fee rate was reduced reflecting the increased portfolio size



Compared to the case without fee reduction:
Approximately JPY35mn less per fiscal period
(approximately 10% less)

Reduction of property management fee

Capitalizing on the increased portfolio size and resulting economies of scale, MHR has requested PM to lower PM fees. Given the strong relationship with the PM, the quality of property management and service have remained the same



Compared to the case without fee reduction:
Approximately JPY20mn less per fiscal period
(approximately 10% less)

Reduction of residential property management cost

Requested reassessment of property management costs, achieving lower property management costs




Compared to the case without reassessment of residential management costs:
Approximately JPY10mn less per fiscal period
(other rental business costs: approximately 13% less)

Reduction of maintenance & repair cost

Reduction of repair costs achieved by price negotiation and spec reviews, and review of repair plans



Compared to the plan of the 6th Period:
Approximately JPY12mn less
(approximately 8% less)



Contribution to dividends for the 6th Period approximately JPY480/unit

3-1 Financial strategy

Financial management in the 6th period

Core policy

- Maintain flexible, prudent financing policy; remain abreast of financial and capital market trends and conditions
- Take advantage of low interest rate environment by shifting to longer, fixed-rate debt, distribution of maturity date
- Maintain LTV ratio between 45-55%, with conservative investment approach (max. 65%)

Equity Financing during 6th period

Capital increase through Third Party Allotment to Mori Building at premium to the current share price (105.7% of the closing price on TSE on 1 business day prior to the issue resolution date)

	Term	Loan amount (100mn yen)	Spread	Expected borrowing date	Exected maturity date	Remarks
Short-term debt (Note)	1yr	55	100bp	Aug. 31, 2009	Aug. 31, 2010	Unsecured, non-guaranteed
Long-term debt The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3yr	15	140bp	Aug. 31, 2009	Aug. 31, 2012	
Total		70				

(Note 1) Sumitomo Mitsui Banking Corporation, Mizuho Corporate Bank, Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking, Sumitomo Trust & Banking expected to be our lenders

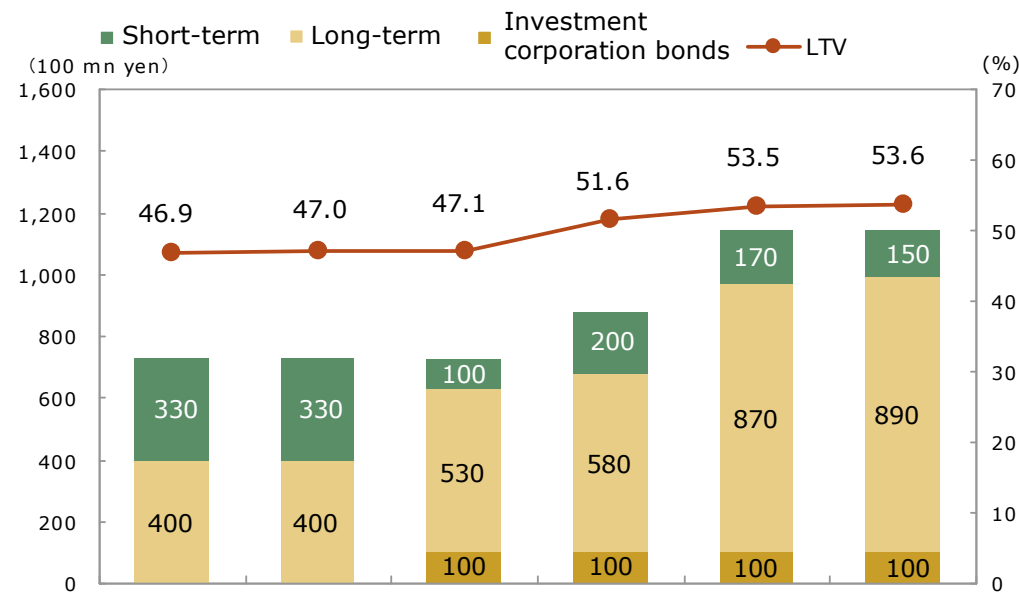
(Note2) Repayment of JPY50mn to each bank every 6 months. Scheduled repayment of JPY1,750mn on each repayment day

Major financial index

(Amount:mn yen)

	5th period		6th period		Difference
Mizuho Corporate Bank, Ltd.	17,530	16.9%	17,382	16.7%	▲ 148
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	17,530	16.9%	17,382	16.7%	▲ 148
Mitsubishi UFJ Trust and Banking Corporation	17,530	16.9%	17,382	16.7%	▲ 148
The Sumitomo Trust and Banking Co., Ltd.	15,235	14.6%	15,107	14.5%	▲ 128
Sumitomo Mitsui Banking Corporation	15,225	14.6%	15,097	14.5%	▲ 128
The Norinchukin Bank	8,000	7.7%	8,000	7.7%	0
Shinsei Bank, Limited	6,450	6.2%	5,150	5.0%	▲ 1,300
Aozora Bank, Ltd.	4,000	3.8%	4,000	3.8%	0
Resona Bank, Ltd.	2,500	2.4%	2,500	2.4%	0
Development Bank of Japan Inc.	-	-	2,000	1.9%	2,000
Total	104,000	100%	104,000	100%	0

Aiming for stable financing strength



		1st period	2nd period	3rd period	4th period	5th period	6th period
Debt	Short-term	330	330	100	200	170	150
	Long-term	400	400	530	580	870	890
Investment corporation bonds		-	-	100	100	100	100
Total		730	730	730	880	1,140	1,140

Ratings

Moody's Investors Service, Inc.
Issuer rating Baa1 Note

Japan Credit Rating Agency, Ltd. (JCR)
Senior long-term credit rating AA-

(Note) Moody's downgraded MHR rating from A3 to Baa1 on April 21, 2009

3-2 Financial strategy

Flexible, conservative approach

Overview of refinancing Aug. 2009

- Steady financing even in a very difficult environment
- Portion of the short-term borrowing has been refinanced to long-term borrowing which successfully extended duration

	Term	Loan amount (100mn yen)	Spread	Expected borrowing date	Expected maturity date	Remarks
Short-term debt (Note 1)	8 mh	29.4	100bp	Mar. 27, 2009	Nov. 30, 2009	Unsecured, non-guaranteed
	1yr	50.6	100bp	Mar. 27, 2009	Mar. 27, 2010	
Long-term debt Development Bank of Japn Inc.	3yr	20 (Note 2)	120bp	Mar. 27, 2009	Mar. 27, 2012	
Total		100				

(Note) Mitsubishi UFJ Trust and Banking Corporation, Mizuho Corporate Bank, the Sumitomo Trust & Banking Co., Ltd., and Sumitomo Mitsui Banking Corporation expected to be our lenders

New lender relationship

	Term	Loan amount (100mn yen)	Spread	Expected borrowing date	Expected maturity date	Remarks
The Bank of Fukuoka, Ltd.	2yr	20	120bp	Nov. 30, 2009	Nov. 30, 2011	Unsecured, non-guaranteed

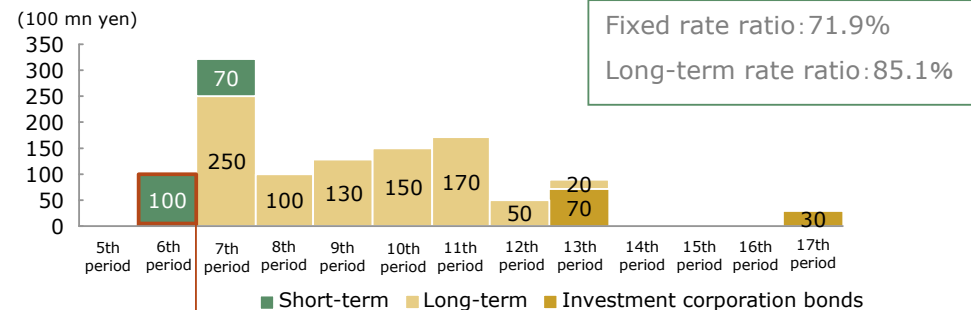
Major financial index

(Amount: mn yen)

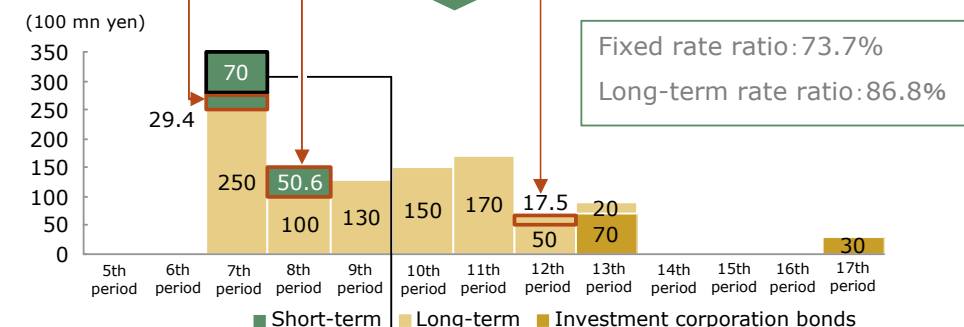
	End of 5th period Jan. 31, 2009	End of 6th period Jul. 31, 2009	After refinancing (Aug. 2009)
Debt balance	1,140	1,140	1,140
Sort-term debt	170	150	135
Long-term debt	870	890	905
Investment corporation bonds	100	100	100
LTV	53.5%	53.6%	53.6%
DSCR	4.8x	4.3x	-
Avg. remaining duration	1.84yr	1.45yr	-
Weighted avg. interest rate	1.47%	1.50%	-

(Note) Figures stated under "After refinancing (Mar 2009)" are results of pro forma calculations based on the above Overview

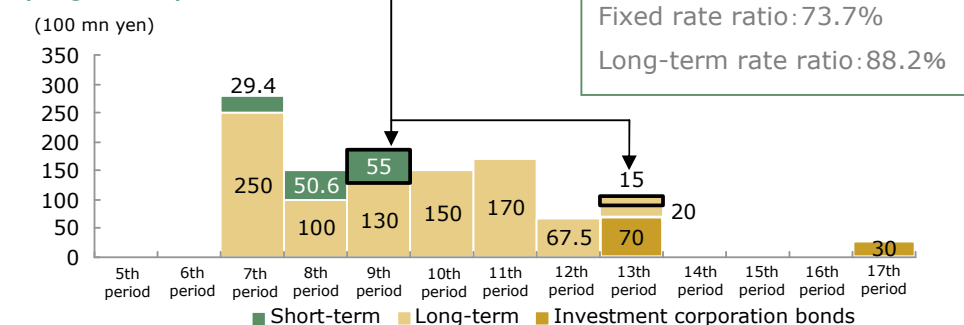
End of 5th period



End of 6th period



After refinancing (Aug. 2009)



(Note1) indicate diversification of maturity for the JPY10bn refinanced in March 2009. As for the long-term borrowing JPY1.75bn to mature in the 12th period exclude equal repayment (JPY250mn)
 (Note2) indicate diversification of maturity for the JPY7bn refinanced in August 2009.

4-1 Investor relations

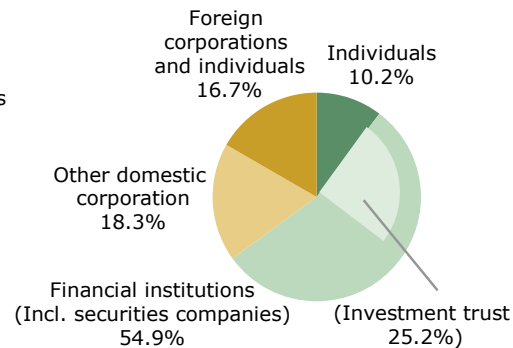
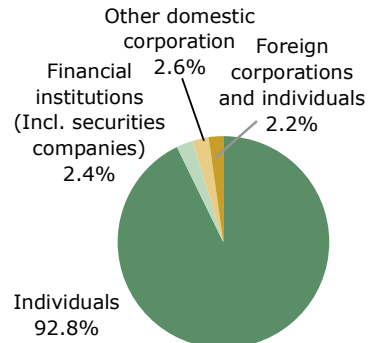
Unitholder breakdown (As of Jul. 31, 2009)

Number of unitholders

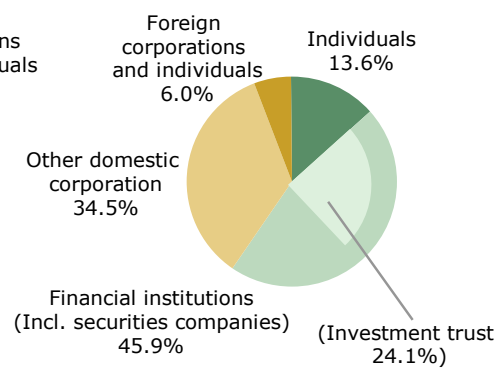
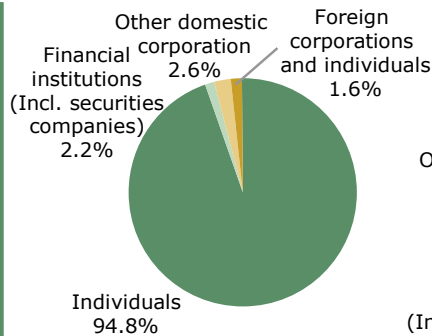
Number of investment units

Unitholder ownership categories

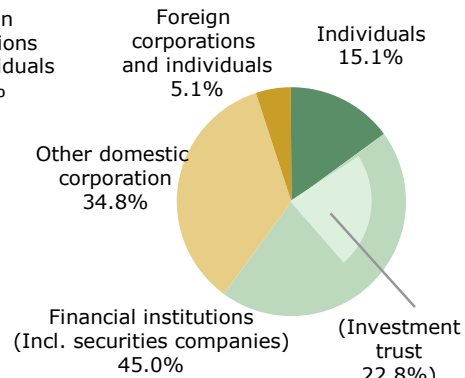
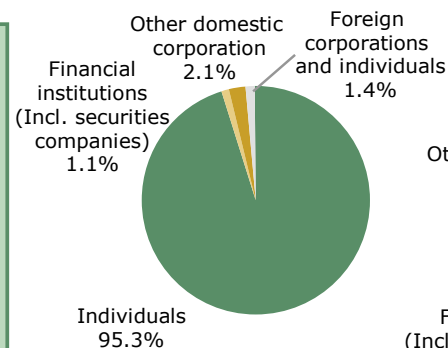
4th period



5th period



6th period



Type of unitholder	Unitholders		Investment units	
	# of unitholder	(%)	# of units	(%)
Individuals	7,225	95.3	24,055	15.1
Financial Institutions (Incl. securities companies)	87	1.1	71,689	45.0
Other domestic corporation	162	2.1	55,406	34.8
Foreign corporations and Individuals	106	1.4	8,050	5.1
Total	7,580	100	159,200	100

Top 10 unitholders

Rank	Name	# of units held	(%)
1	Mori Building Co., Ltd.	48,918	30.7
2	NikkoCiti Trust and Banking Corporation (Investment trust account)	13,077	8.2
3	The Fuji Fire and Marine Insurance Co., Ltd.	10,450	6.6
4	Japan Trustee Service Bank (Trust account)	8,855	5.6
5	Trust & Custody Service Bank of Japan, Ltd. (Securities Investment Trust unit)	7,114	4.5
6	The Master Trust Bank of Japan, Ltd. (Trust account)	5,178	3.3
7	Trust & Custody Service Bank of Japan, Ltd. (Taxable money trust account)	3,079	1.9
8	The Nomura Trust & Banking (Trust account)	3,077	1.9
9	The Norinchukin Bank	3,000	1.9
10	National Mutual Insurance Federation of Agricultural Cooperatives	2,748	1.7
Top 10 unitholders total		105,496	66.8

4-2 Investor relations

Varied approaches to access diversified investor base

Strengthening of individual IR



←March 14, 2009
Participated in the "J-REIT Fair for Retail Investors" hosted by ARES



June 17, 2009 →
Seminar at the branch office of a securities company in Azabu

Website renewal

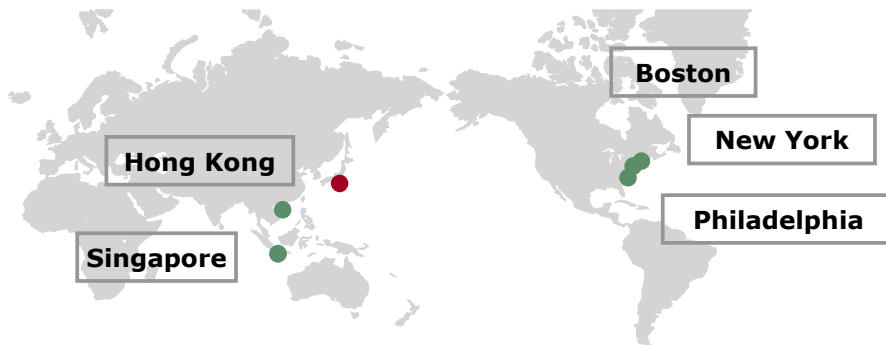
Sep 14, 2009 More user-friendly, Japanese website opened. First-major renewal since listing



Overseas IR activities

Proactive IR activities both in Japan and overseas

Area	Period	No. of meeting
Asia	Apr. 1- Apr. 3, 2009 (3days)	11
North America	Apr. 6 - Apr. 9, 2009 (4days)	15
Total		26



Implementation of investor survey

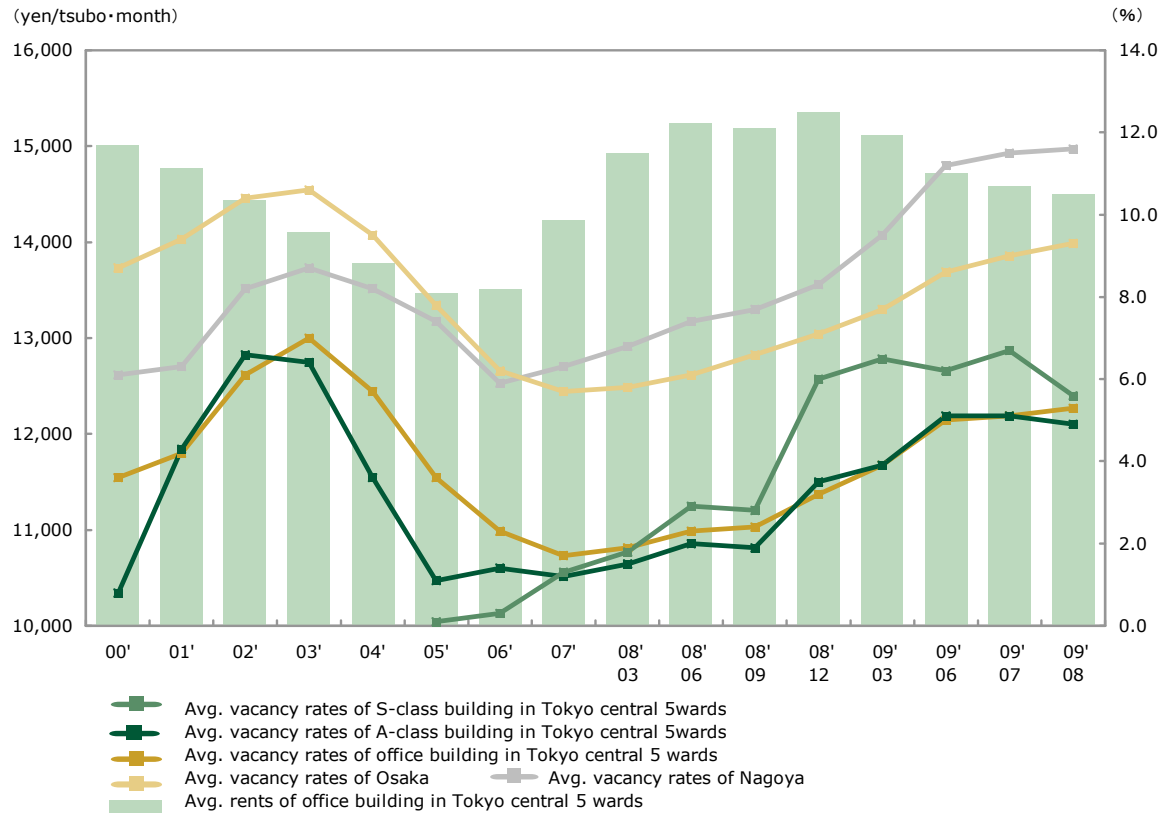
Investor survey enclosed in the Asset Management Report for the 5th Period to collect the opinion of MHR unitholders for improved IR going forward

Object	6,828 unitholders of 5th period (as of Jan. 31, 2009)
Method	Questionnaire with postcard
No. of returns	753
Ratio of returns	11.0%



5-1 Investment environment Rental office market

Change in the rents and vacancy rates of rental office buildings



Note 1: Offered rents do not include common service fee

Note 2: Annual rent covers rents from Jan-Dec, and Occupancy rate is as of end of Dec in each year

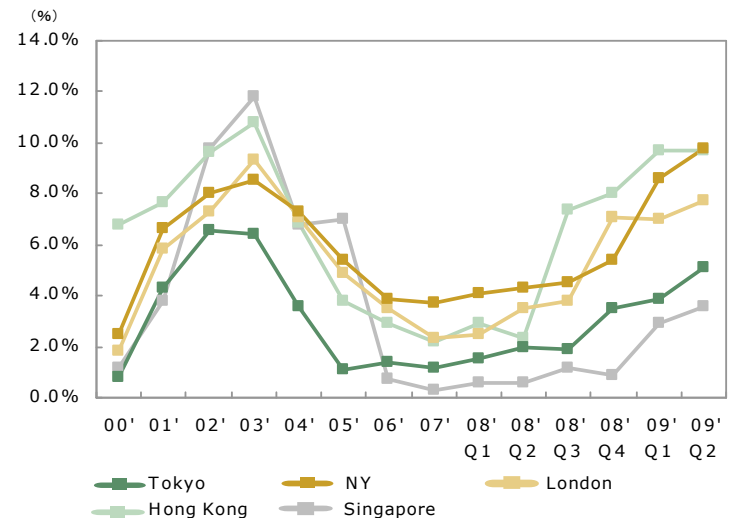
Occupancy rates of Class S and Class A buildings in central Tokyo have recovered since August

CB Richard Ellis, Aug 31, 2009 report

"Occupancy rates in central Tokyo 5 wards stopped declining and remained flat"

Miki Shoji Aug 31, 2009 Research report

Change in the vacancy rates of offices in major cities of the world



Source: Created by the asset manager based on CB Richard Ellis data

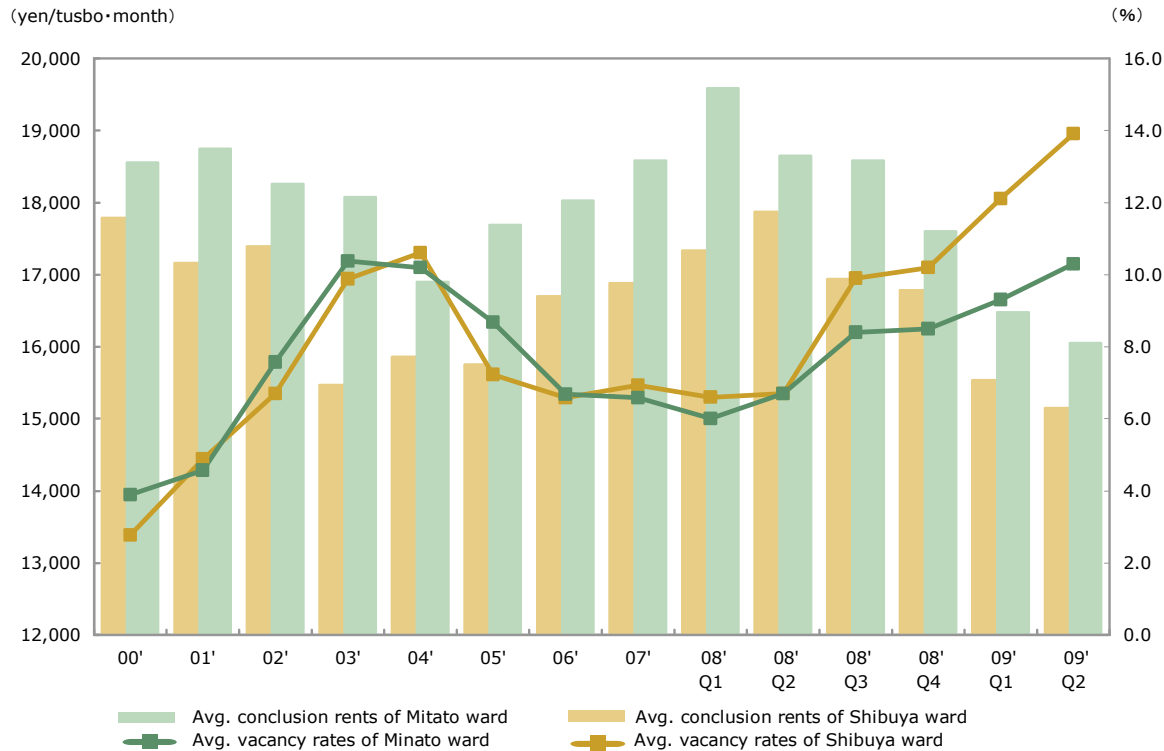
Note 1: Covers A Class office buildings in major cities

Note 2: 4Q data used for annualization

Relatively stable performance of Tokyo's office market

5-2 Investment environment Luxury residential market

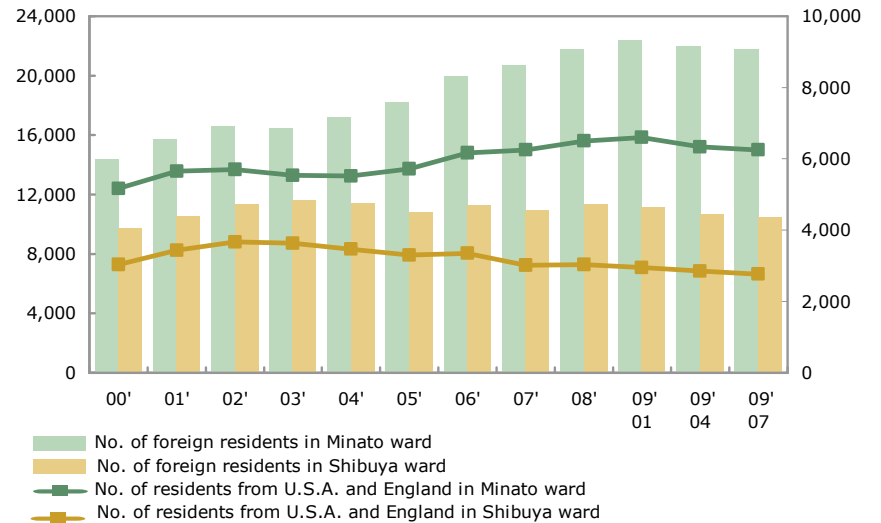
Change in the rents and vacancy rates of high-rent housing



Source: Created by the asset manager based on Ken Real Estate Investment Advisors' "Ken Data Press"
 Note: Includes data on rental housing with monthly rent of more than JPY300,000 or housing with more than 30 tsubo exclusively owned area
 Note 2: Annual rent covers rents from Jan-Dec, and occupancy rate is annual average

**Competitive advantage of being "located in Minato ward,"
Tokyo prime market for leasing residential properties**

Change in number foreign residents



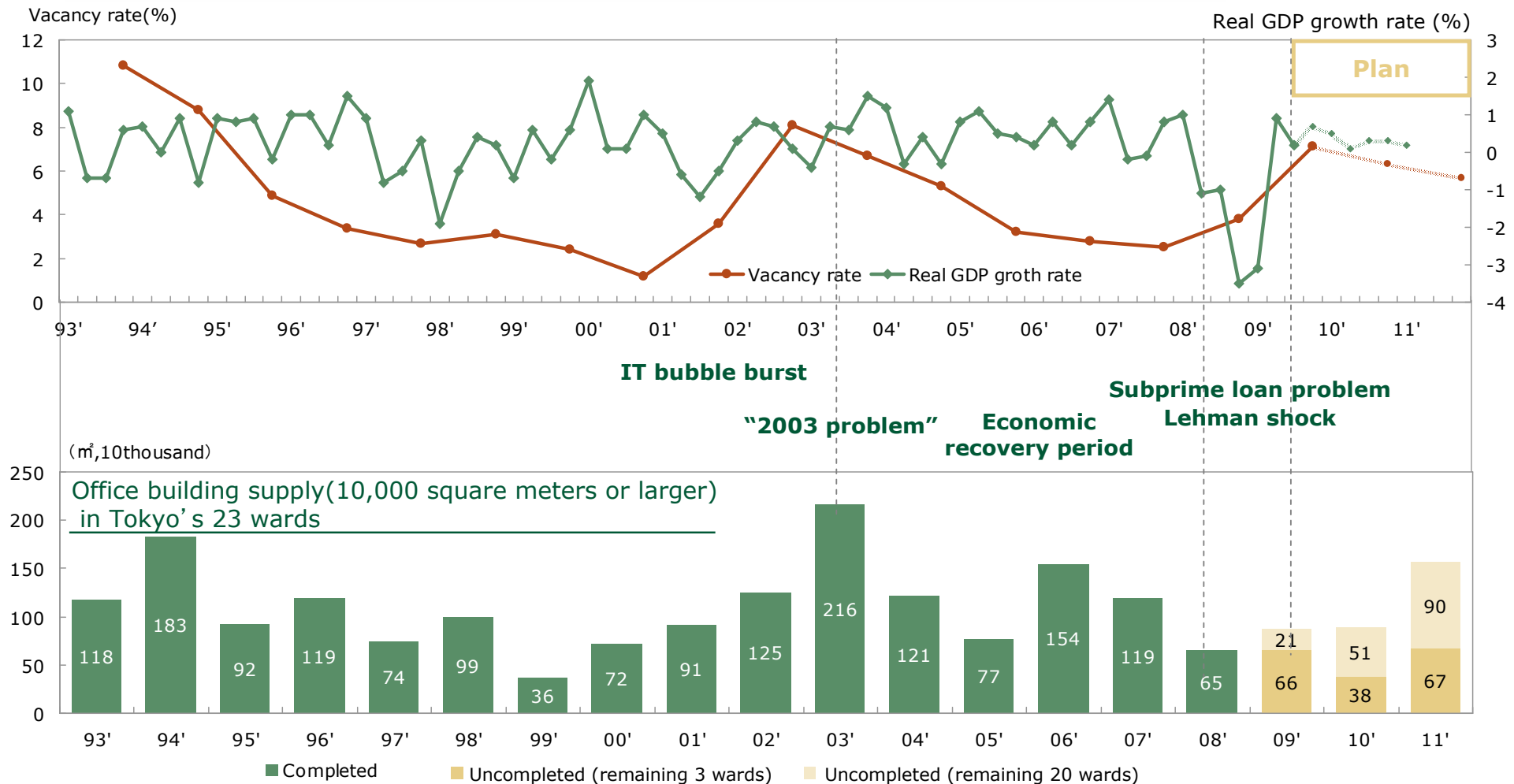
Source: Created by asset manager based on the material prepared by Tokyo Municipal Government

Note: Figures indicate the number of registered foreigners as of Jan 1 in each year

Population of foreign residents in Minato ward is relatively stable

5-3 Investment environment Forecast of market

Office vacancy rate and Real GDP growth rate



Source:

Vacancy rates: Actual and Estimated, prepared by asset manager based on Mori Building's research report

Real GDP Growth: Prepared by asset manager based on data published by the Cabinet Office. For June 2009 and later, based on estimates by Japan Center for Economic Research

Changes in the supply of large office buildings in Tokyo's 23 wards: prepared by asset manager based on Mori Building's research report

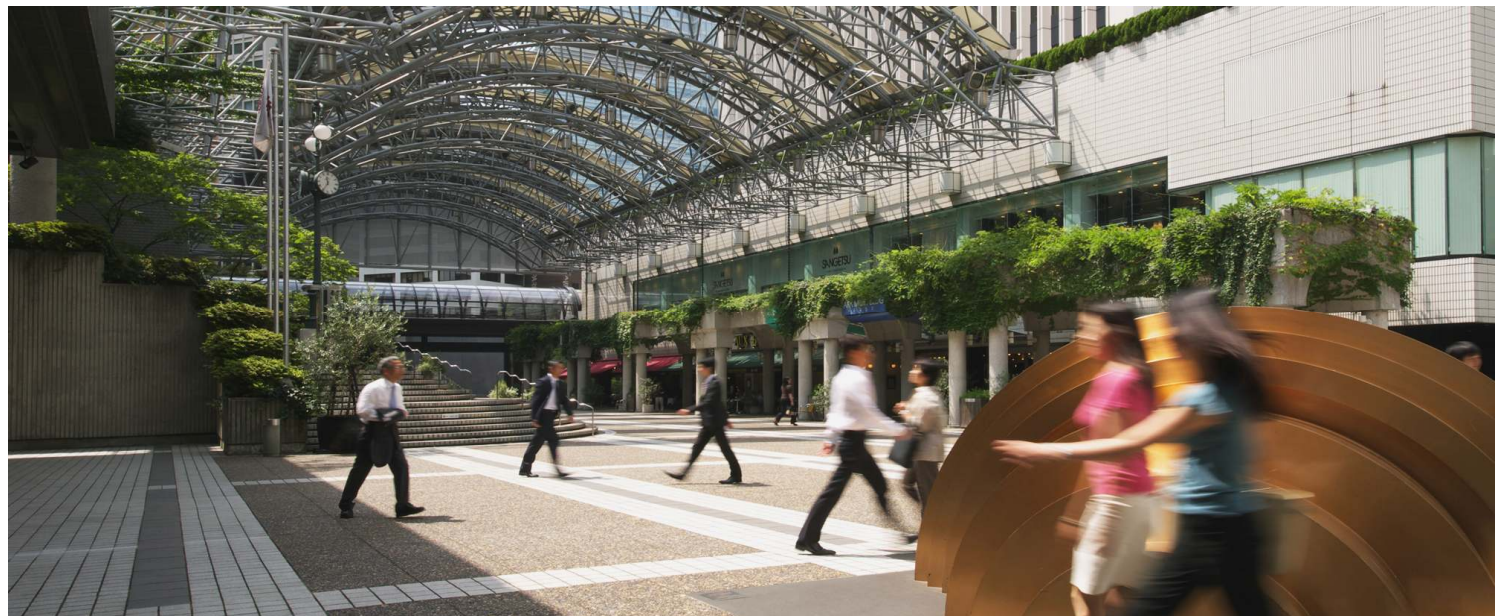
- Tokyo's 3 central wards accounted for 75% of office supply over the past 10 yrs; during the next 5 yrs, office supply in the central 3 wards and the remaining 20 wards is expected to be similar in volume
- From 2010 onward, annual absorption (new demand) is expected to exceed supply which would result in improved occupancy rates

6-1 Investment strategy Reconfirmation of basic philosophy and reinforcement of stable revenue platform

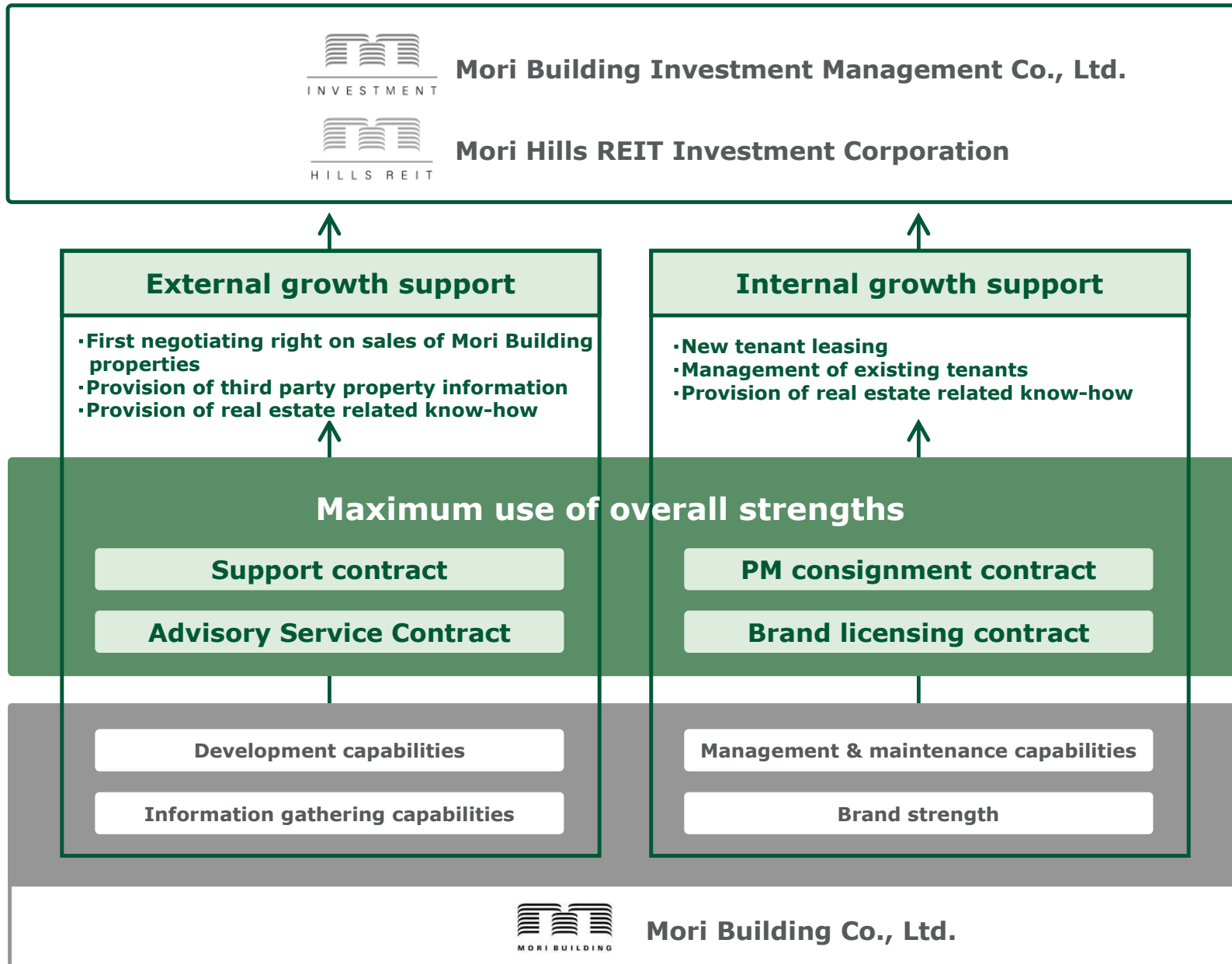


<p>Basic principle</p>	<p>Reaffirmation of our focus on “Investment in the city”</p> <p>Selective investment in premium area and properties which maintain high values over a long time as represented by the “Hills” brand</p> <p>Fully leverage Mori Building Group expertise in real estate business</p>	
<p>Current situation and counter-measures</p>	<p>Property leasing market</p> <p>Decline in the occupancy rates and rents of city center offices and prime residential has been observed. However, recently tenant needs are showing signs of recovery and potential bottoming out by end of this year</p>	<p>Prioritize sustaining/recovering of occupancy rate and focus on keep good relationship with tenants and consider flexible solutions to avoid contract termination. Continued efforts to reduce costs by aggressively leveraging Mori Building’s expertise</p>
	<p>Property investment market</p> <p>Substantial decrease in number of trading transactions and real estate players continue to wait-and-see, but some inflow of new investment funds has been seen</p>	<p>Due to severe financing environment, simple property acquisitions are challenging. Consider portfolio restructuring strategies such as replacing properties etc.</p>
	<p>Financing environment</p> <p>Environment for financing through new loans and capital raising continues to be stringent; but concern over fund raising by REITs seems to have subsided significantly due to the government measures</p>	<p>Efforts to tap new loan providers and improve borrowing terms and conditions</p>
<p>Future outlook</p>	<p>Supported by diminishing concern over refinancing, the confidence in the REIT sector is recovering and MHR will consider optimal timing for seeking equity finance</p> <p>While adjusting LTV level, MHR will explore high-quality property acquisition opportunities and strive to achieve rebound in dividend</p>	

Appendix



7-1 Collaborative relationship with Mori Building



7-2 Development projects by Mori Building Co., Ltd.



1985-1990

- ◆ **Mar. 1986 Ark Mori Building completed**



1990-1995

- ◆ **Oct. 1993 Roppongi First Bldg. completed**
- ◆ **Roppongi First Plaza completed**
- ◆ **Roppongi View Tower completed**



1995-2000

- ◆ Jul. 1997 Palette Town "Sun Walk" opened
- ◆ Aug. 1999 Palette Town "Venus Fort" opened
- ◆ **Mar. 2000 Koraku Mori Building completed**
- ◆ Apr. 2000 Construction of Roppongi Hills started
- ◆ **Sep. 2000 Akasaka Tameike Tower Residence completed**

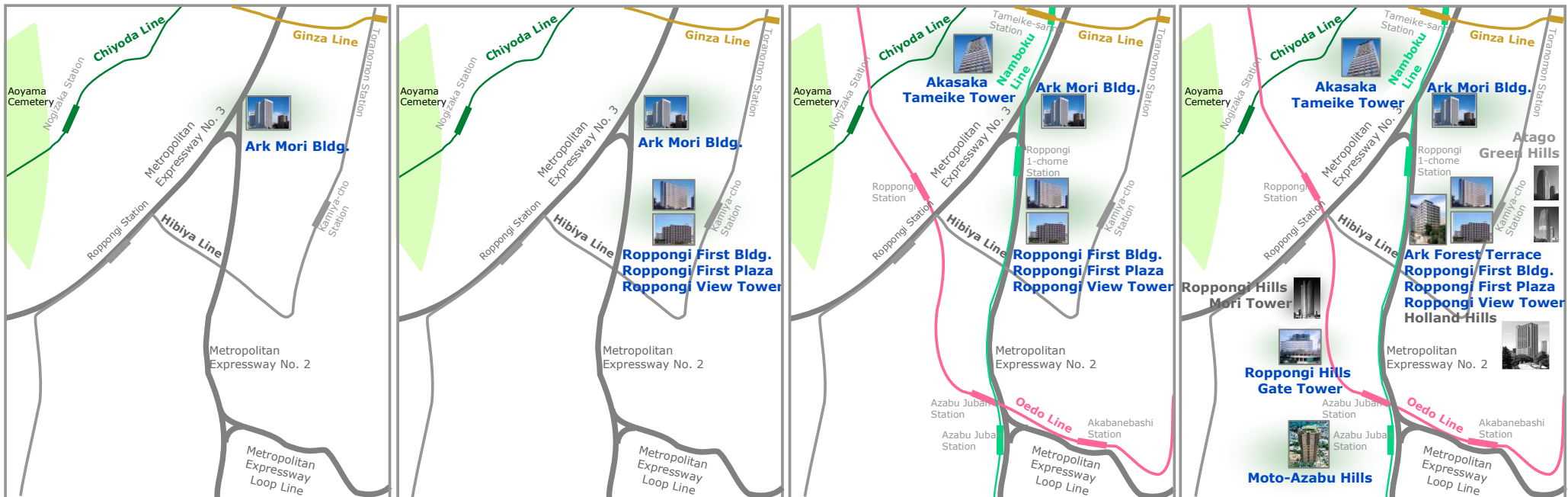


2001-

- ◆ **Jan. 2001 Ark Forest Terrace completed**
- ◆ Jun. 2001 Ark Yagi Hills completed
- ◆ **Jul. 2001 Roppongi Hills Gate Tower completed**
- ◆ Jul. 2001 Atago Green Hills MORI Tower completed
- ◆ Oct. 2001 Atago Green Hills Forest Tower completed
- ◆ **Sep. 2002 Moto-Azabu Hills completed**
- ◆ Nov. 2002 Prudential Tower completed
- ◆ Apr. 2003 Roppongi Hills Mori Tower opened
- ◆ Feb. 2005 Holland Hills completed
- ◆ Feb. 2006 Omotesando Hills opened
- ◆ Aug. 2008 Shanghai World Financial Center opened









Urban developments by Mori Building Co., Ltd. and properties owned by Mori Hills REIT Investment Corporation



7-3 Developing areas: Akasaka/Roppongi, and Toranomon



<p>① Hirakawacho Mori Tower/Hirakawacho Mori Tower Residence</p> <p>a) Approx. 5,600㎡ b) Approx. 51,800㎡ c) Office/residential/retail, etc. d) Redevelopment association^(Note 1) e) Dec. 2009 (planned)</p> 	<p>② Nagatacho Sanno Mori Building</p> <p>a) Approx. 950㎡ b) Approx. 5,200㎡ c) Office d) Mori Building Co., Ltd. e) Spring 2010 (planned)</p> 	<p>③ Akasaka 2-chome Plan (Fukuyoshicho)</p> <p>a) Approx. 2,000㎡ b) Approx. 24,900㎡ c) Residential/retail d) Mori Building Co., Ltd. e) Jan. 2011 (planned)</p> 
<p>④ Roppongi 6-chome 3 banchi plan</p> <p>a) Approx. 1,003㎡ b) Approx. 7,513㎡ c) Office/retail/residential etc. d) Mori Building Co., Ltd. e) Mar. 2011(planned)</p> 	<p>⑤ Toranomon Roppongi Redevelopment Project</p> <p>a) C-1 Area: 15, 370㎡ C-2 Area: 510 ㎡ b) Approx. 143,360㎡ c) Office/retail/residential d) Redevelopment association^(Note 1) e) 2012 (planned)</p> 	<p>⑥ Shinbashi & Toranomon Areas along Ring Road No. 2 Category-2 Urban Redevelopment Project</p> <p>a) Approx. 17,100㎡ (III urban area) b) Approx. 253,000㎡ (III urban area) c) Retail/residential/office, etc. d) Tokyo Metropolitan Government e) 2014 (planned)</p> 

a) Land area b) Total floor area c) Uses
 d) Operator e) Planned completion date

(Note) Mori Building serves as the organizer of the association

“Function Enhancement Plan for International Finance Base (plan)” Projected as predecessor development area

- ✓ “Regional Revitalization Headquarters” (Cabinet Office) selected Akasaka-Roppongi for enhancing international competitiveness in view of future implementation in other parts of Tokyo. A plan for focused policy-making was developed
- ✓ Future development is expected in the Akasaka-Roppongi area. The core base area is shown in the figure below



“Shinbashi/Akasaka/Roppongi areas along Ring Road No.2 (590ha)

Launch of Narita Airline Connection Service, connecting Narita Airport and Ark Hill

- ✓ “Narita Airline Connection Service” launched on Sep 16, 2009, is a service provided by Mori Building which leverages the helicopter port on the roof of Ark Mori Building for connecting Narita International Airport and Ark Hills via hired 30-minute helicopter flight
- ✓ Expected to increase its presence as an international base by improving the convenience to international officials and to business people working globally



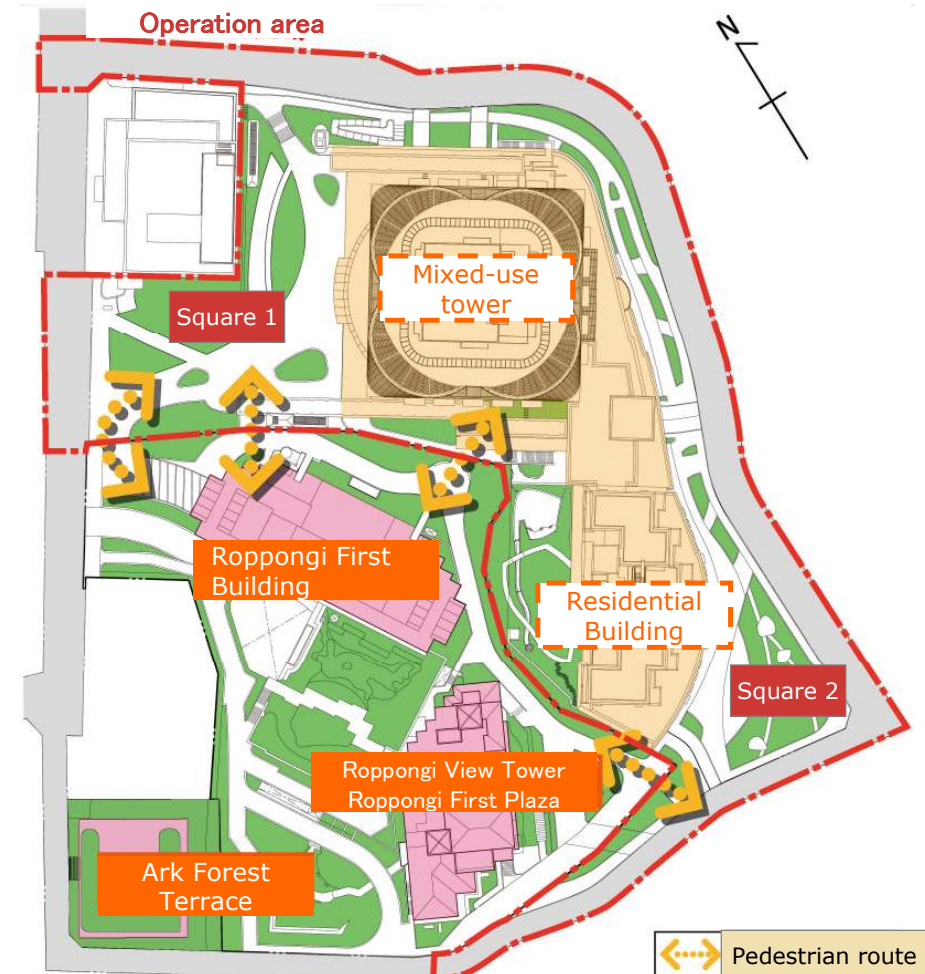
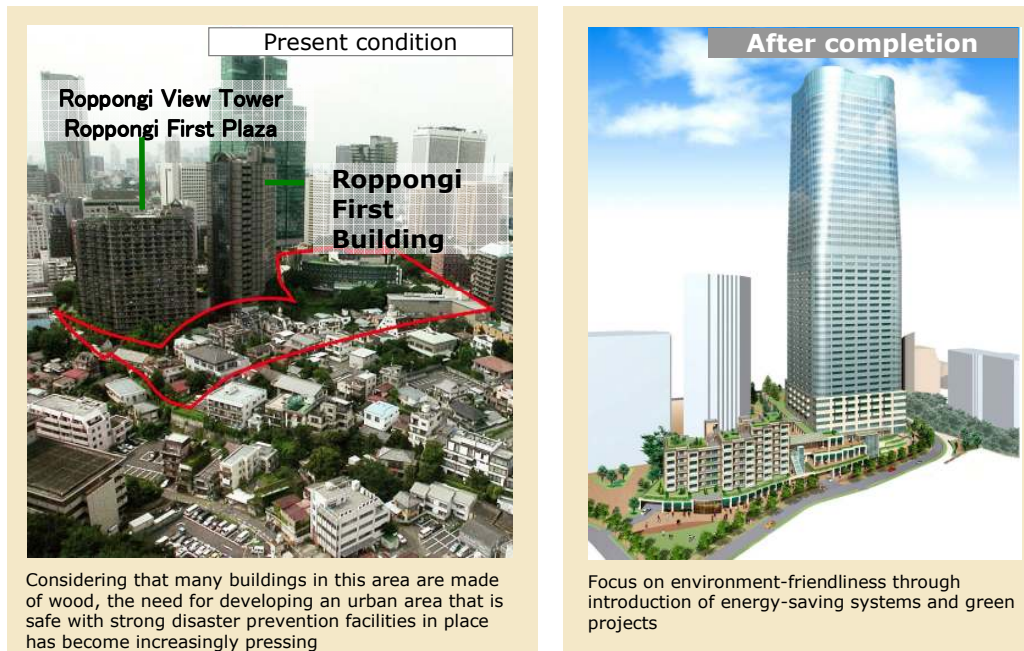
Copy right: Mori Building Co., Ltd.

7-4 Mori Building Group's urban development in Akasaka/Roppongi area

Start of construction for the category 1 urban redevelopment project in Toranomon and Roppongi area

~The whole block including Roppongi First Ark Forest Terrace is scheduled to become a new base in Roppongi/Akasaka area ~

The Rights Conversion Plan was approved in Feb 2009, and preparations for starting construction work are currently ongoing. We expect that the value of our portfolio properties will increase further by becoming an integral part of the new "green city center residential area"



Overview of plan

Operation area	Approx. 2.0ha
Total floor area	Approx. 143,400m ²
Floors	(Mixed-use tower) Above ground: 46 / Basement levels: 4 (Residential building) Above ground: 6 / Basement levels: 2
Uses	Office/residential/retail
Construction to be started	Oct. 2009 (Planned)
Planned completion date	Jun. 2012 (Planned)

7-5 Mori Building Group's urban development in Toranomom area

Appointed as a distinct developer for Toranomom District Redevelopment Project

Contribution to improved traffic and logistics functions by providing a main route connecting the Bay Area and central Tokyo

Mori Building was appointed as a "prospective distinct developer" in the auction for selecting "distinct developer" for Block 3 (Toranomom Area) of the Loop Line #2 Shinbashi/Toranomom Class 2 Redevelopment Project by Tokyo Municipal Government. Once realized, the project will further increase the value of MHR properties located in Toranomom area



High rise building (Note2)



Main entrance (image) (Note2)

Key points of the Project

The ultra high-rise building which is to be Japan's second highest building, will have a hotel, offices, conference halls, and a retail facility.

Based on the "multilevel motorway plan", Loop Line #2 will pass through the building. Mori Building as a prospective distinct developer will also construct the underground tunnel based on consignment by Tokyo Construction Bureau.

Concept of the Project

■Environment-friendly

At the crossing of the "East-West environment axis" formed by the trees of the ground part of Loop Line #2 and the "North-South environment axis" connecting Shiba Park, Atagoyama and Hibiya Park, Mori Building will develop an environment with lush greenery, open space and beautiful landscaping which is not only environment-friendly but also provides a place to rest in a natural environment by implementing diversified measures for reducing CO₂ emission

■International Business center "Compound facility"

Creation of an urban space that enables diversified urban activities by providing the multiple functions required by a knowledge-based and information-based society

■Safety & Security -Transformation from "run away from" to "escape into" town

Mori Building is aiming to develop a safe town where safety is not limited to the area to be developed but also helps preventing disaster in the surrounding areas



Redeveloped Loop Line #2 (Illustrated) (Note2)

Site area	17,069m ²
Gross floor area	252,993m ²
Number of floors	(Complex wing) 53 floors above the ground and 5 underground floors
Height	247m
Uses	Office, commercial, residential, hotel, conference and parking
Client	Tokyo Metropolitan Government (Mori Building was appointed as a "prospective distinct developer")
Commencement of construction	November 2010 (planned)
Completion of construction	May 2014 (planned)

(Note1) Distinct developer are a way for utilizing private sector companies as defined under the "Urban Development Law". After Mori Building's appointment to distinct developer, we will develop the plan and undertake the construction of the "Specified building facility" based on our business plan and acquire remaining floor area portions of the facility.

(Note2) Illustrations are those included in the proposal material created by Mori Building 25

City creation by Mori Building Group

The Mori Building Group coordinates branding and promotional activities of the city as a whole in addition to the general operation and management of facilities.



“Roppongi Hills Arena”

Roppongi Hills Arena is an urban-style outdoor entertainment space. This partially roofed open space can host diverse events including live concerts on the circular stage and other performances that use the entire plaza. In the summer, the “Roppongi Hills Bon Festival Dance” is held as an annual event.



“Keyaki-zaka Complex Rooftop Garden”

At the rice fields of Keyaki-zaka Complex Rooftop Garden, events are held regularly to provide the experience of traditional Japanese rice culture. This garden is generally not open to the public, but is specially provided for use as a community location for Roppongi Hills.

Town management at “Ark Hills” owned by MHR



“Suntory Hall”

Suntory Hall contributes to creating a city with leisure of space and time, where people can enjoy, cultivate and communicate culture in a fascinating atmosphere.



“Cherry Blossom Festival”

150 Someiyoshino cherry blossom trees line three sides of the premise (Sakura-zaka to Spanish slope) stretching as far as 700 meters to decorate the metropolis in the spring.



“Rose Festival”

At the Rose festival, many different events relating to roses are held, including the “Rose Market” which gathers 200 kinds of roses, workshops that teach enthusiasts how to grow roses, and live string instrument concerts.



Hills Marche

Mori Building was selected to be an operator of impromptu farm stands called “Marche (food market)” which is part of the “Marche Japon Project” initiated by the Ministry of Agriculture, Forestry and Fisheries of Japan with services to be launched on Sep 26, 2009

7-7 Environmental undertakings of the Mori Building Group

Highly valued environmental undertakings

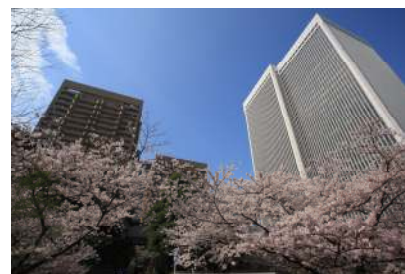
Based on the concept “Vertical Garden City”, the Mori Building Group advocates “Environment and Greenery” as one of the missions in city creation and has committed to the formation of a green environment, which contributes to alleviating the environmental challenges of the metropolis.

“Ark Hills” ~Lush natural environment nurtured in the city~



“Ark Hills” --- the Vertical Garden City

A mature lush environment is formed by continuous maintenance and management efforts. At the “Ark Garden”, environmental approaches are taken to create a place for wild birds, such as introducing fruit trees and placing birdhouses



Cherry blossom trees lining Ark Hills

A line 150 Someiyoshino cherry blossom trees stretches 700 meters around Ark Hills, creating a site known for its blooming beauty that attracts about 100,000 visitors every year

Cool Earth Day 2009 CO2 Reduction/Light-down Campaign

This year again, MHR has participated in the “CO2 reduction/Light-down Campaign” aimed to prevent global warming. MHR has participated in the nationwide lights out campaign on June 21, 2009 called “Black Illumination 2009”, and on Jul 7, 2009 called “Tanabata Star Festival Light-down”, putting lights out for 2 hours from 8pm to 10pm at facilities that are usually lit up and at individual residences

Corresponding properties
Ark Mori Building
Roppongi Hills Gate Tower
Roppongi First Building
Koraku Mori Building
Moto-azabu Hills
Ark Forrest Terrace



Tokyo Tower



Alleviating the heat island phenomenon with “Dry Mist”

“Dry Mist”, an energy-saving cooling system for cooling outdoor air, is operated at Roppongi Hills from the perspectives of improving the comfort of visitors and promotion of energy conservation



Residents’ community “Hills Gardening Club”

“Hills Gardening Club” contributes to the vitalization of the area through events using greenery and provides a place for the local community to touch and enjoy green life

7-8 Addressing safety - a town to flee into (Countermeasures against earthquake disaster)

Comprehensive earthquake disaster drill (at Roppongi Hills on September 1, 2009)

Preparatory training for earthquakes focus on the safety of tenants and occupants of the properties managed by the Mori Building Group including Mori Hills Reit, and the local residents as well as on the early recovery of building functions after the disaster.



Smoke drill



Experiencing the quake



First aid in emergency

Training items

- | | |
|------------------------------|---|
| Operation of emergency wells | Cardiopulmonary resuscitation using AED |
| First aid | Rope training |
| Rescue | Preparation of meals outdoors |
| Emergency transportation | Experiencing the quake |
| Smoke drill | |

Other countermeasures against earthquakes



Water well



Storage warehouse



Power generator for emergency purposes

Hills Urban Training Project: MHR hosted a tour for exploration of Roppongi Hills' safety measures for "Parent's and children's training to prepare for disaster"

Arranged a tour for children to experience and learn about disaster prevention as our missions for urban development include "safety and security". We have hosted a learning-through-experiencing event for elementary school children to provide an opportunity for learning to be prepared for earthquake disaster and consider required measures where Roppongi Hills is positioned as their "Refugee Town"

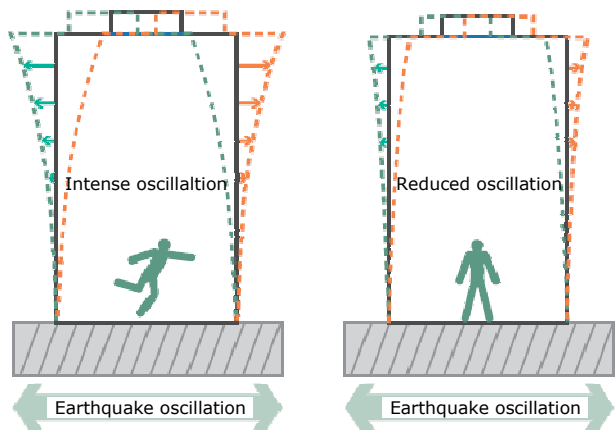


7-9 Addressing safety (Countermeasures against earthquake disaster)

Earthquake-resistant features

Seismic damping

Minimize the level of oscillation



Viscous seismic damping wall

<Normal earthquake resistant building> <Building with seismic damping>

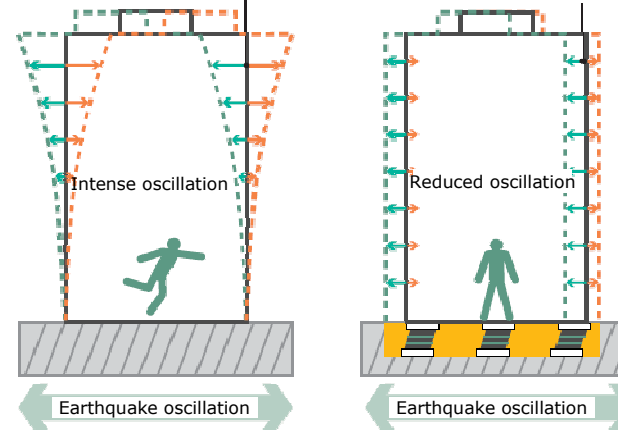
Seismic damping reduces earthquake magnitude of oscillation by approx. 20%

MHR properties using this feature

- Roppongi Hills Gate Tower
- Koraku Mori Building
- Akasaka Tameike Tower

Seismic isolators

Oscillate slowly and horizontally



Seismic isolators

<Normal earthquake resistant building> <Building with Seismic Isolators>

Seismic Isolators reduce the magnitude of oscillation to approx. 1/2 or 1/3 especially in case of big earthquake

MHR properties using this feature

- Moto-Azabu Hills (Forest Tower)
- (Forest Terrace East)
- Ark Forest Terrace

Support originated with building automation

Preventive maintenance and emergency care utilizing Building Automation system (BA system)

Control of BA system

- Central supervisory control system
- Emergency broadcasting system
- ELV
- Distributed electricity supervisory system
- Mechanical parking
- ITV
- Engine/Lighting control system
- Automated control
- Security equipment
- Disaster prevention equipment

7-10 Financial highlights

Indices	Previous period (5th period: Aug. 1, 2008–Jan. 31, 2009)	Current period (6th period: Feb. 1, 2008–Jul. 31, 2009)	
Net income	2,179 mn yen	2,026mn yen	
FFO	2,885 mn yen	2,766mn yen	Net profit + Depreciation & Amortization
Depreciation & amortization	706 mn yen	740mn yen	
CAPEX	61 mn yen	75mn yen	
Total assets	212,964 mn yen	212,860mn yen	
Interest-bearing debt	114,000 mn yen	114,000mn yen	
Net asset value	89,541 mn yen	89,383mn yen	
Dividend	2,179 mn yen	2,025mn yen	
Total units outstanding	159,200 units	159,200 units	
Book value per unit	562,449 yen	561,451 yen	Net asset value at end of period/ Total units outstanding
Dividend per unit	13,688 yen	12,726 yen	
FFO per unit	18,127 yen	17,378 yen	FFO/Weighted average number of investment units for the period
ROA	1.14%	0.95%	Ordinary profit/Average of total assets during the period
Annualized	2.25%	1.92%	
ROE	2.66%	2.26%	Net profit/Average of NAV during the period
Annualized	5.27%	4.57%	
LTV	53.53%	53.56%	LTV=Interest-bearing debt/Total assets
Dividend yield (annualized)	10.25%	7.29%	Dividend per unit/Unit price
Number of operating days in the period	184 days	181 days	
PER (annualized)	9.2x	13.7x	Unit price/Net profit per unit
PBR	0.5x	0.6x	Unit price/Book value per unit

(Note) Calculated as 5th period figures/184 days x 365 days and 6th period figures/181 days x 365 days.

7-11 Balance sheet

	Previous period (5th period) Jan. 31, 2009	Current period (6th period) Jul. 31, 2009
	Amount (Yen thousand)	Amount (Yen thousand)
Assets		
Current assets	12,106,211	12,744,969
Cash and deposits	5,397,284	7,321,675
Cash and deposits in trust	5,980,177	5,061,722
Other	728,749	361,571
Noncurrent assets	200,793,568	200,060,595
Property, plant and equipment	182,141,374	181,474,821
Intangible assets	18,414,617	18,414,561
Investment and other assets	237,576	171,212
Deferred assets	65,059	54,817
Total assets	212,964,839	212,860,382

	Previous period (5th period) Jan. 31, 2009	Current period (6th period) Jul. 31, 2009
	Amount (Yen thousand)	Amount (Yen thousand)
Liabilities		
Current liabilities	43,408,764	51,653,243
Operating accounts payable	283,711	270,689
Short-term loans payable	17,000,000	15,000,000
Current portion of long-term loans payable	25,000,000	35,100,000
Other	1,125,052	1,282,554
Noncurrent liabilities	80,014,085	71,824,012
Investment corporation bond	10,000,000	10,000,000
Long-term loans payable	62,000,000	53,900,000
Tenant leasehold and security deposit in trust	7,999,934	7,900,409
Derivatives liabilities	14,150	23,603
Total liabilities	123,422,849	123,477,256
Unitholders' equity		
Unitholders' capital	87,371,418	87,371,418
Unappropriated retained earnings (undisposed loss)	2,179,156	2,026,027
Deferred gains or losses on hedges	▲ 8,585	▲ 14,320
Total net assets	89,541,989	89,383,126
Total liabilities and net assets	212,964,839	212,860,382

7-12 Income statement

	Previous period (5th period: Aug. 1, 2008–Jan. 31, 2009)	Current period (6th period: Feb. 1, 2008–Jul. 31, 2009)	
	Amount (Yen thousand)	Amount (Yen thousand)	
Operating revenue	5,701,616	5,789,150	
Rent revenue-real estate	5,015,896	5,217,909	
Other lease business revenue	534,027	571,241	(Yen: thousand)
Gain on sales of real estate properties	151,692	—	
Operating expenses	2,638,699	2,784,762	
Expenses related to rent business	2,251,869	2,367,640	
Asset management fees	280,925	314,994	
Director's compensation	8,100	7,950	
Asset custody fees	5,142	5,322	
Administration fees	13,811	12,750	
Other operating expenses	78,849	76,104	
Operating income	3,062,916	3,004,388	
Non-operating income	16,223	15,393	
Interest income	15,831	13,341	
Compensation income	—	1,894	
Other	391	157	
Non-operating expenses	899,151	992,768	
Interest expenses	669,360	765,394	
Interest expenses on investment corporation bonds	81,150	81,149	
Amortization of investment corporation bond issuance costs	5,130	5,130	
Amortization of deferred organization expenses	5,111	5,111	
Borrowing expenses	116,182	134,062	
Investment unit issuance expenses	20,297	—	
Other	1,920	1,920	
Ordinary income	2,179,989	2,027,012	
Income before income taxes	2,179,989	2,027,012	
Net income	2,179,145	2,026,001	
Unappropriated retained earnings (undisposed loss)	2,179,156	2,026,027	
Dividend per unit (yen)	13,688	12,726	

Parking revenue	177,508
Incidental revenue	386,222
Early termination penalty	7,510

Property management fees	793,254
Property taxes	269,670
Utilities	242,708
Lease fees	66,118
Custodian fees	9,564
Maintenance & repairs	142,713
Insurance premium	16,283
Depreciation & Amortization	740,587
Other property expenses	86,739

7-13 Statement of cash flow/Retained earnings

Statement of cash flow

(Amount: thousand yen)

Item	Previous period (5th period: Aug. 1, 2008–Jan. 31, 2009)	Current period (6th period: Feb. 1, 2008–Jul. 31, 2009)
I Net cash provided by (used in) operating activities	2,672,623	3,362,976
Income before income taxes	2,179,989	2,027,012
Depreciation & amortization	706,782	740,587
Amortization of deferred organization expenses	5,111	5,111
Amortization of issue business commencement expenses	5,130	5,130
Investment unit issuance expenses	20,297	-
Interest income	▲ 15,831	▲ 13,341
Interest expenses	750,510	846,544
Decrease (increase) in notes receivable-trade	▲ 7,351	▲ 2,649
Decrease (increase) in consumption taxes refund receivable	▲ 323,784	363,741
Increase (decrease) in accounts payable	▲ 215	▲ 2,824
Increase (decrease) in accounts payable-other	2,710	▲ 2,259
Increase (decrease) in accrued expenses	▲ 4,944	2,531
Increase (decrease) in accrued consumption taxes	▲ 293	148,003
Increase (decrease) in advances received	969	46,338
Increase (decrease) in deposits received	28,515	▲ 45,473
Decrease (increase) in prepaid expenses	▲ 115,247	5,384
Decrease (increase) in long-term prepaid expenses	▲ 167,178	70,081
Decrease in carrying amounts of property, plant and equipment in trust due to sale	265,756	-
Other	▲ 2,324	985
Sub total	3,328,601	4,194,904
Interest income received	14,731	13,626
Interest expenses paid	▲ 669,100	▲ 844,742
Income taxes paid	▲ 1,608	▲ 812
II Net cash provided by (used in) investing activities	▲ 41,843,819	▲ 784,469
Payments into time deposits	-	▲ 600,000
Purchase of property, plant and equipment in trust	▲ 43,002,162	▲ 84,423
Purchases of intangible assets in trust	-	▲ 520
Proceeds from tenant leasehold and security deposits in trust	1,436,098	604,821
Payment of tenant leasehold and security deposits in trust	▲ 277,755	▲ 704,347

(Amount: thousand yen)

Item	Previous period (5th period: Aug. 1, 2008–Jan. 31, 2009)	Current period (6th period: Feb. 1, 2008–Jul. 31, 2009)
III Net cash provided by (used in) financing activities	38,846,444	▲ 2,172,570
Increase in short-term loan payable	7,000,000	8,000,000
Decrease in short-term loan payable	▲ 10,000,000	▲ 10,000,000
Proceeds from long-term loan payable	44,000,000	2,000,000
Repayment of long-term loan payable	▲ 15,000,000	-
Proceeds from issuance of investment units	14,700,000	-
Payments for investment unit issuance expenses	▲ 20,297	-
Dividends paid	▲ 1,833,257	▲ 2,172,570
IV Net Increase/decrease in cash & equivalents	▲ 324,751	405,936
V Cash and cash equivalents at beginning of period	11,702,213	11,377,462
VI Cash and cash equivalents at end of period	11,377,462	11,783,398

Retained earnings

(Amount: thousand yen)

Item	Previous period (5th period: Aug. 1, 2008–Jan. 31, 2009)	Current period (6th period: Feb. 1, 2008–Jul. 31, 2009)
I Retained earnings	2,179,156,001	2,026,027,879
II Dividend	2,179,129,600	2,025,979,200
(Dividend per unit)	13,688	12,726
III Earnings carried forward	26,401	48,679

7-14 6th period results breakdown by property①

(Amount: mn yen)

Property Number	O-1-1			O-1-2			O-2			O-3			O-4			O-5			O-6		
Property Name	Ark Mori Building (fixed)			Ark Mori Building (pass-through)			Roppongi Hills Gate Tower			Roppongi First Building			Koraku Mori Building			Toranomom 35 Mori Building			Akasaka Tameike Tower		
Period	5th period	6th period	Difference	5th period	6th period	Difference	5th period	6th period	Difference	5th period	6th period	Difference	5th period	6th period	Difference	5th period	6th period	Difference	5th period	6th period	Difference
Days of operation (days)	184	181	▲ 3	184	181	▲ 3	184	181	▲ 3	184	181	▲ 3	184	181	▲ 3	184	181	▲ 3	124	181	57
Occupancy rate (%)	100.0%	100.0%	0.0PT	94.3%	94.3%	0.0PT	98.1%	93.8%	▲4.3PT	94.2%	90.6%	▲3.6PT	99.3%	94.1%	▲5.2PT	100.0%	100.0%	0.0PT	100.0%	100.0%	0.0PT
Occupancy rate (during period) (%)	100.0%	100.0%	0.0PT	94.3%	94.3%	0.0PT	98.1%	95.8%	▲2.3PT	95.0%	93.6%	▲1.4PT	98.4%	98.1%	▲0.3PT	100.0%	100.0%	0.0PT	100.0%	100.0%	0.0PT
Number of tenants	1	1	0	11	11	0	44	35	▲ 9	14	13	▲ 1	14	14	0	1	1	0	13	13	0
Acquisition price	6,600			22,000			36,500			21,000			27,200			12,720			37,200		
Rent revenue-real estate	148	148	-	330	366	35	986	967	▲19	619	612	▲6	919	953	33	421	421	-	412	635	223
Other lease business revenue	-	-	-	21	22	0	136	126	▲10	77	62	▲15	123	111	▲12	9	9	-	87	160	73
Operating Income	148	148	-	351	388	36	1,123	1,093	▲29	696	675	▲21	1,043	1,064	21	430	430	-	499	795	296
Maintenance expenses	1	1	-	57	61	4	163	158	▲5	77	75	▲2	99	87	▲11	65	65	-	69	98	29
Utilities	-	-	-	6	7	0	63	57	▲6	35	31	▲3	90	83	▲6	-	-	-	22	47	24
Property taxes (Note1)	8	8	▲0	(Note2)-	8	8	68	68	0	43	43	0	35	34	▲0	21	22	0	(Note3)-	15	15
Maintenance and repairs	0	1	1	4	2	▲2	21	22	0	10	1	▲9	1	6	5	-	-	-	1	0	▲0
Insurance premium	0	0	▲0	0	0	0	2	2	▲0	2	2	0	2	2	▲0	0	0	▲0	1	2	0
Depreciation ①	17	14	▲2	42	46	3	117	117	0	99	87	▲12	123	124	0	35	35	0	90	135	45
Other property expense(Note4)	0	1	0	1	1	▲0	37	34	▲3	1	1	▲0	66	66	0	0	1	0	0	0	0
Property expense	28	26	▲1	112	127	14	474	461	▲13	270	242	▲27	418	405	▲12	124	125	0	185	300	115
Operating profit ②	120	121	1	238	261	22	648	632	▲16	426	432	5	624	658	34	306	305	▲0	314	495	181
NOI ③ (①+②)	138	136	▲1	281	307	26	766	750	▲15	526	520	▲6	748	782	34	342	341	▲0	404	630	226
Annualized NOI	273	275	1	(Note5) 608	619	11	1,519	1,512	▲6	1,044	1,049	4	1,484	1,578	94	678	687	9	1,199	1,272	72
Annualized NOI/Acquisition price	4.1%	4.2%	0.1PT	2.8%	2.8%	0.0PT	4.2%	4.1%	▲0.1PT	5.0%	5.0%	0.0PT	5.5%	5.8%	0.3PT	5.3%	5.4%	0.1PT	3.2%	3.4%	0.2PT
Capex ④	-	-	-	-	-	-	3	25	21	1	0	▲0	0	5	5	1	-	▲1	2	0	▲2
NCF ③-④	138	136	▲1	281	307	26	762	725	▲37	525	519	▲5	748	777	29	340	341	1	402	630	228

(Note 1) Out of the amount of taxes imposed on portfolio properties including Property & City Planning Tax and Depreciable Property Tax, the amount of taxes paid in the 5th and 6th period were included as expenses. Under this accounting treatment, taxes for 6 months were included as expenses in each respective period (excl. the portion of Ark Mori Building which was additionally acquired (pass-through) and Akasaka Tameike Tower(5th Period))

(Note 2) JPY1mn, the amount corresponding to property tax for additional acquisitions as of Sep 30, 2008 (5th Period) were paid to transferor as part of the settlement payment. Therefore, such amounts are not included with expenses but added to acquisition costs. Annualized NOI in the 5th period would have been JPY575mn (Annualized NOI/ Acquisition price 2.6%), if the amount corresponding to property tax for the 123 operating days in the 5th Period had been included with expenses.

(Note 3) JPY13mn, which is the amount corresponding to property tax for acquisitions as of Sep 30, 2008(5th Period), was paid to transferor as part of the settlement payment and therefore not included in expenses but added to acquisition costs. Annualized NOI in the 5th period would have been 1,148mn(Annualized NOI / Acquisition price 3.1%)

(Note 4) Other property expenses include sum of rental expenses, trust fees and other leasing expenses (residential property management fee and general leasing expenses)

(Note 5) Ark Mori Building (pass-through type property) acquired on Sep 30, 2008 (5th Period) contributed 123 days of revenue; the annual NOI was obtained by calculating annualized NOI based on ownership and subsequently added up the results

7-15 6th period results breakdown by property②

(Amount: mn yen)

Property Number	R-1			R-2			R-3			R-4			Total		
Property Name	Moto-Azabu Hills			Ark Forest Terrace			Roppongi First Plaza			Roppongi View Tower			Total		
Period	4th period	5th period	Difference	4th period	5th period	Difference	4th period	5th period	Difference	4th period	5th period	Difference	4th period	5th period	Difference
Days of operation (days)	184	181	▲ 3	184	181	▲ 3	184	181	▲ 3	184	181	▲ 3	-	-	-
Occupancy rate (%)	92.8%	90.7%	▲2.1PT	93.9%	82.9%	▲11.0PT	83.1%	84.4%	1.3PT	100.0%	100.0%	0.0PT	96.5%	93.7%	▲2.8PT
Occupancy rate (during period) (%)	92.9%	90.0%	▲2.9PT	92.8%	84.8%	▲8.0PT	87.5%	85.5%	▲2.0PT	100.0%	100.0%	0.0PT	96.5%	95.0%	▲1.5PT
Number of tenants	107	101	▲ 6	35	32	▲ 3	36	35	▲ 1	1	1	0	277	257	▲ 20
Acquisition price	27,034			5,300			2,100			4,000			201,654		
Rent revenue-real estate	812	765	▲47	177	162	▲14	78	75	▲3	109	109	-	5,015	5,217	202
Other lease business revenue	68	69	0	9	9	▲0	0	0	0	-	-	-	534	571	37
Operating Income	880	834	▲46	187	171	▲15	78	75	▲2	109	109	-	5,549	5,789	239
Maintenance expenses	181	185	3	38	38	▲0	12	17	5	4	3	▲0	769	793	23
Utilities	4	4	▲0	10	10	▲0	0	0	0	-	-	-	234	242	7
Property taxes (Note1)	43	42	▲0	9	9	0	6	6	0	9	10	0	245	269	24
Maintenance and repairs	54	79	24	5	19	13	4	9	4	-	-	-	104	142	37
Insurance premium	3	3	▲0	0	0	▲0	0	0	▲0	0	0	▲0	15	16	0
Depreciation ①	122	122	0	32	32	0	10	10	▲0	15	14	▲0	706	740	33
Other property expense(Note2)	51	43	▲8	9	8	▲1	4	3	▲0	0	0	▲0	174	162	▲12
Property expense	462	482	19	106	118	11	38	47	9	30	30	▲0	2,251	2,367	115
Operating profit ②	418	352	▲66	80	53	▲27	40	28	▲12	78	79	0	3,298	3,421	123
NOI ③ (①+②)	541	475	▲65	112	85	▲27	50	38	▲12	93	94	0	4,004	4,162	157
Annualized NOI	(Note3) 1,077	958	▲119	223	172	▲50	100	77	▲23	186	189	3	8,396	8,393	▲3
Annualized NOI/Acquisition price	4.0%	3.5%	▲0.5PT	4.2%	3.3%	▲0.9PT	4.8%	3.7%	▲1.1PT	4.7%	4.7%	0.0PT	4.2%	4.2%	0.0PT
Capex ④	24	10	▲14	1	4	3	25	29	3	-	-	-	61	75	14
NCF ③-④	516	465	▲51	111	80	▲30	24	9	▲15	93	94	0	3,943	4,086	143

(Note 1) Out of the amount of taxes imposed on portfolio properties including Property & City Planning Tax and Depreciable Property Tax, the amount of taxes paid in the 5th and 6th period were included as expenses. Under this accounting treatment, taxes for 6 months were included as expenses in each respective period (excl. the portion of Ark Mori Building which was additionally acquired (pass-through) and Akasaka Tameike Tower(5th Period))

(Note 2) Other property expenses include sum of rental expenses, trust fees and other leasing expenses (residential property management fee and general leasing expenses)

(Note 3) The properties' Annualized NOI reflect the transfer of 1 dwelling unit on Oct 31, 2008 including its operating days in the 5th period (92 days) and GFA (GFA of the transferred dwelling unit was 192.11㎡, GFA of remaining units was 24,770.52 ㎡).

7-16 Portfolio value

(Amount: mn yen)

Type	Property name	Property No.	Acquisition price	Book value	At IPL		As of end of 3rd period (Jan. 31, 2008)		As of end of 4th period (Jul. 31, 2008)		As of end of 5th period (Jan. 31, 2009)		As of end of 6th period (Jul. 31, 2009)				Difference (②-①)	Difference (②/①-1) (%)	Unrealized capital gain (②-book value)
					Portfolio	Yield (direct capitalization method)	Portfolio	Yield (direct capitalization method)	Portfolio	Yield (direct capitalization method)	①Portfolio	Yield (direct capitalization method)	②Portfolio	Yield (direct capitalization method)	Discount (DCF)	Terminal yield (DCF)			
Office building	Ark Mori Building (fixed)	O-1-1	6,600	6,534	6,600	4.2%	9,630	3.8%	9,790	3.7%	8,470	3.8%	7,890	3.7%	3.7%	4.2%	▲ 580	▲ 6.8	1,356
	Ark Mori Building (pass-through)	O-1-2	22,000	22,038	-	-	-	-	15,075	3.5%	17,100	3.6%	15,100	3.7%	3.7%	4.2%	(Note3) ▲ 2,000	▲ 11.7	▲ 6,938
	Roppongi Hills Gate Tower	O-2	36,500	36,135	36,500	4.1%	43,900	3.7%	43,500	3.7%	39,900	3.9%	37,500	3.9%	3.7%	4.2%	▲ 2,400	▲ 6.0	1,365
	Roppongi First Building	O-3	21,000	20,521	21,000	4.5%	27,300	4.0%	27,500	4.0%	25,700	4.2%	24,100	4.3%	4.0%	4.5%	▲ 1,600	▲ 6.2	3,579
	Koraku Mori Building (Note2)	O-4	27,200	26,592	27,200	4.6%	34,720	4.3%	34,960	4.3%	34,160	4.5%	32,000	4.6%	4.2%	4.9%	▲ 2,160	▲ 6.3	5,408
	Toranomon 35 Mori Building	O-5	12,720	12,622	12,800	4.7%	15,300	4.1%	15,300	4.1%	13,800	4.4%	12,800	4.5%	4.2%	4.7%	▲ 1,000	▲ 7.2	178
	Akasaka Tameike Tower	O-6	37,200	37,205							33,500	3.9%	31,300	3.9%	3.6%	4.1%	▲ 2,200	▲ 6.6	▲ 5,905
Sub total			163,220	161,651	104,100	-	130,850	-	146,125	-	172,630	-	160,690	-	-	-	▲ 11,940	▲ 6.9	▲ 961
Residential	Moto-Azabu Hills	R-1	27,034	26,813	27,300	4.2%	28,600	4.2%	28,800	4.2%	26,100	4.6%	23,900	4.7%	4.3%	4.9%	(Note4) ▲ 2,200	▲ 8.4	▲ 2,913
	Ark Forest Terrace	R-2	5,300	5,252	5,300	4.4%	5,410	4.4%	5,180	4.4%	4,640	4.8%	4,350	4.9%	4.7%	5.1%	▲ 290	▲ 6.3	▲ 902
	Roppongi First Plaza	R-3	2,100	2,179	2,100	4.6%	2,330	4.6%	2,320	4.6%	2,070	5.1%	1,960	5.2%	5.0%	5.4%	▲ 110	▲ 5.3	▲ 219
	Roppongi View Tower	R-4	4,000	3,993	4,000	4.6%	4,020	4.6%	4,010	4.6%	3,610	5.1%	3,600	5.2%	5.0%	5.4%	▲ 10	▲ 0.3	▲ 393
	Sub total			38,434	38,238	38,700	-	40,360	-	40,310	-	36,420	-	33,810	-	-	-	▲ 2,610	▲ 7.2
Total			201,654	199,889	142,800	-	171,210	-	186,435	-	209,050	-	194,500	-	-	-	▲ 14,550	▲ 7.0	▲ 5,389

Note 1: "Appraisal values" as of end of each period are based on the REIT's calculation rules, asset valuation methods & standards defined by the Business Regulation (Kiyaku), rules defined by the Investment Trust Association (Toshin Kyokai), and the property appraisal reports created by Japan Real Estate Institute (Fudoken)

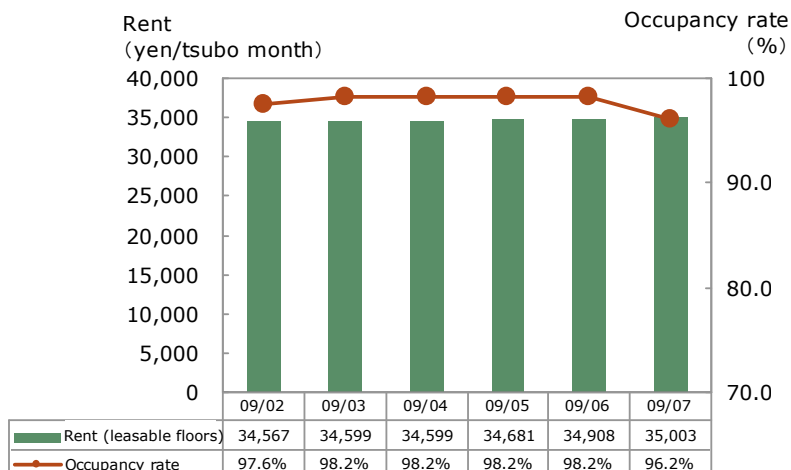
Note 2: Koraku Mori Bldg's Acquisition price and Book value are based on the appraisal value stated in the research report multiplied by the REIT's portion of Joint ownership in the quasi-undivided interests of the Trust beneficiary interests (80%)

Note 3: During the 4th Period, we have acquired 75% of the Joint ownership in the quasi-undivided interests of the Trust beneficiary interests, and in the 5th period, the remaining 25%

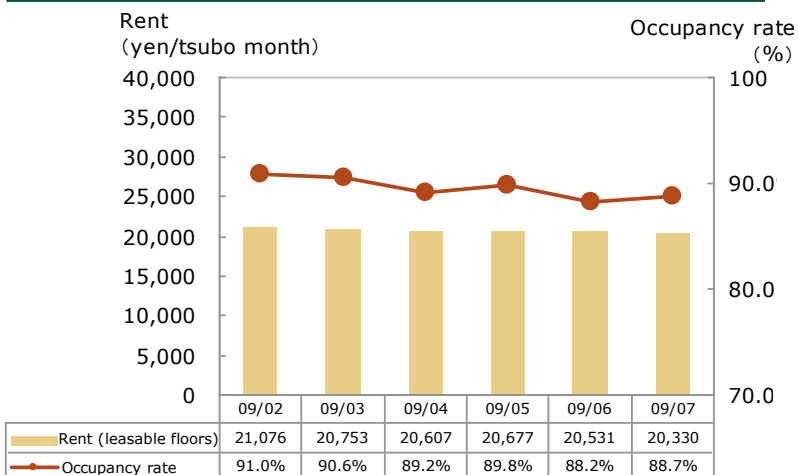
Note 4: Sale of some dwelling units during the 5th period (Appraisal value of the block: JPN400mn) was key factor for the decline in value compared to the 4th period

7-17 Tenant status during the 6th period

Office: Rent and occupancy rate



Residential: Rent and occupancy rate



Top 10 tenants

Tenant	Property name	Leased space (m ²)	% of total space
Japan Racing Association	Roppongi Hills Gate Tower	9,821.62	10.2
OMRON Corporation	Toranomon 35 Mori Building (OMRON Tokyo Headquarters Building)	6,720.34	7.0
Urban Renaissance Agency	Roppong View Tower	6,344.84	6.6
Mori Building Co., Ltd	Ark Mori Building (fixed), Koraku Mori Building, Moto-Azabu Hills	3,072.52	3.2
Mercedes-Benz Japan Co., Ltd.	Roppongi First Building	2,965.03	3.1
Nippon Ericsson K.K.	Koraku Mori Building	2,777.81	2.9
Regus Japan	Ark Mori Building (pass-through)	2,673.21	2.8
Alcon Japan Ltd.	Akasaka Tameike Tower	2,635.02	2.7
McKinsey & Company, Inc Japan	Roppongi First Building	2,344.21	2.4
AstraZeneca K.K.	Koraku Mori Building	2,245.06	2.3
Total		41,599.66	43.0

(Note) As of Jul. 31, 2009

(Note) The definitions of the Office and Residential categories used in these materials differ from those used in discussions of operating rates on Mori Hills REIT Investment Corporation's website. In these materials, Office and Residential figures are compiled using individual figures for all office and residential properties in which Mori Hills REIT Investment Corporation has invested. Figures on Mori Hills REIT Investment Corporation's website are defined as per Portfolio Overview (page 42)

Breakdown of monthly rent revenue

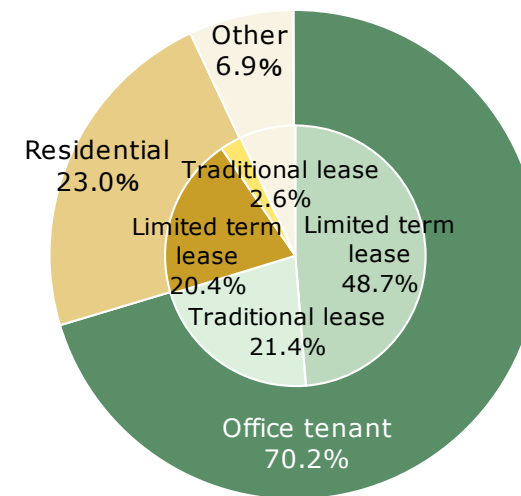
(Amount: million yen)

Tenant type	Type of lease contract	Total	Agreement renewal timing				
			7th period	8th period	9th period	10th period	11th period-
Office tenant	Limited term lease	405.4	30.3	44.6	31.9	229.8	68.8
		48.7%	3.6%	5.4%	3.8%	27.6%	8.3%
	Traditional lease	34 tenants	2 tenants	8 tenants	6 tenants	6 tenants	12 tenants
		178.3	49.2	37.1	37.3	37.9	16.8
		21.4%	5.9%	4.5%	4.5%	4.6%	2.0%
		20 tenants	5 tenants	4 tenants	6 tenants	4 tenants	1 tenant
Total	583.7	79.6	81.7	69.2	267.6	85.6	
	70.2%	9.6%	9.8%	8.3%	32.2%	10.3%	
Residential tenant	Limited term lease	169.6	10.8	4.6	43.3	23.6	87.3
		20.4%	1.3%	0.6%	5.2%	2.8%	10.5%
	Traditional lease	180 tenants	12 tenants	5 tenants	45 tenants	25 tenants	93 tenants
		21.5	1.6	0	0	1.7	18.2
		2.6%	0.2%	0.0%	0.0%	0.2%	2.2%
		10 tenants	4 tenants	0 tenant	0 tenant	5 tenants	1 tenant
Total	191.1	12.3	4.6	43.3	25.4	105.5	
	23.0%	1.5%	0.6%	5.2%	3.0%	12.7%	
Sub total		774.8	91.9	86.3	112.5	293.0	191.1
		93.1%	11.0%	10.4%	13.5%	35.2%	23.0%
		244 tenants	23 tenants	17 tenants	57 tenants	40 tenants	107 tenants
Others	Retail	29.2					
		3.5%					
	Parking	18.7					
Others		2.2%					
	Others	9.3					
Sub total		57.2					
		6.9%					
Total		832.0					
		100%					

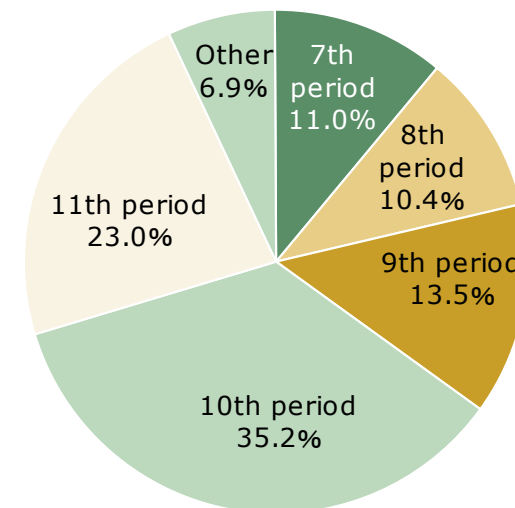
(Note 1) First line: monthly rent; Second line: ratio of monthly rent to total rent; Third line: number of leasing contracts

(Note 2) Situation of tenants reflects actual move in/out and revised rents when this document was drafted

Rent revenue breakdown by types of lease contract



Rent revenue breakdown by timing of renewal



7-19 Debt status (as of Jul. 31, 2009)

	Lender	Lender Loan balance (mn yen)	Rate of interest	Borrowing date	Maturity date	Remarks
Short-term	Sumitomo Mitsui Banking Corporation	7,000	0.68%	Sep. 30, '08	Aug. 31, '09	Unsecured, non-guaranteed
	Mizuho Corporate Bank, Ltd.					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.					
	Mitsubishi UFJ Trust and Banking Corporation					
	The Sumitomo Trust and Banking Co., Ltd.					
	Sumitomo Mitsui Banking Corporation	2,940	1.33%	Mar. 27, '09	Nov. 30, '09	Unsecured, non-guaranteed
	Mizuho Corporate Bank, Ltd.					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.					
	Mitsubishi UFJ Trust and Banking Corporation					
	The Sumitomo Trust and Banking Co., Ltd.	5,060	1.33%	Mar. 27, '09	Mar. 27, '10	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation					
	Mizuho Corporate Bank, Ltd.					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.					
	Mitsubishi UFJ Trust and Banking Corporation					
	The Sumitomo Trust and Banking Co., Ltd.					
Sub-total	15,000	-	-	-	-	-
Long-term	Mizuho Corporate Bank, Ltd.	25,000	1.50% ※	Dec. 04, '06	Nov. 30, '09	Unsecured, non-guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.					
	Mitsubishi UFJ Trust and Banking Corporation					
	Sumitomo Mitsui Banking Corporation					
	The Sumitomo Trust and Banking Co., Ltd.					
	Shinsei Bank, Limited	8,000	1.38% ※	Nov. 30, '07	Nov. 30, '10	Unsecured, non-guaranteed
	The Norinchukin Bank					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.					
	Mizuho Corporate Bank, Ltd.					
	Mitsubishi UFJ Trust and Banking Corporation	5,000	1.35% ※	Nov. 30, '07	Nov. 30, '10	Unsecured, non-guaranteed
	Shinsei Bank, Limited					
	The Norinchukin Bank					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.					
	The Sumitomo Trust and Banking Co., Ltd.					
	Sumitomo Mitsui Banking Corporation	5,000	1.23% ※	Mar. 28, '08	Feb. 28, '11	Unsecured, non-guaranteed
Mitsubishi UFJ Trust and Banking Corporation						
The Bank of Tokyo-Mitsubishi UFJ, Ltd.						
Mizuho Corporate Bank, Ltd.						
The Sumitomo Trust and Banking Co., Ltd.						
Shinsei Bank, Limited						
Sumitomo Mitsui Banking Corporation						

	Lender	Lender Loan balance (mn yen)	Rate of interest	Borrowing date	Maturity date	Remarks
Long-term	Sumitomo Mitsui Banking Corporation	17,000	1.50% ※	Sep. 30, '08	Aug. 31, '11	Unsecured, non-guaranteed
	Mizuho Corporate Bank, Ltd.					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.					
	Mitsubishi UFJ Trust and Banking Corporation					
	The Sumitomo Trust and Banking Co., Ltd.					
	Aozora Bank, Ltd.					
	Resona Bank, Ltd.					
	Aozora Bank, Ltd.	2,000	1.62% ※	Sep. 30, '08	Aug. 31, '12	Unsecured, non-guaranteed
	Mizuho Corporate Bank, Ltd.	10,000	1.58%	Nov. 28, '08	May. 31, '10	Unsecured, non-guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.					
	Mitsubishi UFJ Trust and Banking Corporation					
	The Sumitomo Trust and Banking Co., Ltd.					
	Sumitomo Mitsui Banking Corporation					
	Mizuho Corporate Bank, Ltd.	5,000	1.68%	Nov. 28, '08	May. 31, '11	Unsecured, non-guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.					
Mitsubishi UFJ Trust and Banking Corporation	5,000	1.96% ※	Nov. 28, '08	May. 31, '12	Unsecured, non-guaranteed	
The Sumitomo Trust and Banking Co., Ltd.						
Sumitomo Mitsui Banking Corporation						
Mizuho Corporate Bank, Ltd.						
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,000	2.16% ※	Nov. 28, '08	May. 31, '12	Unsecured, non-guaranteed	
Mitsubishi UFJ Trust and Banking Corporation						
The Sumitomo Trust and Banking Co., Ltd.						
Sumitomo Mitsui Banking Corporation	2,000 (Note 2)	2.04%	Mar. 27, '09	Mar. 27, '12	Unsecured, non-guaranteed	
Sub-total	89,000	-	-	-	-	-
Total	104,000	-	-	-	-	-

Past issuance of investment corporation bonds

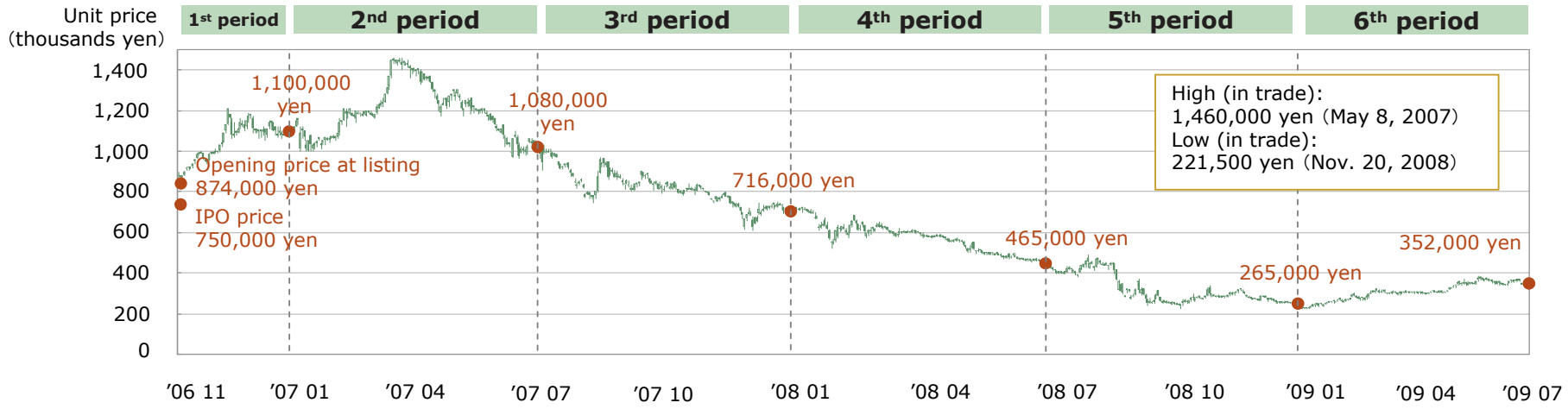
		Issue amount	Rate of Interest	Payment date	Maturity date
Investment corporation bonds	1st	7,000	1.56%	Nov. 29, '07	Nov. 29, '12
	2nd	3,000	1.77%	Nov. 29, '07	Nov. 28, '14
Total		10,000	-	-	-

(Note 1) Current installments of long-term debt have been procured with a floating rate, but rate of long-term debt with * has been fixed through interest rate swap. Rate of interest is the rate after being fixed

(Note 2) Planning to repay JPY50mn every 6 months up to repayment deadline, and JPY1,750mn at the repayment deadline

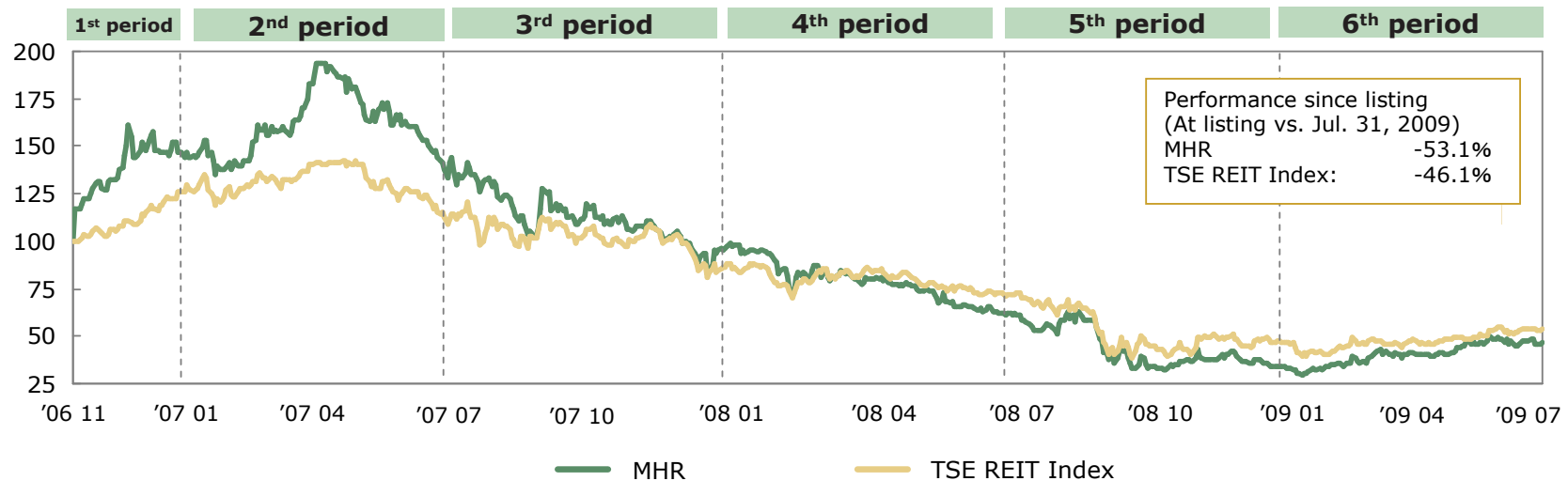
7-20 Unit price performance

Since IPO ~ End of the 6th period (Jul. 31, 2009)



Source: Bloomberg

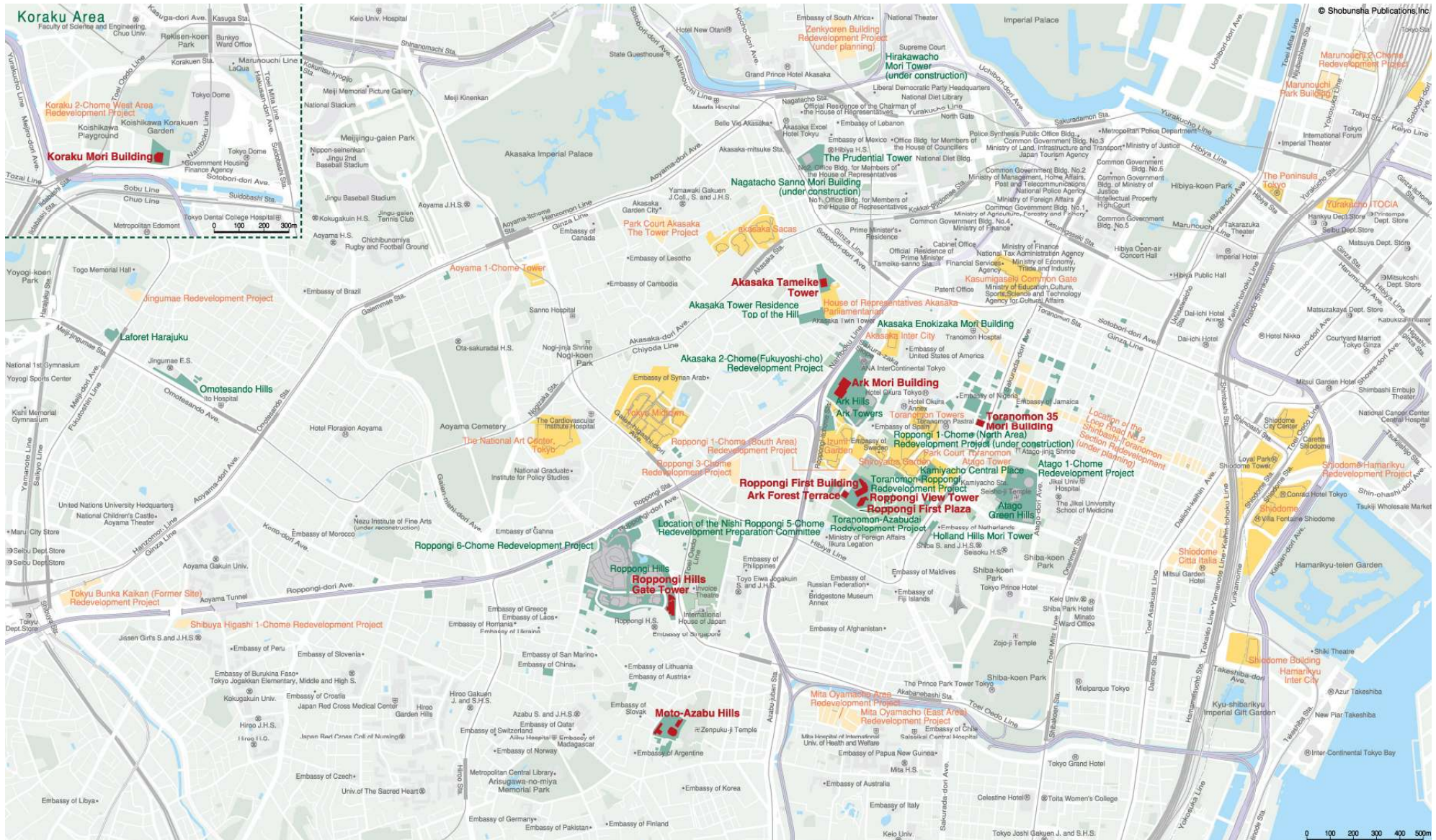
Relative price performance (Since IPO ~ End of Jan. 31, 2009)











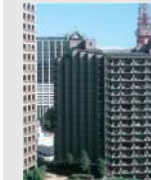


Source: Bloomberg

Note: Rebased to 100 as per IPO price

7-21 Portfolio Map



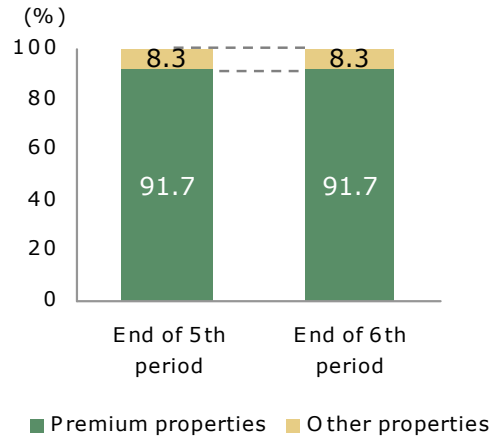
7-22 Portfolio overview (As of Jul.31, 2009)

Type	Office building		Office building	Office building	Office building	Office building	Residential			Residential	Residential	Residential		
Premium	Premium		Premium	Premium	Premium	-	Premium			Premium	Premium	-		
Property name	Ark Mori Building		Roppongi Hills Gate Tower	Roppongi First Building	Koraku Mori Building	Toranomom 35 Mori Building (OMRON Tokyo Headquarters Building)	Akasaka Tameike Tower	Moto-Azabu Hills			Ark Forest Terrace	Roppongi First Plaza	Roppongi View Tower	
	(Fixed)	(pass-through)						Forest Tower	Forest Terrace East	Forest Terrace West				
	O-1-1	O-1-2	O-2	O-3	O-4	O-5	O-6	R-1			R-2	R-3	R-4	
														
Location	Akasaka, Minato-ku, Tokyo		Roppongi, Minato-ku, Tokyo	Roppongi, Minato-ku, Tokyo	Koraku, Bunkyo-ku, Tokyo	Toranomon, Minato-ku, Tokyo	Akasaka, Minato-ku, Tokyo	Motoazabu, Minato-ku, Tokyo			Roppongi, Minato-ku, Tokyo	Roppongi, Minato-ku, Tokyo		
Completion	Mar.1986 (large-scale renovation in 2005)		Oct. 2001	Oct. 1993	Mar. 2000	Aug.1981 (large-scale renovation in 2001)	Sep. 2000	May. 2002	Sep. 2002	Jan. 2001	Oct. 1993			
Building age	23 years and 5months		7 yeares and 10months	15 yeares and 10months	9 years and 5months	28 years	9 years	7 years and 3months	6 yeares and 11months	8yeares and 7months	15yeares and 10months			
Number of stories	37 above ground, 4 below		15 above ground, 2 below	20 above ground, 4 below	19 above ground, 6 below	9 above ground, 1 below	25 above ground, 2 below	29 above ground, 3 below	6 above ground, 1 below	5 above ground, 1 below	11 above ground, 2 below	20 above ground, 1 below		
Gross floor area	c. 177,486m ²		c. 29,111m ²	c. 45,753m ²	c. 46,154m ²	c. 10,299m ²	c. 46,971m ²	c. 54,006m ²			c. 9,125m ²	c. 22,906m ²		
Ownership	Land	Ownership (1.3%)	Ownership (2.6%)	Ownership (100%)	Co-ownership (46%)	Leased land	Ownership (89.5%)	Co-ownership (35.5%)	Ownership (56%)			Ownership (100%)	Ownership (47%)	Co-ownership
	Building	Compartmentalized ownership (1.8%)	Compartmentalized ownership (3.7%)	Compartmentalized ownership (100%)	Co-ownership (46%)	Co-ownership (72.4%) of trust beneficiary interests 80%	Compartmentalized ownership (91.1%)	Co-ownership of compartmentalized Title (35.4%)	Compartmentalized ownership (64.5%)			Compartmentalized ownership (100%)	Compartmentalized ownership (46.4%)	Co-ownership of compartmentalized Title (46%)
PML	0.38%		1.29%	2.07%	0.42%	6.90%	2.15%	1.16%	1.72%	5.78%	1.60%	3.53%		
Earthquake-resistant feature	-		Seismic Damping	-	Seismic Damping	-	Seismic Damping	Seismic Isolators	Seismic Isolators	-	Seismic Isolators	-		
Acquisition price (mn yen)	6,600	22,000	36,500	21,000	27,200	12,720	37,200	27,034			5,300	2,100	4,000	
Occupancy rate	100%	94.3%	93.8%	90.6%	94.1%	100%	100%	90.7%			82.9%	84.4%	100%	

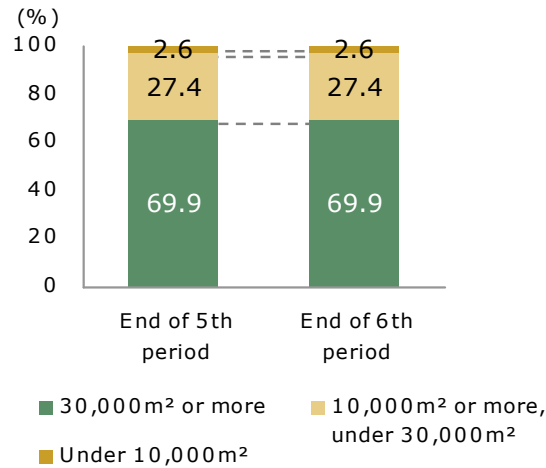
Total acquisition price 201,654 mn yen

7-23 Portfolio competitiveness

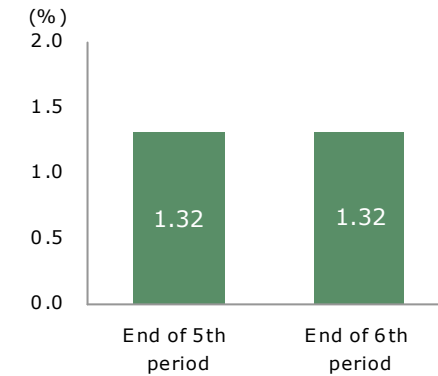
Quality



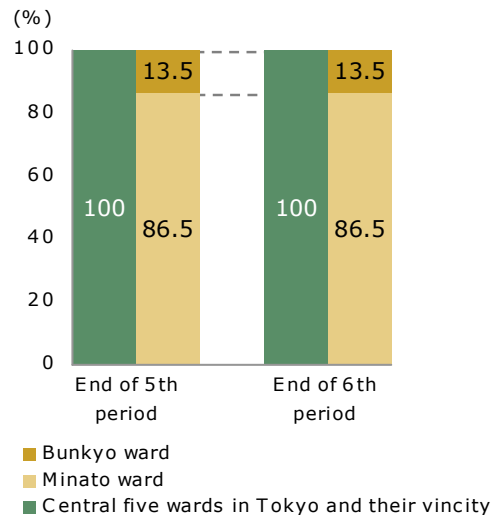
Scale



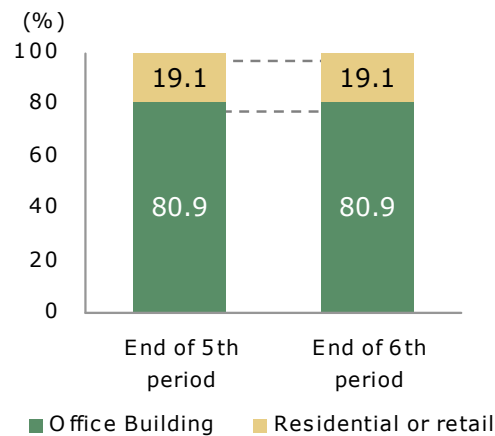
Portfolio PML



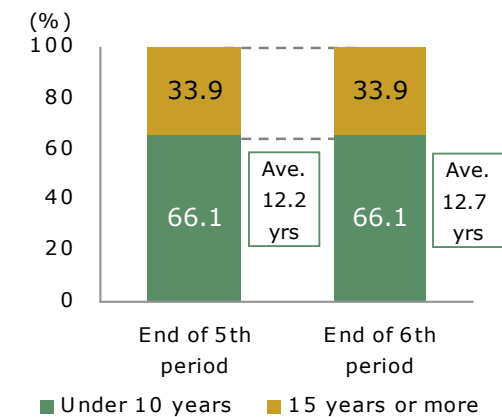
Location



Type



Building age



(Note) The second decimal place is rounded off

(Note) Data as of term-end is used for "End of 4th period" and "End of 5th period"