

For Translation Purposes Only

FINANCIAL REPORT FOR THE EIGHTEENTH FISCAL PERIOD ENDED JULY 31, 2015

September 11, 2015

Name of issuer :	Mori Hills REIT Investment Corporation
Stock exchange listing :	Tokyo Stock Exchange
Securities code :	3234
Website :	http://www.mori-hills-reit.co.jp/en
Representative of the investment corporation :	Hideyuki Isobe, Executive Director
Name of asset manager :	Mori Building Investment Management Co., Ltd.
Representative of the asset manager :	Hideyuki Isobe, President & CEO
Contact :	Ryosuke Kanazawa, General Manager of Planning Department TEL: +81-3-6234-3234
Scheduled date for filing of securities report :	October 29, 2015
Scheduled date for dividends payment :	October 16, 2015
Supplementary materials for financial results :	Otherwise prepared
Analyst meeting :	Scheduled

1. PERFORMANCE FOR THE EIGHTEENTH FISCAL PERIOD ENDED JULY 31, 2015 (February 1, 2015 – July 31, 2015)

(1) Business Results

(Millions of yen except Net Income per Unit; Percentage change represents a period-on-period comparison)

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
Eighteenth Fiscal Period	¥6,516	0.1%	¥4,428	(0.1%)	¥3,716	2.7%	¥3,716	2.8%
Seventeenth Fiscal Period	¥6,506	12.4%	¥4,434	15.7%	¥3,617	21.4%	¥3,616	21.4%

	Net Income per Unit	Net Income to Total Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
Eighteenth Fiscal Period	¥2,367	2.4%	1.3%	57.0%
Seventeenth Fiscal Period	¥2,305	2.6%	1.3%	55.6%

(2) Dividends

	Dividends per Unit (excluding dividends in excess of earnings)	Total Dividends (excluding dividends in excess of earnings)	Dividends in Excess of Earnings per Unit	Total Dividends in Excess of Earnings	Dividend Payout Ratio	Dividend Ratio to Net Assets
Eighteenth Fiscal Period	¥2,367	¥3,716 million	¥0	¥0 million	100.0%	2.4%
Seventeenth Fiscal Period	¥2,303	¥3,615 million	¥0	¥0 million	99.9%	2.4%

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

(3) Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Unit
Eighteenth Fiscal Period	¥295,332 million	¥154,240 million	52.2%	¥98,239
Seventeenth Fiscal Period	¥295,026 million	¥154,140 million	52.2%	¥98,175

(4) Cash Flows

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of the Period
Eighteenth Fiscal Period	¥5,139 million	(¥133 million)	(¥3,646 million)	¥18,034 million
Seventeenth Fiscal Period	¥3,821 million	(¥28,061 million)	¥26,929 million	¥16,674 million

2. FORECAST OF RESULTS FOR THE NINETEENTH FISCAL PERIOD ENDING JANUARY 31, 2016 (August 1, 2015 – January 31, 2016)

(Millions of yen except Dividends per Unit and Dividends in Excess of Earnings per Unit; Percentage change represents a period-on-period comparison)

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
Nineteenth Fiscal Period	¥6,736	3.4%	¥4,535	2.4%	¥3,879	4.4%	¥3,877	4.4%

	Dividends per Unit (excluding dividend in excess of earnings)	Dividend in Excess of Earnings per Unit
Nineteenth Fiscal Period	¥2,470	¥0

(Reference) Estimated net income per unit for the nineteenth fiscal period: ¥2,470

3. OTHER

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

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

(2) Number of Units Issued and Outstanding

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

Eighteenth fiscal period:	1,570,040 units	Seventeenth fiscal period:	1,570,040 units
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- (b) Number of own units at end of the period

Eighteenth fiscal period:	0 units	Seventeenth fiscal period:	0 units
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(Note) For the number of investment units used as the basis for calculating net income per unit, please refer to “Per unit Information” on page 31.

*Presentation of the status of implementation of audit procedures

At the time of disclosure of the original Japanese language Financial Release (*Kessan-Tanshin*), from which this document is translated, audit procedures pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) have not been completed.

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

The forecast of results and other forward-looking statements contained in this document are based on information currently available to and certain assumptions deemed reasonable by Mori Hills REIT Investment Corporation (the “Company”). Accordingly, actual results, etc. may differ materially due to a variety of factors. Furthermore, these forecasts shall not be construed as a guarantee of dividend amounts. For the assumptions underlying the forecasts of results, please refer to “Assumptions of Forecasts of Results for the Nineteenth Fiscal Period Ending January 31, 2016 (August 1, 2015 – January 31, 2016)” presented on pages 11 to 12.

1. AFFILIATED CORPORATIONS OF THE INVESTMENT CORPORATION

Disclosure is omitted because there are no significant changes from the “Structure of the Investment Corporation” in the most recent securities report (submitted on April 27, 2015).

2. MANAGEMENT POLICY AND MANAGEMENT STATUS

(1) Management Policy

Disclosure is omitted because there are no significant changes from the “Investment Policy,” “Investment Targets” and “Distribution Policy” in the most recent securities report (submitted on April 27, 2015).

(2) Management Status

(a) Overview of the Fiscal Period

a) Brief Background of the Investment Corporation

The Company was incorporated by Mori Building Investment Management Co., Ltd. (the Company’s Asset Manager) on February 2, 2006 under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) (the “Investment Trust Act”), and was listed on the Real Estate Investment Trust Section of Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”) on November 30, 2006 (Securities Code: 3234).

In the fiscal period under review (eighteenth fiscal period: February 1, 2015 to July 31, 2015), As of the end of the eighteenth fiscal period, the total number of investment units issued and outstanding was 1,570,040.

b) Investment Environment and Business Performance

(i) Investment Environment

In the eighteenth fiscal period, the Japanese economy maintained a trend of modest recovery with steady corporate earnings due to the drop in crude oil prices, ongoing yen depreciation, and improvement in employment and income environments. This recovery continued despite private consumption and exports being somewhat weak due to the slowdown in overseas economies including China, price increase for food products, impact of bad weather and other factors.

Within this economic environment, the rental office building market continued its ongoing improvement in supply-demand balance. The improvement was largely due to the ongoing demand for expansion and relocation driven by improving corporate earnings in spite of an increase in the volume of new supply with the completion of large-scale buildings in central Tokyo. In the luxury rental housing market, both vacancy rate and rent level remained steady despite an increasing trend of new supply due to steady demand driven by improvement in business sentiment. In the real estate trading market, factors such as a continuing favorable fund procurement environment and demand for investment opportunities for properties in central Tokyo, surrounding areas and regional cities contributed to transaction amounts remaining at a high level; despite the increasingly competitive property acquisition environment.

(ii) Business Performance

In the eighteenth fiscal period, the Company strove to maintain and enhance tenant satisfaction through measures such as efficient and systematic operational management and maintenance and repair of properties in its portfolio by better understanding tenant needs. Moreover, the Company maintained and enhanced occupancy rates and rents by proactively launching leasing activities targeting new and existing tenants while foreseeing trends in rental market conditions.

The Company’s real estate portfolio, as of the end of the eighteenth fiscal period, was comprised of 10 properties (Note 1) under management with a total leasable area of 132,003.82 m². The Company has already invested 281,756 million yen (based on the acquisition price) into this portfolio. The occupancy rate at the end of the eighteenth fiscal period (Note 2) was 99.6%.

(Note 1) With regard to Roppongi View Tower, the Company acquired the trust beneficiary interest in 6% co-ownership interest on March 22, 2006 and the trust beneficiary interest in 40% co-ownership interest on April 13, 2006. However, the Company treats these as one property for purpose of calculating the number of properties in the portfolio. On April 1, 2014, a split of co-owned property by the method of division in kind was conducted, resulting in the trust beneficiary interest in 6% co-ownership interest becoming trust beneficiary interest in compartmentalized ownership for 12 units and the trust beneficiary interest in 40% co-ownership interest becoming trust beneficiary interest in compartmentalized ownership for 80 units. The same applies hereafter.

With regard to ARK Mori Building, the Company made acquisitions as follows to date. However, the Company treats these as one property for purpose of calculating the number of properties in the portfolio. The same applies hereafter.

- i) Trust beneficiary interest in compartmentalized ownership for the 13th floor portion on March 22, 2006.
- ii) 75% trust beneficiary interest quasi co-ownership interest in compartmentalized ownership for the 12th and 22nd floor portions on March 28, 2008.
- iii) The remaining 25% trust beneficiary interest quasi co-ownership interest in compartmentalized ownership for the 12th and 22nd floor portions on September 30, 2008.
- iv) 50% co-ownership interest in compartmentalized ownership for the 23rd floor portion on March 23, 2010. On March 18, 2011, the co-ownership interest was subsequently entrusted and the Company has held trust beneficiary interest therein.
- v) Trust beneficiary interest in the remaining 50% co-ownership interest in compartmentalized ownership for the 23rd floor portion and compartmentalized ownership for the 25th floor portion on March 18, 2011.
- vi) Trust beneficiary interest in compartmentalized ownership for the 4th, 15th and 24th floor portions on August 1, 2011.
- vii) Trust beneficiary interest in compartmentalized ownership for the area used as district heating and cooling on the 1st floor and below ground 1st to 4th floor portions on April 1, 2013.

With regard to Akasaka Tameike Tower, the Company made acquisitions as follows to date. However, the Company treats these as one property for purpose of calculating the number of properties in the portfolio. The same applies hereafter.

- i) Trust beneficiary interest in the office and shop areas (including portion of the storage areas, parking lots, etc.) (approximately 35.5% of total exclusive floor area) on September 30, 2008.
- ii) Trust beneficiary interest in the residential area (including portion of the parking lots, etc.) (approximately 30.0% of total exclusive floor area) on March 18, 2011.

With regard to Roppongi Hills Mori Tower, the Company made acquisitions as follows to date. However, the Company treats these as one property for purpose of calculating the number of properties in the portfolio. The same applies hereafter.

- i) 50% co-ownership interest in compartmentalized ownership for the 24th floor portion on March 23, 2010. On August 1, 2011, the co-ownership interest was subsequently entrusted and the Company has held trust beneficiary interest therein.
- ii) Trust beneficiary interest in compartmentalized ownership for the 23rd floor portion and the remaining 50% co-ownership interest in compartmentalized ownership for the 24th floor portion on August 1, 2011.
- iii) Trust beneficiary interest in compartmentalized ownership for the 19th and 22nd floor portions on October 1, 2013.
- iv) Trust beneficiary interest in compartmentalized ownership for the 20th floor portion on August 1, 2014.

With regard to Atago Green Hills, the Company made acquisitions as follows to date. However, the Company treats these as one property for purpose of calculating the number of properties in the portfolio. The same applies hereafter.

- i) 45% trust beneficiary interest quasi co-ownership interest in co-ownership interest in ownership and compartmentalized ownership of Atago Green Hills' 3 buildings (MORI Tower, Forest Tower and Plaza), as well as co-ownership interest in ownership of the sites and quasi co-ownership interest in leasehold right and easement of the sites (approximately 20.0% of total exclusive floor area) on May 1, 2012.
- ii) 29% trust beneficiary interest quasi co-ownership interest in co-ownership interest in ownership and compartmentalized ownership of Atago Green Hills' 3 buildings (MORI Tower, Forest Tower and

Plaza), as well as co-ownership interest in ownership of the sites and quasi co-ownership interest in leasehold right and easement of the sites (approximately 12.9% of total exclusive floor area) on April 1, 2013.

(Note 2) The occupancy rate at the end of the fiscal period is calculated by dividing the aggregate of the total leased area for all properties at the end of the fiscal period by the aggregate of the total leasable area for all properties at the end of the fiscal period, which is rounded off to one decimal place.

c) Overview of Fund Procurement

During the eighteenth fiscal period, the Company took out long-term loans payable in the amount of 14,700 million yen and issued investment corporation bonds in the amount of 5,000 million yen for the refinancing of existing long-term loans payable in the amount of 14,700 million yen and redemption of investment corporation bonds in the amount of 5,000 million yen.

As a result, as of the end of the eighteenth fiscal period, a) the balance of loans payable stands at 106,200 million yen (all of these are long-term loans payable (of which, the current portion of long-term loans payable is 17,000 million yen)), b) the balance of investment corporation bonds stands at 24,000 million yen (of which, the current portion of investment corporation bonds is 5,000 million yen), and c) the balance of interest-bearing debt stands at 130,200 million yen.

Of the debt, in addition to the 24,000 million yen in investment corporation bonds and 1,700 million yen in long-term loans payable that have fixed interest rates, the Company utilizes interest rate swaps to in effect convert the interest rates for loans payable that have floating interest rates into fixed interest rates in order to hedge against the risk of upward fluctuations in interest rates. Such measures have been taken for 59,478 million yen of the 104,500 million yen in long-term loans payable that have such floating interest rates (the ratio of fixed rate debt against total interest-bearing debt as of the end of the eighteenth fiscal period is 65.4%). With respect to future debt, the Company will strive to minimize refinancing risks by diversifying repayment dates for such debt.

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

(Note) Short-term loans payable are loans payable with a term of one year or less (from the drawdown date to the repayment date) and long-term loans payable are loans payable with a term of over one year (from the drawdown date to the repayment date). The same applies hereafter.

d) Overview of Business Results and Distributions

The asset management activities described above resulted in the Company recording in the eighteenth fiscal period 6,516 million yen in operating revenue, 4,428 million yen in operating income, 3,716 million yen in ordinary income and 3,716 million yen in net income.

With regard to dividends, to ensure that income distributions would be deductible for tax purposes based on application of Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended), the Company decided to pay out the entire amount of unappropriated retained earnings, excluding fractions of the dividend per unit that are less than 1 yen, and declared a dividend per unit of 2,367 yen.

(b) Outlook for the Next Fiscal Period

a) Future Management Policy

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

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

In addition, the Company will continue to seek to maximize investor value through conducting dividend-oriented management, by pursuing further enhancement of portfolio revenue through external growth and by further strengthening its financial standing (primarily by reducing borrowing costs and extending the average duration of debt).

(Note) Premium Properties refer to properties with competitive advantages in terms of quality, scale, and other specifications that can maintain high competitive advantages into the future and that are situated in “Premium Areas” (Tokyo’s five central wards (Minato Ward, Chiyoda Ward, Chuo Ward, Shinjuku Ward and Shibuya Ward) and their vicinity; the same applies hereafter), where the Mori Building Group (Mori Building Co., Ltd., Mori Building Co., Ltd.’s consolidated subsidiaries and equity-method affiliates of Mori Building Co., Ltd., that conduct business in Japan; the same applies hereafter) can fully demonstrate its brand/marketing strength and facilities management capabilities, etc.

b) Significant Subsequent Events

Not applicable.

(Reference Information)

(i) Asset Acquisition and Lease

The Company resolved at its Board of Directors’ Meeting held on September 11, 2015 to conduct an additional acquisition at Roppongi Hills Mori Tower.

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

i) Overview of Acquisition and Lease

Property name	Roppongi Hills Mori Tower
Asset-to-be-acquired	Trust beneficial interests (Note 1)
Anticipated acquisition price	12,000 million yen (Note 2)
Appraisal value	13,800 million yen
Sales agreement date	September 11, 2015
Acquisition date	September 16, 2015 (anticipated)
Seller	Mori Building Co., Ltd.
Acquisition financing	borrowings and cash on hand (anticipated)
Lessee	Mori Building Co., Ltd. (Note 3)

(Note 1) MHR plans to acquire the trust beneficial interests in compartmentalized ownership of the 28th floor.

(Note 2) The indicated anticipated acquisition price does not include acquisition-related costs, consumption taxes and other expenses.

(Note 3) Please see “ii) Details of the Asset-to-be-Acquired and Lease” for leasing terms and conditions, and other details.

ii) Details of the Asset-to-be-Acquired and Lease.

Details of the Asset-to-be-Acquired		
Property name		Roppongi Hills Mori Tower
Type of specified asset		Trust beneficial interests
Trust fiduciary		Sumitomo Mitsui Trust Bank, Limited
Trust establishment period		From September 16, 2015 to September 15, 2030 (anticipated)
Location (Residential indication)		6-10-1 Roppongi, Minato-ku, Tokyo
Use		Offices, Shops, Museum
Area (Note 1)	Land	57,177.66m ²
	Building	442,150.70m ²
Structure		Steel-framed and steel-framed reinforced concrete structure with flat roof, 54 floors above ground and 6 floors below ground
Construction completion		April 2003
Designers		Mori Building Co., Ltd., first class architect office Irie Miyake Architects & Engineers
Contractors		A consortium of Obayashi Corporation and Kajima Corporation
Building verification agency		Tokyo Metropolitan Government
Form of Ownership	Land	Ownership (Note 2)
	Building	Compartmentalized ownership (Note 3)
Anticipated acquisition price		12,000 million yen
Acquisition date		September 16, 2015 (anticipated)
Appraisal	Appraiser	Japan Real Estate Institute
	Appraisal value	13,800 million yen (Appraisal date: July 31, 2015)
PML (Note 4)		0.59%
Collateral		None
Property manager		Mori Building Co., Ltd.
Content of lease		
Lessee (Note 5)		Mori Building Co., Ltd.
Type of agreement		Regular building lease agreement
Term of agreement		From September 16, 2015 to September 15, 2020 (anticipated)
Gross rent income (annual rent)		590,944,920 yen
Deposits/Guarantees		492,454,100 yen
Total leasable floor area (Note 6)		4,460.13m ²
Total leased floor area (Note 7)		4,460.13m ²
Other special consideration		None

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

(Note 2) As for land, land use rights for the property are established. The site area corresponding to the trust beneficial interests that MHR plans to acquire equivalent to the ratio of interest in the building is approx. 1,055.87m² (approximately 1.8%). The site area equivalent to the ratio of interest in the building in the trust beneficial interests that MHR will own following the acquisition of the asset-to-be-acquired is scheduled to be 6,067.41m² (approximately 10.6%).

(Note 3) The exclusive floor area corresponding to the trust beneficial interests that MHR plans to acquire as indicated in the real estate registry is 4,406.23m² (approximately 1.4%). Moreover, exclusive floor area corresponding to the trust beneficial interests that MHR is to own after the Acquisitions, as indicated in the real estate registry, is 25,905.81m² (approximately 8.2%).

(Note 4) PML refers to the probability of the maximum loss expected to result from an earthquake. There is no standardized precise definition. Rather, definitions vary depending on the intended purpose and use. Herein, however, PML is defined as “the percentage of losses against building price which will not be exceeded based on a 90% probability, should the greatest earthquake that has a 10% probability occurring within the average useful life of a building of 50 years, occur.” The value as indicated on the earthquake risk PML assessment report dated August 7, 2015 by Sompo Japan Nipponkoa Risk Management Inc. is shown.

(Note 5) With regard to the property, MHR will outsource building lease operations to Mori Building Co., Ltd. and shall receive a fixed amount of rent from the company, regardless of the rent amount paid by end tenants. Due to this, Mori Building Co., Ltd. is treated as the end tenant in the Acquisition.

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

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

(ii) Borrowing of Funds

i) Funds for Refinancing

To be used as refinancing of 6,000 million yen in long-term loans payable due August 31, 2015, the Company borrowed described below.

Long-term loans payable (maturity of 6 years)

Lender	: Mizuho Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Banking Corporation
Borrowing amount	: 6,000 million yen
Interest rate	: Base Interest Rate(1-month JBA Japanese Yen TIBOR)+0.20% (Note 1)
Drawdown date	: August 31, 2015
Principal repayment date	: August 31, 2021 (Note 2)
Method of repayment	: To be repaid in full on the principal repayment date.
Collateral	: Unsecured/Unguaranteed

(Note 1) The Company entered into an interest rate swap agreement (counterparty: Mizuho Bank, Ltd.) on August 26, 2015 with notional principal of 6,000 million yen to in effect convert the interest rate until the repayment date for the notional principal amount to 0.49320% per annum.

(Note 2) However, if such date is not a business day, the next business day shall be the payment date. If this next business day falls into the following month, the business day immediately prior shall be the payment date.

ii) Funds for Acquisition of Asset

The Company resolved at its Board of Directors' Meeting held on September 11, 2015, the following with the regard to agreements on borrowings to be used as part of the funds for acquisition of the asset (part of Roppongi Hills Mori Tower).

Long-term loans payable (maturity of 8 years)

Lender (anticipated)	: Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Trust Bank, Limited
Borrowing amount	: 2,500 million yen
Interest rate	: Base Interest Rate(1-month JBA Japanese Yen TIBOR)+0.25% (Note 1)
Scheduled drawdown date	: September 16, 2015
Principal repayment date	: August 31, 2023 (Note 2)
Method of repayment	: To be repaid in full on the principal repayment date.
Collateral	: Unsecured/Unguaranteed

(Note 1) The Company plans to separately enter into interest swap agreements to, in effect, convert fluctuating interest rates for loans payable that have variable interest rates into fixed interest rates.

(Note 2) However, if such date is not a business day, the next business day shall be the payment date. If this next business day falls into the following month, the business day immediately prior shall be the payment date.

c) Outlook of Business Results

The Company expects the following business results for the nineteenth fiscal period (August 1, 2015 to January 31, 2016). For the assumptions underlying the forecasts of results, please refer to “Assumptions of Forecasts of Results for the Nineteenth Fiscal Period Ending January 31, 2016 (August 1, 2015 – January 31, 2016)” presented below.

Nineteenth Fiscal Period Ending January 31, 2016 (August 1, 2015 – January 31, 2016)

Operating revenue	¥6,736 million
Operating income	¥4,535 million
Ordinary income	¥3,879 million
Net income	¥3,877 million
Dividend per unit	¥2,470
Dividend in excess of earnings per unit	¥0

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

Assumptions of Forecasts of Results for the Nineteenth Fiscal Period Ending January 31, 2016
 (August 1, 2015 – January 31, 2016)

Item	Assumptions
Accounting Period	Nineteenth fiscal period: August 1, 2015 – January 31, 2016 (184 days)
Portfolio Assets	<ul style="list-style-type: none"> • In addition to the currently owned 10 properties, the company plans additional acquisition of Roppongi Hills Mori Tower (hereafter, “Asset to be acquired”) on September 16, 2015. • The Company assumes the investment portfolio for the period from August 1 to September 15, 2015 is comprised of the currently owned 10 properties as of the end of the eighteenth fiscal period, and then after September 16, 2015, it acquires Asset to be acquired on the planned acquisition date above, and subsequent to that there will be no change in the investment portfolio (acquisition of new properties, transfers of existing properties) until the end the nineteenth fiscal period ending January 31, 2016. • However, in actual practice, the forecast may differ due to changes in the portfolio assets and other factors.
Operating Revenue	<ul style="list-style-type: none"> • Rent revenue of real estate is estimated based on lease agreements, etc., taking into account the market environment, the trends of individual tenants and other factors. • The Company assumes that there will be no delinquencies or non-payment of rents by tenants.
Operating Expenses	<ul style="list-style-type: none"> • For expenses related to the real estate leasing business, which are major operating expenses, 1,906 million yen is expected. The expenses other than those below are calculated by referring to historical figures and adjusted to reflect variable factors. <ul style="list-style-type: none"> (i) For property taxes and city planning taxes, etc., 446 million yen (for six months) is expected for the fiscal period ending January 31, 2016. Furthermore, property taxes, city planning taxes, etc. associated with the acquisition of Asset to be acquired shall be settled with the seller on a pro rata basis and be incorporated into the cost of acquisition and, thus, shall not be recognized as operating expenses for the fiscal period ended January 31, 2016. (ii) For building maintenance and repairs, the Company recorded the estimated required amount for the respective periods (33 million yen). However, please note that the actual expenses for maintenance and repairs in the respective periods may differ materially from estimated amounts due to various reasons. For example, an unforeseeable event may cause serious damage to buildings and emergency repairs may be required as a consequence. Also, maintenance and repairs are expenses that are not accrued on a regular basis and the amount may vary significantly from one period to the next. (iii) Depreciation and amortization, which are calculated using the straight-line method with future additional capital expenditures taken into account, are expected to be 850 million yen. (iv) For property management fees, 319 million yen is expected. • For the operating expenses other than expenses related to the real estate leasing business (asset management fee, asset custody fee, administrative service fees, etc.), 294 million yen is expected.

Item	Assumptions
Non-Operating Expenses	<ul style="list-style-type: none"> • The Company expects to incur 359 million yen in interest expenses, 89 million yen in interest expenses on investment corporation bonds, and 167 million yen in borrowing expenses. • The Company expects to incur 27 million yen in amortization of expenses, such as those associated with issuance of new investment units for which contribution was completed in August 2014.
Interest-Bearing Debt	<ul style="list-style-type: none"> • The Company's balance of interest-bearing debt as of the end of the fiscal period ended July 31, 2015 is 130,200 million yen. • The Company assumes that it will newly borrow 2,500 million yen in September 2015 as part of funds for the acquisition of Asset to be acquired described in the portfolio assets above. • The balance of loans payable as of the end of the fiscal period ended July 31, 2015 is 106,200 million yen. The Company assumes that, of that amount, the 15,500 million yen balance of loans payable due for repayment by the end of the fiscal period ending January 31, 2016 will be refinanced in the entire amount. The Company also assumes that combined with the new borrowings above, the balance of loans payable will be 108,700 million yen at the end of the fiscal period ending January 31, 2016. • The balance of investment corporation bonds as of the end of the fiscal period ended July 31, 2015 is 24,000 million yen. The Company assumes that, of that amount, the 5,000 million yen balance of investment corporation bonds due for redemption by the end of the fiscal period ending January 31, 2016 will be redeemed through issuance of investment corporation bonds of the same amount.
Issuance of Investment Units	<ul style="list-style-type: none"> • The number of investment units issued and outstanding as of the date of this document is 1,570,040 units. The Company assumes that there will be no additional issuance of investment units until the end of the fiscal period ending January 31, 2016.
Dividends per Unit (excluding dividends in excess of earnings)	<ul style="list-style-type: none"> • Dividends per unit are calculated based on the assumption that the Company will make distributions in accordance with the distribution policy set forth in its Articles of Incorporation. • Dividends per unit may vary due to various factors, including changes in the portfolio assets, changes in rent income due to tenant replacement, unexpected repairs, changes in interest rates, or additional issuance of new investment units.
Dividends in Excess of Earnings per Unit	<ul style="list-style-type: none"> • At present, the Company has no plan to make any cash distributions in excess of earnings (dividends in excess of earnings per unit).
Other	<ul style="list-style-type: none"> • The Company assumes that there will be no amendments to legislation, taxation, accounting standards, listing regulations, the Investment Trusts Association's rule, etc. that would affect the above forecasts. • The Company assumes that there will be no unforeseen material changes in general economic conditions, the real estate market, etc.

3. FINANCIAL STATEMENTS

(1) Balance sheet

(Unit: thousands of yen)

	As of	
	January 31, 2015	July 31, 2015
Assets		
Current assets		
Cash and deposits	5,871,909	7,332,973
Cash and deposits in trust	10,802,256	10,701,100
Operating accounts receivable	20,292	17,554
Prepaid expenses	342,312	332,994
Deferred tax assets	32	9
Consumption taxes receivable	403,028	—
Total current assets	17,439,832	18,384,631
Noncurrent assets		
Property, plant and equipment		
Land	22,074,160	22,074,160
Buildings in trust	57,421,739	57,523,607
Accumulated depreciation	(7,783,663)	(8,603,623)
Buildings in trust, net	49,638,076	48,919,983
Structures in trust	691,354	700,568
Accumulated depreciation	(191,967)	(205,901)
Structures in trust, net	499,386	494,667
Machinery and equipment in trust	658,996	660,007
Accumulated depreciation	(104,398)	(119,986)
Machinery and equipment in trust, net	554,597	540,020
Tools, furniture and fixtures in trust	104,045	118,530
Accumulated depreciation	(46,132)	(53,740)
Tools, furniture and fixtures in trust, net	57,913	64,789
Land in trust	173,099,029	173,099,029
Construction in progress in trust	44,927	45,196
Total property, plant and equipment	245,968,092	245,237,847
Intangible assets		
Leasehold rights in trust	30,650,962	30,650,962
Other intangible assets in trust	1,939	4,973
Other	3,573	3,084
Total intangible assets	30,656,475	30,659,021
Investments and other assets		
Lease and guarantee deposits	10,000	10,000
Long-term prepaid expenses	735,673	834,680
Total investments and other assets	745,673	844,680
Total noncurrent assets	277,370,241	276,741,549
Deferred assets		
Investment corporation bonds issuance cost	79,787	97,331
Investment unit issuance cost	136,265	109,012
Total deferred assets	216,053	206,343
Total assets	295,026,127	295,332,524

(Unit: thousands of yen)

	As of	
	January 31, 2015	July 31, 2015
Liabilities		
Current liabilities		
Operating accounts payable	84,292	92,402
Current portion of investment corporation bonds	10,000,000	5,000,000
Current portion of long-term loans payable	30,200,000	17,000,000
Accounts payable – other	15,608	15,760
Accrued expenses	298,319	274,289
Income taxes payable	1,014	461
Accrued consumption taxes	33,891	257,464
Advances received	941,548	944,388
Deposits received	66,006	61,980
Total current liabilities	41,640,681	23,646,747
Noncurrent liabilities		
Investment corporation bonds	14,000,000	19,000,000
Long-term loans payable	76,000,000	89,200,000
Lease and guarantee deposits in trust	9,245,319	9,245,335
Total noncurrent liabilities	99,245,319	117,445,335
Total liabilities	140,886,000	141,092,082
Net assets		
Unitholders' equity		
Unitholders' capital	150,418,135	150,418,135
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	105,244	105,244
Total voluntary retained earnings	105,244	105,244
Unappropriated retained earnings	3,616,747	3,717,062
Total surplus	3,721,991	3,822,306
Total unitholders' equity	154,140,126	154,240,441
Total net assets	154,140,126	154,240,441
Total liabilities and net assets	295,026,127	295,332,524

(2) Statement of income and retained earnings

(Unit: thousands of yen)

	For the six months ended	
	January 31, 2015	July 31, 2015
Operating revenue		
Rent revenue of real estate	*1,*2 6,391,443	*1,*2 6,405,171
Other rent revenue of real estate	*1,*2 115,157	*1,*2 110,840
Total operating revenue	6,506,600	6,516,011
Operating expenses		
Expenses of real estate rent	*1,*2 1,783,510	*1,*2 1,788,573
Asset management fee	196,803	200,382
Directors' compensation	5,400	5,400
Asset custody fee	6,582	7,375
Administrative service fees	17,484	18,585
Other operating expenses	*2 62,270	*2 67,218
Total operating expenses	2,072,052	2,087,535
Operating income	4,434,548	4,428,476
Non-operating income		
Interest income	1,265	1,709
Exclusion gain of unpaid dividend	956	1,623
Interest on refund	—	752
Total non-operating income	2,221	4,085
Non-operating expenses		
Interest expenses	427,978	373,009
Interest expenses on investment corporation bonds	136,711	112,389
Amortization of investment corporation bonds issuance cost	14,479	14,313
Borrowing expenses	210,774	186,779
Amortization of investment unit issuance cost	27,253	27,253
Other	1,848	1,867
Total non-operating expenses	819,044	715,612
Ordinary income	3,617,725	3,716,949
Income before income taxes	3,617,725	3,716,949
Income taxes-current	1,270	809
Income taxes-deferred	(9)	23
Total income taxes	1,261	832
Net income	3,616,463	3,716,116
Retained earnings brought forward	284	945
Unappropriated retained earnings	3,616,747	3,717,062

(3) Statement of changes in net assets
 For the six months ended January 31, 2015

(Unit: thousands of yen)

	Unitholders' capital	Surplus			Total unitholders' equity	Total net assets
		Voluntary retained earnings	Unappropriated retained earnings	Total surplus		
Balance at August 1, 2014	124,330,988	105,244	2,979,257	3,084,501	127,415,490	127,415,490
Change during the period						
Issuance of new investment units	26,087,146				26,087,146	26,087,146
Dividends from surplus			(2,978,973)	(2,978,973)	(2,978,973)	(2,978,973)
Net income			3,616,463	3,616,463	3,616,463	3,616,463
Total changes of items during the period	26,087,146	—	637,489	637,489	26,724,636	26,724,636
Balance at January 31, 2015	150,418,135	105,244	3,616,747	3,721,991	154,140,126	154,140,126

For the six months ended July 31, 2015

(Unit: thousands of yen)

	Unitholders' capital	Surplus			Total unitholders' equity	Total net assets
		Voluntary retained earnings	Unappropriated retained earnings	Total surplus		
Balance at February 1, 2015	150,418,135	105,244	3,616,747	3,721,991	154,140,126	154,140,126
Change during the period						
Dividends from surplus			(3,615,802)	(3,615,802)	(3,615,802)	(3,615,802)
Net income			3,716,116	3,716,116	3,716,116	3,716,116
Total changes of items during the period	—	—	100,314	100,314	100,314	100,314
Balance at July 31, 2015	150,418,135	105,244	3,717,062	3,822,306	154,240,441	154,240,441

(4) Statement of cash distributions

(Unit: yen)

	For the six months ended January 31, 2015	For the six months ended July 31, 2015
I Unappropriated retained earnings	3,616,747,766	3,717,062,508
II Amount of dividends	3,615,802,120	3,716,284,680
Amount of dividends per unit	2,303	2,367
III Retained earnings carried forward	945,646	777,828
Method of calculating the amount of dividends	Pursuant to the terms of the distribution policy set forth in Article 37 (1) of the Company's Articles of Incorporation, the amount of dividends shall be in excess of an amount equivalent to 90% of the Company's earnings available for dividends as defined in Article 67-15 of the Special Taxation Measures Law, but not in excess of the amount of earnings. Based on such policy, the Company has declared the total dividends to be 3,615,802,120 yen, which is the largest integral multiple of the number of investment units issued and outstanding (1,570,040 units), and not in excess of unappropriated retained earnings. In addition, the Company decided to pay out dividends of earnings in an amount not in excess of unappropriated retained earnings as stipulated in Article 37 (2) of the Company's Articles of Incorporation.	Pursuant to the terms of the distribution policy set forth in Article 37 (1) of the Company's Articles of Incorporation, the amount of dividends shall be in excess of an amount equivalent to 90% of the Company's earnings available for dividends as defined in Article 67-15 of the Special Taxation Measures Law, but not in excess of the amount of earnings. Based on such policy, the Company has declared the total dividends to be 3,716,284,680 yen, which is the largest integral multiple of the number of investment units issued and outstanding (1,570,040 units), and not in excess of unappropriated retained earnings. In addition, the Company decided to pay out dividends of earnings in an amount not in excess of unappropriated retained earnings as stipulated in Article 37 (2) of the Company's Articles of Incorporation.

(5) Statement of cash flows

(Unit: thousands of yen)

	For the six months ended	
	January 31, 2015	July 31, 2015
Net cash provided by (used in) operating activities		
Income before income taxes	3,617,725	3,716,949
Depreciation and amortization	892,290	858,200
Amortization of investment corporation bonds issuance cost	14,479	14,313
Amortization of investment unit issuance cost	27,253	27,253
Interest income	(1,265)	(1,709)
Exclusion gain of unpaid dividend	(956)	(1,623)
Interest expenses	564,689	485,398
Decrease (increase) in operating accounts receivable	4,156	2,738
Decrease (increase) in consumption taxes receivable	(403,028)	403,028
Increase (decrease) in operating accounts payable	(14,133)	6,049
Increase (decrease) in accounts payable – other	(10,723)	150
Increase (decrease) in accrued expenses	(20,884)	4,842
Increase (decrease) in accrued consumption taxes	(166,894)	223,573
Increase (decrease) in advances received	41,904	2,839
Increase (decrease) in deposits received	1,045	929
Decrease (increase) in prepaid expenses	26,413	9,317
Decrease (increase) in long-term prepaid expenses	(182,019)	(99,006)
Other, net	53	–
Subtotal	4,390,105	5,653,245
Interest income received	1,265	1,709
Interest expenses paid	(568,671)	(514,271)
Income taxes paid	(1,103)	(1,361)
Net cash provided by (used in) operating activities	3,821,596	5,139,322
Net cash provided by (used in) investing activities		
Purchase of intangible assets	(3,870)	–
Purchase of property, plant and equipment in trust	(29,227,037)	(124,785)
Purchase of intangible assets in trust	(904)	(3,656)
Repayments of lease and guarantee deposits in trust	(61,079)	(34,718)
Proceeds from lease and guarantee deposits in trust	1,231,336	29,777
Net cash provided by (used in) investing activities	(28,061,555)	(133,381)
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	2,000,000	–
Repayments of short-term loans payable	(2,000,000)	–
Proceeds from long-term loans payable	22,000,000	14,700,000
Repayments of long-term loans payable	(17,000,000)	(14,700,000)
Proceeds from issuance of investment corporation bonds	1,981,879	4,968,145
Redemption of investment corporation bonds	(3,000,000)	(5,000,000)
Proceeds from issuance of investment units	25,923,627	–
Cash dividends paid	(2,976,250)	(3,614,179)
Net cash provided by (used in) financing activities	26,929,256	(3,646,033)
Net increase (decrease) in cash and cash equivalents	2,689,297	1,359,907
Cash and cash equivalents at beginning of the period	13,984,868	16,674,166
Cash and cash equivalents at end of the period	*1 16,674,166	*1 18,034,073

(6) Notes to assumption of going concern

Not applicable.

(7) Summary of significant accounting policies

(a) Property, plant and equipment (including assets in trust) and depreciation

Depreciation of property, plant and equipment of the Company is calculated principally by the straight-line method based on the following estimated useful lives determined by the Company. Significant renewals and additions are capitalized at cost. Maintenance and repairs are charged to income.

Buildings	3~68 years
Structures	3~68 years
Machinery and equipment	8~33 years
Tools, furniture and fixtures	3~15 years

(b) Intangible assets (including assets in trust)

Intangible assets are amortized by the straight-line method based on the estimated useful lives.

(c) Long-term prepaid expenses

Long-term prepaid expenses are amortized by the straight-line method based on the estimated useful lives.

(d) Investment corporation bonds issuance cost

Investment corporation bonds issuance cost is amortized using the straight-line method over the term of the bonds.

(e) Investment unit issuance cost

Investment unit issuance cost is amortized using the straight-line method over three years.

(f) Accounting for property taxes

For property tax, city planning tax and depreciable assets tax, the Company charges the amount of property taxes assessed and determined applicable to the fiscal period to expenses of real estate rent.

Registered owners of properties in Japan as of January 1 are responsible for paying property taxes for the calendar year based on assessments by local governments. Therefore, registered owners who sold properties to the Company were liable for property taxes for the calendar year, including the period from the date of the acquisition by the Company until the end of the year. The Company reimbursed sellers of properties for the equivalent amount of property taxes and included the amount in the acquisition cost of real estate. The amounts equivalent to property taxes and included in the cost of acquisition of real estate are 41,102 thousand yen and none, as of January 31, 2015 and July 31, 2015, respectively.

(g) Hedge accounting approach

a) Hedge accounting approach

Deferred hedge accounting is applied for interest rate swap transactions. However, special treatment is applied for interest rate swaps when the requirements for special treatment are fulfilled.

b) Hedging instruments and hedged items

Hedging instruments: Interest rate swap transactions

Hedged items: Borrowing interest rates

c) Hedging policy

The Company conducts derivative transactions to hedge risks as stipulated in the Company's Articles of Incorporation in accordance with the Company's risk management policy.

d) Method for assessing the effectiveness of hedging

The Company evaluates by comparing the cumulative change in market rates of hedged items and hedging instruments and based on the amount of change in both during the period from the start of hedging to when the effectiveness is being determined.

However, assessment of the effectiveness is omitted for interest rate swaps when the requirements for special treatment are fulfilled.

(h) Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows consist of cash on hand and deposits in trust; deposits and deposits in trust that can be withdrawn at any time; and short-term investments with a maturity of three months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of price fluctuation.

(i) Accounting for trust beneficial interest in real estate

For trust beneficial interest in real estate owned by the Company, all accounts of assets and liabilities within the assets in trust as well as all accounts of revenue generated and expenses incurred from the assets in trust are recognized in the relevant accounts of the balance sheet and statement of income and retained earnings.

The following material items of the assets in trust recognized in the relevant accounts are separately listed on the balance sheet.

a) Cash and deposits in trust

b) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; land in trust; construction in progress in trust; leasehold rights in trust; and other intangible assets in trust

c) Lease and guarantee deposits in trust

(j) Consumption taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes. Non deductible consumption taxes related to the acquisition of assets are treated as the cost of applicable assets.

(8) Notes to financial Statements

(Omission of disclosure)

Note to the balance sheet, statement of unitholders' equity, securities, retirement benefits and asset retirement obligations are omitted because there is thought to be no large necessity for disclosure in this financial report.

1. Breakdown of property-related revenue and expenses

*1 Breakdown of property operating income

(Unit: thousands of yen)

		For the six months ended			
		January 31, 2015		July 31, 2015	
A.	Property operating revenue				
	Rent revenue of real estate				
	Rent and common area revenue	6,388,158		6,401,886	
	Other rent revenue	3,285	6,391,443	3,284	6,405,171
	Other rent revenue of real estate				
	Parking revenue	17,112		16,780	
	Utilities and other revenue	97,573		93,870	
	Cancellation penalty	142		190	
	Key money income	330	115,157	—	110,840
	Total property operating revenue		6,506,600		6,516,011
B.	Property operating expenses				
	Expenses of real estate rent				
	Property management fees	267,187		269,168	
	Property taxes	387,091		416,594	
	Utilities	92,167		91,734	
	Maintenance and repairs	14,162		21,720	
	Insurance premium	13,264		13,174	
	Custodian fees	5,918		6,718	
	Depreciation and amortization	891,561		857,712	
	Rent expenses	103,816		103,842	
	Other lease business expenses	8,342	1,783,510	7,906	1,788,573
	Total property operating expenses		1,783,510		1,788,573
C.	Property operating income [A – B]		4,723,089		4,727,438

*2 Transactions with major unitholders

(Unit: thousands of yen)

	For the six months ended	
	January 31, 2015	July 31, 2015
From operating transactions		
Rent revenue of real estate	4,937,707	4,937,684
Other rent revenue of real estate	2,428	2,268
Expenses of real estate rent	133,712	132,099
Other operating expenses	672	1,181

2. Cash and cash equivalents

*1 Relationship between cash and cash equivalents at end of the period in the statement of cash flows and cash and deposits stated in the balance sheet

(Unit: thousands of yen)

	For the six months ended	
	January 31, 2015	July 31, 2015
Cash and deposits	5,871,909	7,332,973
Cash and deposits in trust	10,802,256	10,701,100
Cash and cash equivalents	16,674,166	18,034,073

3. Leases

Operating lease transactions (as lessor)

Future minimum rental revenues under existing non-cancelable lease agreements

(Unit: thousands of yen)

	As of	
	January 31, 2015	July 31, 2015
Due within 1 year	2,475,703	3,096,823
Due after 1 year	17,967,786	17,353,386
Total	20,443,490	20,450,209

4. Financial instruments

(1) Policy for financial instruments

(a) Policy for holding financial instruments

The Company makes use of various financial instruments in order to invest surplus funds efficiently. In addition, concerning fund procurement, the Company adopts a policy of undertaking such fund raising primarily through the issuance of investment units, the borrowing of funds and the issuance of investment corporation bonds. The Company limits derivative transactions to those that are entered into for the purpose of hedging the risk of future fluctuations in interest rates on loans payable, and does not engage in speculative transactions.

(b) Description of financial instruments and associated risks, and risk management structure

Deposits used for investing the Company's surplus funds are exposed to credit risks, for example, the failure of the financial institutions that are holding the deposits, but the Company limits the risks by diversifying financial institutions.

Investment corporation bonds and long-term loans payable are used for fund procurement associated with the acquisition of real estate related assets or repayment of loans payable. Of these, loans payable with variable interest rates are exposed to the risk of fluctuations in interest rates, but derivative transactions are utilized as hedging instruments.

Interest rate swaps are utilized with the Company seeking to, in effect, convert fluctuating interest rates on fund procurement into fixed interest rates. For information on the method of hedge accounting approach, hedging instruments and hedged items, hedging policy and method for assessing the effectiveness of hedging, please refer to "Summary of significant accounting policies; (g) Hedge accounting approach."

Concerning derivative transactions, risks are managed pursuant to the risk management policy set forth by the Company.

(c) Supplementary explanation on matters concerning fair value of financial instruments

The fair value of financial instruments, aside from values based on market price, include values based on reasonable calculations when no market price exists. Certain assumptions are used for the estimation of fair value. Accordingly, the results of such estimation may change if different assumptions are used. In addition, concerning the contract amount of derivative transactions in “Derivative transactions” below the amount itself does not represent the value of the market risks associated with the derivative transactions.

(2) Fair value of financial instruments

The following are the carrying amount, fair value and the difference between them of financial instruments as of January 31, 2015.

	(Unit: thousands of yen)		
	Carrying amount	Fair value	Difference
(a) Cash and deposits	5,871,909	5,871,909	—
(b) Cash and deposits in trust	10,802,256	10,802,256	—
Total	16,674,166	16,674,166	—
(c) Current portion of investment corporation bonds	10,000,000	10,050,000	50,000
(d) Current portion of long-term loans payable	30,200,000	30,214,020	14,020
(e) Investment corporation bonds	14,000,000	14,233,400	233,400
(f) Long-term loans payable	76,000,000	76,214,494	214,494
Total	130,200,000	130,711,915	511,915
Derivative transactions	—	—	—

The following are the carrying amount, fair value and the difference between them of financial instruments as of July 31, 2015.

	(Unit: thousands of yen)		
	Carrying amount	Fair value	Difference
(a) Cash and deposits	7,332,973	7,332,973	—
(b) Cash and deposits in trust	10,701,100	10,701,100	—
Total	18,034,073	18,034,073	—
(c) Current portion of investment corporation bonds	5,000,000	5,009,000	9,000
(d) Current portion of long-term loans payable	17,000,000	17,003,170	3,170
(e) Investment corporation bonds	19,000,000	19,168,200	168,200
(f) Long-term loans payable	89,200,000	89,290,208	90,208
Total	130,200,000	130,470,579	270,579
Derivative transactions	—	—	—

(Note 1) Method of calculating the fair value of financial instruments, and derivative transactions

Assets

(a) Cash and deposits; (b) Cash and deposits in trust

As these are settled within a short period of time, the fair value is approximately the same as the book value and is thus stated at that book value.

Liabilities

(c) Current portion of investment corporation bonds; (e) Investment corporation bonds

The fair value of these is based on market prices.

(d) Current portion of long-term loans payable; (f) Long-term loans payable

Of long-term loans payable, as those with variable interest rates reflect market interest rates within a short period of time, the fair value is thought to be approximately the same as the book value and is thus stated at that book value (However, long-term loans payable with variable interest rates that are subject to special treatment for interest rate swaps (please refer to “Derivative transactions” below) are based on a calculation method of discounting the sum total amount of principal and interest accounted for together with said interest rate swaps by the rate reasonably estimated as being applicable in the event of a similar transaction.). Meanwhile, those with fixed interest rates are based on a calculation method of discounting the sum total amount of principal and interest by the rate reasonably estimated as being applicable in the event of a similar transaction.

Derivative transactions

Please refer to “Derivative transactions” below.

(Note 2) Redemption of monetary claims scheduled to be due after the balance sheet date (as of January 31, 2015)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	5,871,909	—	—	—	—	—
Cash and deposits in trust	10,802,256	—	—	—	—	—
Total	16,674,166	—	—	—	—	—

Redemption of monetary claims scheduled to be due after the balance sheet date (as of July 31, 2015)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	7,332,973	—	—	—	—	—
Cash and deposits in trust	10,701,100	—	—	—	—	—
Total	18,034,073	—	—	—	—	—

(Note 3) Investment corporation bonds and long-term loans payable scheduled to be due after the balance sheet date (as of January 31, 2015)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Investment corporation bonds	10,000,000	—	2,000,000	3,000,000	3,000,000	6,000,000
Long-term loans payable	30,200,000	3,500,000	4,578,000	20,500,000	27,900,000	19,522,000
Total	40,200,000	3,500,000	6,578,000	23,500,000	30,900,000	25,522,000

Investment corporation bonds and long-term loans payable scheduled to be due after the balance sheet date (as of July 31, 2015)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Investment corporation bonds	5,000,000	—	5,000,000	3,000,000	5,000,000	6,000,000
Long-term loans payable	17,000,000	3,978,000	12,600,000	22,500,000	22,922,000	27,200,000
Total	22,000,000	3,978,000	17,600,000	25,500,000	27,922,000	33,200,000

5. Derivative transactions

(1) Transactions for which hedge accounting is not applied

As of January 31, 2015

Not applicable.

As of July 31, 2015

Not applicable.

(2) Transactions for which hedge accounting is applied

As of January 31, 2015

The following is the contract amount or amount equivalent to the principal provided in the contract as of the date of settlement of accounts based on the each method of hedge accounting.

(Unit: thousands of yen)

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount		Fair value	Method of calculating the fair value
				Due after 1 year		
Special treatment for interest rate swaps	Interest rate swap transactions Floating receivable; Fixed payable	Long-term loans payable	51,478,000	36,978,000	*	—

* Derivative transactions that are subject to special treatment for interest rate swaps are accounted for together with long-term loans payable that are the hedged items and the fair value is included in the fair value of those long-term loans payable (please refer to Liabilities (d) and (f) of (Note 1) Method of calculating the fair value of financial instruments, and derivative transactions of “Financial instruments; (2) Fair value of financial instruments” above).

As of July 31, 2015

The following is the contract amount or amount equivalent to the principal provided in the contract as of the date of settlement of accounts based on the each method of hedge accounting.

(Unit: thousands of yen)

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount		Fair value	Method of calculating the fair value
				Due after 1 year		
Special treatment for interest rate swaps	Interest rate swap transactions Floating receivable; Fixed payable	Long-term loans payable	59,478,000	49,978,000	*	—

* Derivative transactions that are subject to special treatment for interest rate swaps are accounted for together with long-term loans payable that are the hedged items and the fair value is included in the fair value of those long-term loans payable (please refer to Liabilities (d) and (f) of (Note 1) Method of calculating the fair value of financial instruments, and derivative transactions of “Financial instruments; (2) Fair value of financial instruments” above).

6. Related party transactions

(1) Parent company and major corporate unitholders

For the six months ended January 31, 2015

Type	Name	Location	Capital stock or investments in capital (thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship with related party	Description of transaction	Amount of transaction (thousands of yen) (Note 1)	Account item	Balance at end of the period (thousands of yen)
Other related company	Mori Building Co., Ltd.	Minato-ku, Tokyo	67,000,000	Real estate business	15.6% directly held by related party	Leasing and management of real estate	Acquisition of property (Note 2) (Note 6)	29,040,000	—	—
							Leasing of properties (Note 3) (Note 7)	4,940,135	Operating accounts receivable	743
									Advances received	785,262
									Lease and guarantee deposits in trust	7,836,129
							Payment of property operation and management fees (Note 8)	135,802 (Note 4)	Prepaid expenses	2,747
							Payment of other operating expenses (Note 9)	672	—	—
							Deposit of lease and guarantee (Note 5) (Note 10)	—	Lease and guarantee deposits in trust	53,886
—	—	Operating accounts payable	24,950							

(Note 1) The amount does not include consumption taxes.

(Note 2) A portion of Roppongi Hills Mori Tower and a portion of ARK Hills South Tower

(Note 3) Roppongi Hills Mori Tower, ARK Mori Building, Akasaka Tameike Tower, Atago Green Hills, ARK Hills South Tower and a portion of Koraku Mori Building

(Note 4) The amount includes fees (2,090 thousand yen) that are not charged to expenses but recognized as assets.

(Note 5) Roppongi View Tower

[Transaction terms and conditions and related policies]

(Note 6) Acquisition decisions are made in accordance with the provisions of the Related Parties Transaction Guidelines stipulated by the Company's Asset Manager and compliance regulations. Furthermore, acquisitions are not made at a value exceeding the appraisal value as determined by an independent third-party real estate appraiser (including corporations).

(Note 7) The Company engages in transactions by conducting adequate procedures in line with the Related Parties Transaction Guidelines stipulated by the Company's Asset Manager and compliance regulations, after having comprehensively considered the market situation and other factors.

(Note 8) The Company decides on transactions by conducting adequate procedures in line with the Related Parties Transaction Guidelines stipulated by the Company's Asset Manager and compliance regulations, in light of the market situation, the content of services provided, overall operational capacity and other factors.

(Note 9) The Company decides on transactions in light of the market situation, the content of services provided, overall operational capacity and other factors.

(Note 10) The Company engages in transactions by conducting adequate procedures in line with the Related Parties Transaction Guidelines stipulated by the Company's Asset Manager and compliance regulations, after having comprehensively considered the market situation and other factors.

For the six months ended July 31, 2015

Type	Name	Location	Capital stock or investments in capital (thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship with related party	Description of transaction	Amount of transaction (thousands of yen) (Note 1)	Account item	Balance at end of the period (thousands of yen)
Other related company	Mori Building Co., Ltd.	Minato-ku, Tokyo	67,000,000	Real estate business	15.6% directly held by related party	Leasing and management of real estate	Leasing of properties (Note 2) (Note 5)	4,939,952	Operating accounts receivable	774
									Advances received	785,262
									Lease and guarantee deposits in trust	7,836,129
							Payment of property operation and management fees (Note 6)	138,373 (Note 3)	Prepaid expenses	2,747
									Operating accounts payable	26,244
									Payment of other operating expenses (Note 7)	1,181
Deposit of lease and guarantee (Note 4) (Note 8)	—	Lease and guarantee deposits in trust	53,886							

(Note 1) The amount does not include consumption taxes.

(Note 2) Roppongi Hills Mori Tower, ARK Mori Building, Akasaka Tameike Tower, Atago Green Hills, ARK Hills South Tower and a portion of Koraku Mori Building

(Note 3) The amount includes fees (6,273 thousand yen) that are not charged to expenses but recognized as assets.

(Note 4) Roppongi View Tower

[Transaction terms and conditions and related policies]

(Note 5) The Company engages in transactions by conducting adequate procedures in line with the Related Parties Transaction Guidelines stipulated by the Company's Asset Manager and compliance regulations, after having comprehensively considered the market situation and other factors.

(Note 6) The Company decides on transactions by conducting adequate procedures in line with the Related Parties Transaction Guidelines stipulated by the Company's Asset Manager and compliance regulations, in light of the market situation, the content of services provided, overall operational capacity and other factors.

(Note 7) The Company decides on transactions in light of the market situation, the content of services provided, overall operational capacity and other factors.

(Note 8) The Company engages in transactions by conducting adequate procedures in line with the Related Parties Transaction Guidelines stipulated by the Company's Asset Manager and compliance regulations, after having comprehensively considered the market situation and other factors.

(2) Subsidiaries and affiliates

For the six months ended January 31, 2015

Not applicable.

For the six months ended July 31, 2015

Not applicable.

(3) Subsidiaries of parent company

For the six months ended January 31, 2015

Type	Name	Location	Capital stock or investments in capital (thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship with related party	Description of transaction	Amount of transaction (thousands of yen) (Note 1)	Account item	Balance at end of the period (thousands of yen)
Subsidiary of other related company	Mori Building Investment Management Co., Ltd.	Minato-ku, Tokyo	200,000	Real estate, trust beneficiary right and other financial asset management operations	None	Outsourcing of asset management Concurrent post of directors	Payment of management fees (Note 2) (Note 4)	225,843 (Note 3)	Accrued expenses	212,547

(Note 1) The amount does not include consumption taxes.

(Note 2) The amount of management fees is provided in the "Asset Management Contract" concluded between the Company and the Company's Asset Manager.

(Note 3) The amount of management fees includes 29,040 thousand yen in acquisition fees pertaining to real estate acquisition included in the book value of real estate.

[Transaction terms and conditions and related policies]

(Note 4) The Company decides on transactions in light of the market situation, the content of services provided, overall operational capacity and other factors.

For the six months ended July 31, 2015

Type	Name	Location	Capital stock or investments in capital (thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship with related party	Description of transaction	Amount of transaction (thousands of yen) (Note 1)	Account item	Balance at end of the period (thousands of yen)
Subsidiary of other related company	Mori Building Investment Management Co., Ltd.	Minato-ku, Tokyo	200,000	Real estate, trust beneficiary right and other financial asset management operations	None	Outsourcing of asset management Concurrent post of directors	Payment of management fees (Note 2) (Note 3)	200,382	Accrued expenses	216,412

(Note 1) The amount does not include consumption taxes.

(Note 2) The amount of management fees is provided in the "Asset Management Contract" concluded between the Company and the Company's Asset Manager.

[Transaction terms and conditions and related policies]

(Note 3) The Company decides on transactions in light of the market situation, the content of services provided, overall operational capacity and other factors.

(4) Directors and major individual unitholders

For the six months ended January 31, 2015

Type	Name	Location	Capital stock or investments in capital (thousands of yen)	Description of business or position	Percentage of voting rights held in (by) related party	Relationship with related party	Description of transaction	Amount of transaction (thousands of yen) (Note 1)	Account item	Balance at end of the period (thousands of yen)
Directors and their close relatives	Hideyuki Isobe	—	—	Executive Director of the Company, and President & CEO of Mori Building Investment Management Co., Ltd.	None	Executive Director of the Company, and President & CEO of Mori Building Investment Management Co., Ltd.	Payment of management fees to Mori Building Investment Management Co., Ltd. (Note 2) (Note 4)	225,843 (Note 3)	Accrued expenses	212,547

(Note 1) The amount does not include consumption taxes.

(Note 2) The transaction was conducted with Hideyuki Isobe as third-party representative (Mori Building Investment Management Co., Ltd.) and the amount of management fees is provided in the “Asset Management Contract” concluded between the Company and the Company’s Asset Manager.

(Note 3) The amount of management fees includes 29,040 thousand yen in acquisition fees pertaining to real estate acquisition included in the book value of real estate.

[Transaction terms and conditions and related policies]

(Note 4) The Company decides on transactions in light of the market situation, the content of services provided, overall operational capacity and other factors.

For the six months ended July 31, 2015

Type	Name	Location	Capital stock or investments in capital (thousands of yen)	Description of business or position	Percentage of voting rights held in (by) related party	Relationship with related party	Description of transaction	Amount of transaction (thousands of yen) (Note 1)	Account item	Balance at end of the period (thousands of yen)
Directors and their close relatives	Hideyuki Isobe	—	—	Executive Director of the Company, and President & CEO of Mori Building Investment Management Co., Ltd.	None	Executive Director of the Company, and President & CEO of Mori Building Investment Management Co., Ltd.	Payment of management fees to Mori Building Investment Management Co., Ltd. (Note 2) (Note 3)	200,382	Accrued expenses	216,412

(Note 1) The amount does not include consumption taxes.

(Note 2) The transaction was conducted with Hideyuki Isobe as third-party representative (Mori Building Investment Management Co., Ltd.) and the amount of management fees is provided in the “Asset Management Contract” concluded between the Company and the Company’s Asset Manager.

[Transaction terms and conditions and related policies]

(Note 3) The Company decides on transactions in light of the market situation, the content of services provided, overall operational capacity and other factors.

7. Income taxes

(1) Breakdown of significant components of deferred tax assets and deferred tax liabilities

(Unit: thousands of yen)

	As of	
	January 31, 2015	July 31, 2015
Deferred tax assets		
Current assets		
Accrued enterprise tax excluded from expenses	32	9
Total deferred tax assets [current]	32	9
Net deferred tax assets [current]	32	9

(2) Reconciliation of significant differences between the statutory tax rate and the effective tax rate

	As of	
	January 31, 2015	July 31, 2015
Statutory tax rate	34.16%	34.15%
[Adjustments]		
Deductible cash distributions	(34.14%)	(34.14%)
Others	0.02%	0.02%
Effective tax rate	0.03%	0.02%

8. Investment and rental properties

The Company owns real estate (primarily office buildings and residential and retail properties) available for lease in Tokyo. The following are the carrying amount, amount of increase (decrease) during the period and fair value at end of the period for these investment and rental properties.

(Unit: thousands of yen)

	For the six months ended	
	January 31, 2015	July 31, 2015
Carrying amount		
Balance at beginning of the period	248,287,893	276,620,994
Amount of increase (decrease) during the period	28,333,100	(727,210)
Balance at end of the period	276,620,994	275,893,784
Fair value at end of the period	278,960,000	281,730,000

(Note 1) The carrying amount is the acquisition cost less accumulated depreciation.

(Note 2) Of the increase (decrease) during the period ended January 31, 2015, the increase is primarily attributable to the acquisition of two properties (Roppongi Hills Mori Tower (20th floor) (9,932,209 thousand yen) and ARK Hills South Tower (19,220,498 thousand yen), while the decrease is primarily attributable to depreciation and amortization. Of the decrease during the period ended July 31, 2015, the decrease is primarily attributable to depreciation and amortization.

(Note 3) The fair value at end of the period is the appraisal value by a real estate appraiser (according to the "Real Estate Appraisal Report" with the date of settlement of accounts as the appraisal date) pursuant to the method of and standards for asset valuation provided in the Company's Articles of Incorporation and the rules provided by The Investment Trusts Association, Japan.

Income and loss for investment and rental properties is presented in "Breakdown of property-related revenue and expenses."

9. Segment and related information

[Segment information]

Disclosure is omitted because the Company operates as a single segment – the real estate leasing business.

[Related information]

For the six months ended January 31, 2015

(1) Information about each product and service

Disclosure is omitted because operating revenue from external customers within a single product and service category accounts for over 90% of the operating revenue on the statement of income and retained earnings.

(2) Information about each geographical area

(a) Operating revenue

Disclosure is omitted because operating revenue from external customers in Japan accounts for over 90% of the operating revenue on the statement of income and retained earnings.

(b) Property, plant and equipment

Disclosure is omitted because the amount of property, plant and equipment located in Japan accounts for over 90% of the amount of property, plant and equipment on the balance sheet.

(3) Information about each major tenant

(Unit: thousands of yen)		
Name of tenant	Operating revenue	Related segment
Mori Building Co., Ltd.	4,940,135	Real estate leasing business

For the six months ended July 31, 2015

(1) Information about each product and service

Disclosure is omitted because operating revenue from external customers within a single product and service category accounts for over 90% of the operating revenue on the statement of income and retained earnings.

(2) Information about each geographical area

(a) Operating revenue

Disclosure is omitted because operating revenue from external customers in Japan accounts for over 90% of the operating revenue on the statement of income and retained earnings.

(b) Property, plant and equipment

Disclosure is omitted because the amount of property, plant and equipment located in Japan accounts for over 90% of the amount of property, plant and equipment on the balance sheet.

(3) Information about each major tenant

(Unit: thousands of yen)		
Name of tenant	Operating revenue	Related segment
Mori Building Co., Ltd.	4,939,952	Real estate leasing business

10. Per unit Information

(Unit: yen)

	For the six months ended	
	January 31, 2015	July 31, 2015
Net assets per unit	98,175	98,239
Net income per unit	2,305	2,367

(Note 1) Net income per unit was calculated by dividing the net income by the daily weighted average number of investment units during the period.

Diluted net income per unit has not been stated as there are no diluted investment units.

(Note 2) The following is the basis for calculating net income per unit.

	For the six months ended	
	January 31, 2015	July 31, 2015
Net income (thousands of yen)	3,616,463	3,716,116
Amounts not attributable to common unitholders (thousands of yen)	—	—
Net income attributable to common investment units (thousands of yen)	3,616,463	3,716,116
Average number of investment units during the period (units)	1,568,794	1,570,040

11. Subsequent events

Not applicable.

(9) Changes in unit issued and outstanding

There was no increase (decrease) in the number of investment units issued and outstanding and unitholders' capital in the eighteenth fiscal period. The outline of changes in unitholders' capital for the previous five years was as follows:

Date	Type of issue	Number of units issued and outstanding		Unitholders' capital (Millions of yen)		Note
		Increase	Balance	Increase	Balance	
March 4, 2013	Public offering	22,000	253,520	10,433	112,444	(Note 1)
April 3, 2013	Third-party allotment	1,100	254,620	521	112,966	(Note 2)
September 4, 2013	Public offering	21,300	275,920	10,823	123,789	(Note 3)
October 2, 2013	Third-party allotment	1,065	276,985	541	124,330	(Note 4)
February 1, 2014	Split of investment units	—	1,384,925	—	124,330	(Note 5)
August 1, 2014	Public offering	176,300	1,561,225	24,844	149,175	(Note 6)
August 27, 2014	Third-party allotment	8,815	1,570,040	1,242	150,418	(Note 7)

(Note 1) New investment units were issued at a price of 474,264 yen per unit through a public offering in order to raise funds for acquiring new real property.

(Note 2) New investment units were issued at a price of 474,264 yen per unit through a third-party allotment in order to raise funds for acquiring new real property.

(Note 3) New investment units were issued at a price of 508,140 yen per unit through a public offering in order to raise funds for acquiring new real property.

(Note 4) New investment units were issued at a price of 508,140 yen per unit through a third-party allotment in order to raise funds for acquiring new real property.

(Note 5) The Company implemented a 5-for-1 split of investment units on January 31, 2014 as the record date and February 1, 2014 as the effective date.

(Note 6) New investment units were issued at a price of 140,924 yen per unit through a public offering in order to raise funds for acquiring new real property.

(Note 7) New investment units were issued at a price of 140,924 yen per unit through a third-party allotment in order to raise funds for acquiring new real property.

4. CHANGES IN OFFICERS

(1) Directors of the Company

There was no change in directors in the eighteenth fiscal period.

Changes in directors had been otherwise disclosed under the rule of timely disclosure.

(2) Directors of the Company's Asset Manager

There was no change in directors in the eighteenth fiscal period.

Changes in directors had been otherwise disclosed under the rule of timely disclosure.

5. REFERENCE INFORMATION

(1) Investment Status

(as of July 31, 2015)

Type of asset	Main type of use	Region	Total amount held (millions of yen) (Note 1)	Percentage of total assets (%)
Real estate	Office Buildings	Tokyo's five central wards and their vicinity	—	—
		Tokyo metropolitan area	—	—
		Principal regional cities	—	—
	Residential Properties	Tokyo's five central wards and their vicinity	—	—
		Tokyo metropolitan area	—	—
		Principal regional cities	—	—
	Retail and Other Facilities	Tokyo's five central wards and their vicinity	22,074	7.5
		Tokyo metropolitan area	22,074	7.5
		Principal regional cities	—	—
	Subtotal			22,074
Real estate in trust	Office Buildings	Tokyo's five central wards and their vicinity	246,076	83.3
		Tokyo metropolitan area	246,076	83.3
		Principal regional cities	—	—
	Residential Properties	Tokyo's five central wards and their vicinity	7,743	2.6
		Tokyo metropolitan area	7,743	2.6
		Principal regional cities	—	—
	Retail and Other Facilities	Tokyo's five central wards and their vicinity	—	—
		Tokyo metropolitan area	—	—
		Principal regional cities	—	—
	Subtotal			253,819
Deposits and other assets (Note 2)			19,438	6.6
Total assets			295,332	100.0

(Note 1) Total amount held is the carrying amount (book value less depreciation and amortization).

(Note 2) Deposits and other assets include deposits within the assets in trust in the amount of 10,701 million yen. Trust beneficiary interest in assets which primarily comprise of real estate, etc., does not include deposits within the assets in trust.

(as of July 31, 2015)

	Carrying amount (millions of yen)	Percentage of total assets (%)
Total liabilities	141,092	47.8
Total net assets	154,240	52.2
Total assets	295,332	100.0

(2) Investment Assets

(a) Major Issue of Investment Securities

Not applicable.

(b) Investment Real Estate Properties

An overview, etc. of investment real estate properties held by the Company is presented together with “(c) Major Other Investment Assets” below.

(c) Major Other Investment Assets

The Company holds the following real estate and trust beneficiary interest in real estate listed in the tables in a) below as of July 31, 2015. Mori Building Co., Ltd. led the development of all of the following real estate and real estate in trust.

a) Overview of Real Estate and Real Estate in Trust

The following are the real estate and real estate in trust held by the Company as of July 31, 2015.

(i) Overview of Assets by Type of Use

Type of asset	Main type of use	Property number (Note 1)	Property name	Location	Construction date (YYYY/MM) (Note 2)	Structure/ Total number of floors (Note 2)	Land area (m ²) (Note 3)	Gross floor area (m ²) (Note 3)	Form of ownership (Note 4)		Appraisal value at the end of fiscal period (millions of yen) (Note 5)	Book value (millions of yen)	Acquisition price (millions of yen)	Percentage of total portfolio acquisition price (%) (Note 6)		
									Land	Bldg.						
Real estate in trust	Office Buildings	O-0 Premium	Roppongi Hills Mori Tower	Roppongi, Minato-ku	2003/04	S/SRC B6F/54F	57,177.66	442,150.70	C (Note 7)	CO	66,100	56,331	57,280	20.3		
		O-1 Premium	ARK Mori Building	Akasaka, Minato-ku	1986/03	RC/SRC/S B4F/37F	39,602.42	177,486.95	C (Note 7)	CO	59,100	61,561	62,480	22.2		
		O-4 Premium	Koraku Mori Building	Koraku, Bunkyo-ku	2000/03	SRC/S B6F/19F	6,611.58	46,154.65	L	CO	22,900	25,244	27,200	9.7		
		O-6 Premium	Akasaka Tameike Tower	Akasaka, Minato-ku	2000/09	S/SRC/RC B2F/25F	5,694.16	46,971.43	C (Note 8)	CO	30,200	42,325	43,930	15.6		
		O-7 Premium	Atago Green Hills	MORI Tower (office building)	Atago, Minato-ku	2001/07	S/SRC B2F/42F	13,014.36 (Note 9)	85,266.30	*	*	45,800	41,479	42,090	14.9	
				Forest Tower (residential building)	Atago, Minato-ku	2001/10	S/SRC B4F/43F		60,815.71							
				Plaza (retail building)	Toranomon, Minato-ku	2001/07	RC B1F/2F		2,083.60							
		O-8 Premium	ARK Hills South Tower	Roppongi, Minato-ku	2013/07	S/SRC/RC B4F/20F	5,846.69	53,043.48	C (Note 12)	C (Note 12)	21,500	19,133	19,150	6.8		
		Subtotal											245,600	246,076	252,130	89.5
		Real estate	Residential Properties	R-1 Premium	Moto-Azabu Hills (Note 13)	Moto-Azabu, Minato-ku	2002/05 2002/09 (Note 14)	S/SRC/RC B4F/29F (Note 14)	12,199.65	54,006.76	C (Note 7)	CO	1,940	1,635	1,706	0.6
R-3 Premium	Roppongi First Plaza			Roppongi, Minato-ku	1993/10	RC B1F/20F	4,357.88 (Note 15)	22,906.74 (Note 15)	C (Note 15)	CO (Note 16)	1,700	2,250	2,100	0.7		
R-4	Roppongi View Tower			Roppongi, Minato-ku	1993/10	RC B1F/20F			C (Note 15)	CO (Note 16)	2,490	3,857	4,000	1.4		
Subtotal											6,130	7,743	7,806	2.8		
Real estate	Retail and Other Facilities	S-1 Premium	Laforet Harajuku (Land)	Jingumae, Shibuya-ku	—	—	2,565.06	—	O	—	30,000	22,074	21,820	7.7		
		Subtotal											30,000	22,074	21,820	7.7
Total											281,730	275,893	281,756	100.0		

- (Note 1) "Property number" is the number assigned to real estate and real estate in trust held by the Company classified into the following main types of use. The alphabet on the left represents the main type of use, where "O" represents an office building, "R" represents a residential property and "S" represents a retail and other facility. In addition, Premium Properties are denoted by "Premium." The same applies hereafter.
- (Note 2) "Construction date," "Structure/Total number of floors," "Land area" and "Gross floor area" are as described in the property registry. As for "Structure/Total number of floors," the following abbreviations are used.
RC: Reinforced concrete; SRC: Steel frame and reinforced concrete; S: Steel frame;
B: Number of basement floor; F: Number of floor above ground level
- (Note 3) "Land area" and "Gross floor area" indicate the area of the entire site and the total area floor of the entire building based on the description of the property registry, regardless of the form of ownership.
- (Note 4) "Form of ownership" is the type of rights, where "O" represents ownership rights, "C" represents a co-ownership interest in ownership rights, "CO" represents compartmentalized ownership of exclusive portion of a building, and "L" represents leasehold rights.
- (Note 5) "Appraisal value at the end of fiscal period" for properties except for ARK Hills South Tower is the appraisal value as of July 31, 2015 as described in the real estate appraisal report prepared by Japan Real Estate Institute. The figure for ARK Hills South Tower is the appraisal value as of July 31, 2015 as described in the real estate appraisal report prepared by DAIWA REAL ESTATE APPRAISAL CO., LTD.
- (Note 6) "Percentage of total portfolio acquisition price" is calculated as a percentage of the aggregate acquisition price of the Company's portfolio.
- (Note 7) Co-ownership interest as a portion of the land use rights.
- (Note 8) The land of Akasaka Tameike Tower is composed of the land owned by a third party (parcel number 1705-1) and the land jointly owned by five owners including the trustee (parcel number 1701-1). The trustee's co-ownership interest ratio of the land (parcel number 1701-1) is approximately 98.6% and the area corresponding to the co-ownership interest ratio is 3,211.94m². The same applies hereafter.
- (Note 9) "Land area" for Atago Green Hills is the area of the entire land over which land use rights for the building have been established pursuant to the rules of the Atago Green Hills Management Meeting.
- (Note 10) The land of Atago Green Hills is composed of the land owned by third parties and the land jointly owned by the trustee and Mori Building Co., Ltd. and leasehold rights and easement jointly owned by the trustee and Mori Building Co., Ltd. The land corresponding to each building is determined pursuant to the rules of the Atago Green Hills Management Meeting.
- (Note 11) The buildings of Atago Green Hills are composed of parts owned by third parties through compartmentalized ownership and other parts jointly owned by the trustee and Mori Building Co., Ltd. through direct ownership and compartmentalized ownership.
- (Note 12) The Company owns 25% co-ownership interest of the building and the site.
- (Note 13) This refers to the portion of the property in trust which does not include the assets in trust disposed on October 31, 2008, September 15, 2010 and March 18, 2011. The same applies hereafter.
- (Note 14) Although Moto-Azabu Hills is described in the property registry as one building, under the Building Standards Act, it consists of three buildings, Forest Tower (SRC; 29F and B3), Forest Terrace East (RC; 6F and B1) and Forest Terrace West (RC; 5F and B1), which were constructed in May 2002, May 2002 and September 2002, respectively.
- (Note 15) As Roppongi First Plaza and Roppongi View Tower are on the same site and are described in the property registry as one building owned through compartmentalized ownership, the land area and the gross floor area for these properties are added together. The land corresponding to each building has been determined pursuant to its management rules and is owned in the land use rights ratio.
- (Note 16) Roppongi First Plaza and Roppongi View Tower are described in the property registry as one building owned through compartmentalized ownership. 42 residential units out of the total of 90 residential units in Roppongi First Plaza are owned through compartmentalized ownership. 92 residential units out of the total of 202 residential units in Roppongi View Tower are owned through compartmentalized ownership.

(ii) Overview of Lease Conditions (as of July 31, 2015)

Property number	Property name	Type of lease (Note 1)	Total leasable area (m ²) (Note 2)	Total leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual contracted rent (millions of yen) (Note 5)	Security deposits (millions of yen) (Note 6)
O-0	Roppongi Hills Mori Tower	Fixed-rent master lease	21,482.11	21,482.11	100.0	1	2,862	2,385
O-1	ARK Mori Building	Fixed-rent master lease	24,588.43	24,588.43	100.0	1	2,543	2,104
O-4	Koraku Mori Building	Pass-through master lease	16,197.45	16,197.45	100.0	18	1,279	1,247
O-6	Akasaka Tameike Tower	Fixed-rent master lease	19,698.54	19,698.54	100.0	1	1,333	946
O-7	Atago Green Hills	Fixed-rent master lease	29,667.58	29,667.58	100.0	1	2,223	1,482
O-8	ARK Hills South Tower	Fixed-rent master lease	9,007.33	9,007.33	100.0	1	908	757
R-1	Moto-Azabu Hills	Pass-through master lease	1,325.30	1,097.34	82.8	6	113	38
R-3	Roppongi First Plaza	Pass-through master lease	2,956.77	2,821.48	95.4	40	144	52
R-4	Roppongi View Tower	Pass-through master lease	4,515.25	4,381.32	97.0	89	187	53
S-1	Laforet Harajuku (Land)	Business-use fixed-term land lease	2,565.06	2,565.06	100.0	1	1,228	—
Total			132,003.82	131,506.64	99.6	159	12,825	9,068

(Note 1) We treat as a fixed-rent master lease when we grant the authority to lease the property to other co-owner and receive a fixed amount in consideration. The same applies hereafter. As to ARK Hills South Tower, since the entire property is leased to a master lessee from three owners including the trustee and the master lessee leases the real estate in trust to the end tenant as a lessor, and the Investment Corporation receives fixed rent from the master lessee during the first year until July 31, 2015, it is treated as a fixed-rent master lease.

(Note 2) “Total leasable area” is the area of the space deemed to be available for the end-tenants. In the case where we lease the entire space to any one tenant in the form of a fixed-rent master lease or where we grant the authority to lease the property to other co-owner and a fixed amount is paid to us in consideration of such granting, such tenant or co-owner is deemed to be the end-tenant. The same applies hereafter. “Total leased area” is equivalent to total floor area of leased space set out in the lease agreements, etc. with the end-tenants. In the case of Koraku Mori Building and Atago Green Hills, this indicates 80% and 74% of the proportionate ownership ratio, respectively, of the foregoing total leasable area and total leased area, which is rounded off to two decimal places. The same applies hereafter. In the case of ARK Hills South Tower, it indicates 25% of co-ownership interest ratio of the total leasable area and total leased area of the building, which is rounded off to two decimal places. The same applies hereafter. The total leasable area and total leased area do not include the area of storage space, flat parking lots and machinery, etc. The same applies hereafter.

(Note 3) “Occupancy rate” is calculated by dividing the total leased area for each property by the total leasable area of the property. The total indicates the ratio of the aggregate total leased area for all properties to the aggregate total leasable area for all properties.

(Note 4) “Number of tenants” is computed by counting the number of tenants as to the properties with fixed-rent master lease agreement and Laforet Harajuku (Land) as one. As for other properties, in the case of offices and shops, any one tenant which occupies more than one leased premise within the same property shall be counted as one, and in the case of residence, each residential unit shall be counted as one. The same applies hereafter.

(Note 5) “Annual contracted rent” for each property is calculated by multiplying the monthly rent provided in the relevant lease agreement, etc. with the end-tenant (which shall be the monthly rent after a free rent period if a free rent period has been established at the beginning of the lease period, or the amount charged to the end-tenants during the period from July 1, 2015 to July 31, 2015 if a percentage rent is adopted) by 12. In the case of Koraku Mori Building and Atago Green Hills, this indicates 80% and 74% (i.e., the ownership ratio), respectively, of the amount so calculated.

(Note 6) “Security Deposits” indicates the remaining amount of the security deposit set forth in the relevant lease agreement, etc. with the end-tenant. With regard to Roppongi View Tower, this indicates the amount set forth in the lease agreement with Mori Building Co., Ltd., as master lessee. In the case of Koraku Mori Building and Atago Green Hills, this indicates 80% and 74% (i.e., the ownership ratio), respectively, of such remaining amount of the security deposit.

(iii) Overview of Lease to Major Tenants

The following table provides certain information regarding a key tenant, which leases 10% or more of the total leased area for the properties in the Company's portfolio as of July 31, 2015 and brief summary of the lease conditions to such tenant.

Tenant name	Business type	Property name	Annual contracted rent (millions of yen)	Security Deposits (millions of yen)	Leased area (m ²) (Note 1)	Percentage of total leased area (%) (Note 2)	Lease expiration date (YYYY/MM/DD)	Lease renewal	Notes
Mori Building Co., Ltd.	Real estate business	Roppongi Hills Mori Tower	2,862	2,385	21,482.11	16.3	2021/07/31	Auto-renewed every 5 years	23/24 floors
							2018/09/30	Auto-renewed every 5 years	19/22 floors
							2019/07/31	Auto-renewed every 5 years	20 floor
		ARK Mori Building	2,543	2,104	24,588.43	18.7	2021/01/31	Auto-renewed every 5 years	13 floor
							2021/01/31	Auto-renewed every 5 years	12/22 floors
							2021/01/31	Auto-renewed every 5 years	23/25 floors
							2021/01/31	Auto-renewed every 5 years	4/15/24 floors
		Koraku Mori Building	1,279	1,247	16,197.45	12.3	2023/03/03	Fixed-term lease	—
							2026/03/31	Auto-renewed every 5 years	Office and Retail portion (including certain parking/storage space)
		Akasaka Tameike Tower	1,333	946	19,698.54	15.0	2021/03/31	Auto-renewed every 5 years	Residential portion (including certain parking space)
							2022/04/30	Auto-renewed every 5 years	—
		Atago Green Hills	2,223	1,482	29,667.58	22.6	2022/04/30	Auto-renewed every 5 years	—
		ARK Hills South Tower	908	757	9,007.33	6.8	2034/07/31	Auto-renewed every year	—
Moto-Azabu Hills	113	38	1,097.34	0.8	2026/03/31	Fixed-term lease	—		
Roppongi First Plaza	144	52	2,821.48	2.1	2023/03/03	Fixed-term lease	—		
Roppongi View Tower	187	53	4,381.32	3.3	2023/03/03	Fixed-term lease	—		
Total			11,596	9,068	128,941.58	98.0	—	—	—

(Note 1) "Leased area" is equivalent to floor area of leased space set out in the lease agreement, etc. with the end-tenant. In the case of Koraku Mori Building and Atago Green Hills, this indicates 80% and 74% of the proportionate ownership ratio, respectively, of the foregoing leased area, which is rounded off to two decimal places. In the case of ARK Hills South Tower, it indicates 25% of co-ownership interest ratio of the leased area of the building, which is rounded off to two decimal places. The leased area does not include the area of storage space, flat parking lots, and machinery, etc.

(Note 2) "Percentage of total leased area" indicates the ratio of the total leased area of each property to the aggregate total leased area for all properties held by the Company as of July 31, 2015. The same applies hereafter.

(iv) Five Largest Tenants

The following table shows the Company's five largest tenants by leased area for the Company's properties as of July 31, 2015.

Name of end tenant	Property name	Leased area (m ²) (Note 1)	Percentage of total portfolio (%) (Note 2)
Mori Building Co., Ltd.	Roppongi Hills Mori Tower ARK Mori Building Koraku Mori Building Akasaka Tameike Tower Atago Green Hills ARK Hills South Tower	104,736.21	79.6
Showa Leasing Co., Ltd.	Koraku Mori Building	2,683.90	2.0
Mori Building Ryutsu System Co., Ltd.	Laforet Harajuku (Land)	2,565.06	2.0
ITOCHU Techno-Solutions Corporation	Koraku Mori Building	2,116.88	1.6
Japan Worker's Credit Fund Association	Koraku Mori Building	1,851.87	1.4
Total for top 5 end tenants		113,953.92	86.7

(Note 1) "Leased area" is equivalent to floor area of leased space set out in the lease agreement, etc. with the end-tenant. In the case of Koraku Mori Building and Atago Green Hills, this indicates 80% and 74% of the proportionate ownership ratio, respectively, of the foregoing leased area, which is rounded off to two decimal places. In the case of ARK Hills South Tower, it indicates 25% of co-ownership interest ratio of the leased area of the building, which is rounded off to two decimal places. The leased area does not include the area of storage space, flat parking lots, and machinery, etc.

(Note 2) "Percentage of total portfolio" indicates the ratio of the leased area attributable to each end-tenant to the aggregate total leased area for all properties held by the Company as of July 31, 2015. The same applies hereafter.

(v) Overview of Lease to Interested Parties

The following table provides an overview of lease to the end-tenants who are interested parties for the properties held by the Company as of July 31, 2015.

Name of end tenant	Name of occupied property	Leased area (m ²) (Note 1)	Percentage of total portfolio (%)	Annual contracted rent (thousands of yen) (Note 2)	Lease expiration date (YYYY/MM/DD)	Lease renewal	Type of lease	Notes
Mori Building Co., Ltd.	Roppongi Hills Mori Tower	21,482.11	16.3	2,862,595	2021/07/31	Auto-renewed every 5 years	Fixed-rent master lease	23/24 floors
					2018/09/30	Auto-renewed every 5 years	Fixed-rent master lease	19/22 floors
					2019/07/31	Auto-renewed every 5 years	Fixed-rent master lease	20 floor
	ARK Mori Building	24,588.43	18.7	2,543,386	2021/01/31	Auto-renewed every 5 years	Fixed-rent master lease	13 floor
					2021/01/31	Auto-renewed every 5 years	Fixed-rent master lease	12/22 floors
					2021/01/31	Auto-renewed every 5 years	Fixed-rent master lease	23/25 floors
					2021/01/31	Auto-renewed every 5 years	Fixed-rent master lease	4/15/24 floors
					2023/03/31	Auto-renewed every 5 years	Fixed-rent master lease	1 floor/Basement 1 through 4/ The area used as district heating and cooling
	Koraku Mori Building	292.22	0.2	4,539	2016/03/31	—	Memorandum on self-use	—
	Akasaka Tameike Tower	19,698.54	15.0	1,333,500	2026/03/31	Auto-renewed every 5 years	Fixed-rent master lease	Office and Retail portion (including certain parking/storage space)
2021/03/31					Auto-renewed every 5 years	Fixed-rent master lease	Residential portion (including certain parking space)	
Atago Green Hills	29,667.58	22.6	2,223,530	2022/04/30	Auto-renewed every 5 years	Fixed-rent master lease	—	
ARK Hills South Tower	9,007.33	6.8	908,574	2034/07/31	Auto-renewed every year	Fixed-rent master lease (Note 3)	—	
Mori Building Ryutsu System Co., Ltd.	Laforet Harajuku (Land)	2,565.06	2.0	1,228,800	2030/09/14	—	Business-use fixed-term land lease	—
Total		107,301.27	81.6	11,104,927	—			

(Note 1) "Leased area" is equivalent to floor area of leased space set out in the lease agreement, etc. with the end-tenant. In the case of Koraku Mori Building and Atago Green Hills, this indicates 80% and 74% of the proportionate ownership ratio, respectively, of the foregoing leased area, which is rounded off to two decimal places. In the case of ARK Hills South Tower, it indicates 25% of co-ownership interest ratio of the leased area of the building, which is rounded off to two decimal places. The leased area does not include the area of storage space, flat parking lots, and machinery, etc.

(Note 2) “Annual contracted rent” for each property is calculated by multiplying the monthly rent provided in the relevant lease agreement, etc. with the end-tenants (which shall be the monthly rent after a free rent period if a free rent period has been established at the beginning of the lease period, or the amount charged to the end-tenants during the period from July 1, 2015 to July 31, 2015 if a percentage rent is adopted) by 12. In the case of Koraku Mori Building and Atago Green Hills, this indicates 80% and 74% (of the proportionate ownership ratio), respectively, of the amount so calculated.

(Note 3) It will be treated as a fixed-rent master lease until July 31, 2015.

(vi) Overview of Properties

The following table provides an overview of the properties for which annual contracted rent accounts for 10% or more of the total annual contracted rent for properties held by the Company as of July 31, 2015.

Property number	Property name	Annual contracted rent (millions of yen)	Percentage of annual contracted rent (%) (Note 1)	Total leasable area (m ²)	Total leased area (m ²)	Occupancy rate (%) (Note 2)	Number of tenants
O-0	Roppongi Hills Mori Tower	2,862	22.3	21,482.11	21,482.11	100.0	1
O-1	ARK Mori Building	2,543	19.8	24,588.43	24,588.43	100.0	1
O-7	Atago Green Hills	2,223	17.3	29,667.58	29,667.58	100.0	1
O-6	Akasaka Tameike Tower	1,333	10.4	19,698.54	19,698.54	100.0	1
Total		8,963	69.9	95,436.66	95,436.66	100.0	4

(Note 1) This indicates the ratio of the annual contracted rent for each property to the aggregate total annual contracted rent for all properties held by the Company as of July 31, 2015.

(Note 2) “Occupancy rate” is calculated by dividing the total leased area for each property by the total leasable area of the property. The total indicates the ratio of the aggregate total leased area for all properties to the aggregate total leasable area for all properties.

(vii) Overview of Matters Concerning Design, Etc.

The following table provides the designers, structural designers, contractors, building verification agencies and structural examination agencies for properties held by the Company as of July 31, 2015.

Property number	Property name	Designer	Structural designer	Contractor	Building verification agency	Structural examination agency (Note)
O-0	Roppongi Hills Mori Tower	Mori Building Co., Ltd., first class architect office, and Irie Miyake Architects & Engineers	Mori Building Co., Ltd., first class architect office, and Kozo Keikaku Engineering Inc.	Consortium of Obayashi Corporation and Kajima Corporation	Tokyo Metropolitan Government	The Building Center of Japan
O-1	ARK Mori Building	Mori Building Co., Ltd., first class architect office, and Irie Miyake Architects & Engineers	Mori Building Co., Ltd., first class architect office, and Irie Miyake Architects & Engineers	Consortium of Kajima Corporation, Toda Corporation and Fujita Engineering Co. Ltd.	Tokyo Metropolitan Government	The Building Center of Japan
O-4	Koraku Mori Building	Mori Building Co., Ltd., first class architect office, and GKK Architects & Engineers	Mori Building Co., Ltd., first class architect office, and Orimoto Structural Engineers	Consortium of Shimizu Corporation and Sato Kogyo Co., Ltd.	Tokyo Metropolitan Government	The Building Center of Japan
O-6	Akasaka Tameike Tower	Shimizu Corporation, first class architect office	Shimizu Corporation, first class architect office	Consortium of Shimizu Corporation and Takenaka Corporation	Tokyo Metropolitan Government	The Building Center of Japan
O-7	Atago Green Hills	Mori Building Co., Ltd., first class architect office, and Irie Miyake Architects & Engineers	Mori Building Co., Ltd., first class architect office, and Kozo Keikaku Engineering Inc.	(office building / retail building) Consortium of Takenaka Corporation and Kumagai Gumi Co., Ltd. (residential building) Toda Corporation	Tokyo Metropolitan Government	(office building / residential building) The Building Center of Japan (retail building) Tokyo Metropolitan Government
O-8	ARK Hills South Tower	Mori Building Co., Ltd., first class architect office and Irie Miyake Architects & Engineers	Mori Building Co., Ltd., first class architect office, Irie Miyake Architects & Engineers and Shimizu Corporation, first class architect office	Shimizu Corporation	The Building Center of Japan	The Building Center of Japan
R-1	Moto-Azabu Hills	Takenaka Corporation, Tokyo first class architect office	Takenaka Corporation, Tokyo first class architect office	Takenaka Corporation	Tokyo Metropolitan Government	The Building Center of Japan
R-3	Roppongi First Plaza	Urban Renaissance Agency, and Irie Miyake Architects & Engineers	Urban Renaissance Agency, and Kozo Keikaku Engineering Inc.	Consortium of Shimizu Corporation and ANDO Corporation	Tokyo Metropolitan Government	The Building Center of Japan
R-4	Roppongi View Tower					

(Note) With regard to structures constructed by special structural methods, such as super high-rise structures or seismic isolated structures, a structural evaluation involving a more detailed examination than general standards must be obtained pursuant to building standards laws and regulations (performance assessment under the Building Standards Act from 2000). In addition, there are cases where it is obtained in accordance with the instructions, etc. of administrative authorities.

(viii) Overview of Engineering Reports

The Company engages an engineering firm to investigate the status of the building (including earthquake risk analysis) and obtains an engineering report from the firm for each property. The following table shows the status of properties held by the Company as of July 31, 2015. “Estimated amount of emergency repair expenses” is the emergency repair expenses estimated by the engineering firm. “Estimated amount of long-term repair expenses” is the annual average amount of repair and renovation expenses over a period of 15 years estimated by the engineering firm.

The report provides a mere opinion of the engineering firm and no guarantee is provided as to the accuracy of the opinion.

No earthquake insurance has been taken out for properties held by the Company.

Property number	Property name		Preparation date (YYYY/MM)	Estimated amount of emergency repair expenses (thousands of yen)	Estimated amount of long-term repair expenses (thousands of yen) (Note 1) (Note 2) (Note 3)	PML (%) (Note 4)	Engineering firm
O-0	Roppongi Hills Mori Tower		2015/08	—	18,299	0.59	Tokyo Bldg-Tech Center Co., Ltd.
O-1	ARK Mori Building		2012/12	—	127,769	0.78	Tokyo Bldg-Tech Center Co., Ltd.
O-4	Koraku Mori Building		2011/12	—	57,533	0.73	Tokio Marine & Nichido Risk Consulting Co., Ltd.
O-6	Akasaka Tameike Tower	Office and Retail portion (including certain parking/storage space)	2013/11	—	30,273	1.79	Tokyo Bldg-Tech Center Co., Ltd.
		Residential portion (including certain parking space)	2011/02	—	27,631		
O-7	Atago Green Hills	MORI Tower (office building)	2012/02	—	101,932	2.35	Takenaka Corporation
		Forest Tower (residential building)		—	86,456	2.34	
		Plaza (retail building)		—	2,594	5.94	
O-8	ARK Hills South Tower		2014/05	—	6,186	1.56	Tokyo Bldg-Tech Center Co., Ltd.
R-1	Moto-Azabu Hills	Forest Tower	2011/12	—	2,223	0.57	Tokio Marine & Nichido Risk Consulting Co., Ltd.
		Forest Terrace East				1.27	
R-3	Roppongi First Plaza		2011/12	—	9,316	2.20	Tokio Marine & Nichido Risk Consulting Co., Ltd.
R-4	Roppongi View Tower		2011/12	—	6,279	2.20	Tokio Marine & Nichido Risk Consulting Co., Ltd.
S-1	Laforet Harajuku (Land) (Note 5)		—	—	—	—	—
Total				—	476,491	1.12	—

(Note 1) With regard to Roppongi Hills Mori Tower, this amount is calculated by multiplying the estimated amount for the entire property by the percentage share of the costs pertaining to the portion in trust provided under the Roppongi Hills Mori Tower Management Rules.

(Note 2) With regard to ARK Mori Building, this amount is calculated by multiplying the estimated amount for the entire property by the percentage share of the costs pertaining to the portion in trust pursuant to the ARK Mori Building Management Rules.

(Note 3) With regard to Atago Green Hills, this amount is calculated by multiplying the estimated amount for the entire property in each building by the percentage share of the costs pertaining to the Company’s share in the trust beneficiary interest pursuant to the Atago Green Hills Management Rules.

(Note 4) This indicates the figure described in the “Report on evaluation of seismic PML for portfolio” dated March, 2015 by Sampo Japan Nipponkoa Risk Management Inc.

(Note 5) With regard to Laforet Harajuku (Land), no investigation is implemented because the Company does not hold any buildings, etc.

(ix) Status of Capital Expenditures

i) Status of Implementation of Capital Expenditures

The following table shows the major construction work falling under the category of capital expenditures that were conducted during the eighteenth fiscal period. Capital expenditures during the eighteenth fiscal period amounted to 130 million yen for the entire portfolio and, combined with the 21 million yen in maintenance and repairs and 0.6 million yen in construction management fees charged to expenses for the seventeenth fiscal period, construction work in a total of 152 million yen was implemented.

Name of real estate, etc. (Location)	Purpose	Period (YYYY/MM)	Amount of capital expenditures (millions of yen)
Roppongi Hills Mori Tower (Minato-ku, Tokyo)	Standard floor air-conditioning equipment control parts upgrading work	From: 2014/09 To: 2015/02	8
ARK Mori Building (Minato-ku, Tokyo)	Gondola upgrading work	From: 2015/01 To: 2015/02	7
Akasaka Tameike Tower (Minato-ku, Tokyo)	Modular replacement for switchboards	From: 2014/10 To: 2015/02	10
	LED installation of lights for office exclusive area	From: 2015/04 To: 2015/05	8
	Air conditioning control equipment upgrading work for office exclusive area	From: 2015/04 To: 2015/04	6
Roppongi First Plaza (Minato-ku, Tokyo)	HEATS heat exchanger upgrading work	From: 2015/02 To: 2015/02	6
	Residential unit remodeling work	From: 2015/02 To: 2015/07	11
Other			71
Entire portfolio			130

(Note) The projects shown above are those for which capital expenditure exceeds 5 million yen per project.

ii) Schedule of Capital Expenditures

The following table shows the amounts of capital expenditures conducted after the end of the eighteenth fiscal period and the expected amounts of capital expenditures associated with the major renovation construction work, etc. planned as of the date of this document for properties held by the Company as of July 31, 2015. A portion of the total “(Expected) Amount of capital expenditures” detailed below may be treated as expenses for accounting purposes depending on the form of construction work.

Name of real estate, etc. (Location)	Purpose	(Scheduled) Period (YYYY/MM)	(Expected) Amount of capital expenditures (millions of yen)		
			Total amount	Amount paid during the seventeenth fiscal period	Total amount already paid
Roppongi Hills Mori Tower (Minato-ku, Tokyo)	Standard floors air-conditioning equipment control parts upgrading work	From: 2015/06 To: 2016/02	11	—	—
	Elevator air-conditioner upgrading work	From: 2014/07 To: 2015/09	5	—	—
ARK Mori Building (Minato-ku, Tokyo)	Power generating/transforming equipment upgrading work	From: 2013/11 To: 2016/06	190	—	42
	Elevator shaft fire-resistant covering repair work	From: 2015/09 To: 2015/11	5	—	—
	1F toilet area upgrading work	From: 2015/11 To: 2016/02	11	—	—
Koraku Mori Building (Bunkyo-ku, Tokyo)	3F perimeter air-conditioning equipment upgrading work	From: 2015/09 To: 2015/11	7	—	—
	LED installation of lights for exclusive area	From: 2015/08 To: 2016/04	29	—	—
	LED installation of down-lights for the entrance ceiling	From: 2015/09 To: 2015/10	6	—	—
	Standard floor air-conditioning equipment control parts upgrading work	From: 2015/09 To: 2016/02	5	—	—
Akasaka Tameike Tower (Minato-ku, Tokyo)	HEATS heat exchanger upgrading work	From: 2015/10 To: 2015/11	16	—	—
	Exterior lighting equipment upgrading work	From: 2016/01 To: 2016/02	7	—	—
	Modular replacement for switchboards	From: 2015/10 To: 2015/12	19	—	—
	Residential unit intercom system upgrading work	From: 2015/09 To: 2015/10	30	—	—
Atago Green Hills (Minato-ku, Tokyo)	Office building security system controller upgrading work	From: 2015/11 To: 2016/02	8	—	—
	Office building air conditioning building automation system upgrading work	From: 2015/04 To: 2015/10	63	—	—
Moto-Azabu Hills (Minato-ku, Tokyo)	Residential unit home appliances upgrading work	From: 2015/08 To: 2016/07	7	—	—
Roppongi First Plaza (Minato-ku, Tokyo)	Automatic fire alarm facility upgrading work	From: 2015/09 To: 2016/04	20	—	—
	Residential unit remodeling work	From: 2015/08 To: 2016/07	13	—	—
Roppongi View Tower (Minato-ku, Tokyo)	Automatic fire alarm facility upgrading work	From: 2015/09 To: 2016/04	31	—	—
	Common area renewal work	From: 2015/10 To: 2015/12	41	—	—
	Residential unit remodeling work	From: 2015/08 To: 2016/07	37	—	—

(Note) The projects shown are those for which the (expected) amount exceeds 5 million yen per project.

b) Overview of Trust Beneficiary Interest

(as of July 31, 2015)

Main type of use	Property number	Property name	Trustee	Trust establishment date (YYYY/MM/DD)	Trust maturity date (YYYY/MM/DD)	Notes
Office buildings	O-0 Premium	Roppongi Hills Mori Tower	Sumitomo Mitsui Trust Bank, Ltd.	2011/08/01	2026/07/31	Trust beneficiary interest in compartmentalized ownership for 23rd and 24th floor portions
			Sumitomo Mitsui Trust Bank, Ltd.	2013/10/01	2028/09/30	Trust beneficiary interest in compartmentalized ownership for 19th and 22nd floor portions
			Sumitomo Mitsui Trust Bank, Ltd.	2014/08/01	2029/07/31	Trust beneficiary interest in compartmentalized ownership for 20th floor portion
	O-1 Premium	ARK Mori Building	Mizuho Trust & Banking Co., Ltd.	2006/03/22	2016/03/31	Trust beneficiary interest in compartmentalized ownership for 13th floor portion
			Mizuho Trust & Banking Co., Ltd.	2008/03/28	2018/03/31	Trust beneficiary interest in compartmentalized ownership for 12th and 22nd floor portions
			Mizuho Trust & Banking Co., Ltd.	2011/03/18	2021/01/31	Trust beneficiary interest in compartmentalized ownership for 23rd and 25th floor portions
			Sumitomo Mitsui Trust Bank, Ltd.	2011/08/01	2026/07/31	Trust beneficiary interest in compartmentalized ownership for 4th, 15th and 24th floor portions
			Sumitomo Mitsui Trust Bank, Ltd.	2013/04/01	2028/03/31	Trust beneficiary interest in compartmentalized ownership for 1st floor and basement 1 through 4 the area used as district heating and cooling
	O-4 Premium	Koraku Mori Building	Sumitomo Mitsui Trust Bank, Ltd.	2003/03/04	2023/03/03	Trust beneficiary interest representing 80% interest in the assets in trust; Trust beneficiary interest representing the remaining 20% interest in the assets in trust is held by Mori Building Co., Ltd.
	O-6 Premium	Akasaka Tameike Tower	Sumitomo Mitsui Trust Bank, Ltd.	2008/09/30	2026/03/31	Trust beneficiary interest in office and retail portion (including certain parking/storage space)
Sumitomo Mitsui Trust Bank, Ltd.			2011/03/18	2026/03/31	Trust beneficiary interest in residential portion (including certain parking space)	
O-7 Premium	Atago Green Hills	Mitsubishi UFJ Trust and Banking Corporation	2012/05/01	2027/04/30	Trust beneficiary interest representing 74% interest in the assets in trust; Trust beneficiary interest representing the remaining 26% interest in the assets in trust is held by Mori Building Co., Ltd.	
O-8 Premium	ARK Hills South Tower	Mitsubishi UFJ Trust and Banking Corporation	2014/08/01	2034/07/31	Trust beneficiary interest in the 25% co-ownership	
Residential properties	R-1 Premium	Moto-Azabu Hills	Sumitomo Mitsui Trust Bank, Ltd.	2006/03/22	2026/03/31	—
	R-3 Premium	Roppongi First Plaza	Sumitomo Mitsui Trust Bank, Ltd.	2003/03/04	2023/03/03	—
	R-4	Roppongi View Tower	Sumitomo Mitsui Trust Bank, Ltd.	2003/03/04	2023/03/03	Trust beneficiary interest in compartmentalized ownership for 80 units in Roppongi View Tower
Sumitomo Mitsui Trust Bank, Ltd.			2006/03/22	2023/03/03	Trust beneficiary interest in compartmentalized ownership for 12 units in Roppongi View Tower	

c) Status of Portfolio

(i) Investment Ratio by Property Quality

(as of July 31, 2015)

Quality category (Note)	Number of properties	Acquisition price (millions of yen)	Percentage of total portfolio acquisition price (%)
Premium Properties	9	277,756	98.6
Other Properties	1	4,000	1.4
Portfolio total	10	281,756	100.0

(Note) For the Premium Properties in the quality category, please refer to “2. Investment Policy; (1) Investment Policy; (B) Management Strategy; (a) Key Strategy; a. Development of Urban Portfolio with Premium Properties at the Core; i. Investments that Focus on Premium Properties” in the most recent securities report (submitted on April 27, 2015).

(ii) Investment Ratio by Main Type of Use

(as of July 31, 2015)

Main type of use	Number of properties	Acquisition price (millions of yen)	Percentage of total portfolio acquisition price (%)
Office buildings	6	252,130	89.5
Residential properties	3	7,806	2.8
Retail Facility	1	21,820	7.7
Portfolio total	10	281,756	100.0

(iii) Investment Ratio by Region

(as of July 31, 2015)

Region		Number of properties	Acquisition price (millions of yen)	Percentage of total portfolio acquisition price (%)
Tokyo metropolitan area	Tokyo's five central wards and their vicinity	10	281,756	100.0
	Minato Ward	8	232,736	82.6
	Bunkyo Ward	1	27,200	9.7
	Shibuya Ward	1	21,820	7.7
	Tokyo, Kanagawa, Chiba and Saitama Prefectures	10	281,756	100.0
Principal regional cities	Cities designated by Cabinet Order and their equivalent principal cities in Japan other than those located in Tokyo metropolitan area	—	—	—
Portfolio total		10	281,756	100.0

(iv) Investment Ratio by Property Age

(as of July 31, 2015)

Property age	Number of properties	Acquisition price (millions of yen)	Percentage of total portfolio acquisition price (%)
Less than 10 years	1	19,150	7.4
Equal to or more than 10 years but less than 15 years	4	145,006	55.8
Equal to or more than 15 years	4	95,780	36.8
Portfolio total	9	259,936	100.0

(Note) In aggregate calculation, Atago Green Hills is deemed to have been constructed on July 30, 2001 and Laforet Harajuku (Land) falls outside the calculations. The same applies to “(v) Investment Ratio by Property Size” below. The average age of the properties in the Company’s portfolio, calculated as the weighted average of the building age based on the acquisition price is 16.9 years which is rounded off to the nearest decimal place.

(v) Investment Ratio by Property Size

(as of July 31, 2015)

Property Size (Note)	Number of properties	Acquisition price (millions of yen)	Percentage of total portfolio acquisition price (%)
Equal to or more than 30,000m ²	7	253,836	97.7
Equal to or more than 10,000m ² but less than 30,000m ²	2	6,100	2.3
Less than 10,000m ²	—	—	—
Portfolio total	9	259,936	100.0

(Note) “Property Size” is based on the total floor area of the entire building, regardless of the form of ownership. With regard to Roppongi First Plaza and Roppongi View Tower, the total floor area for each property is deemed to be 22,906.74m² and calculated as a separate building.

d) Status of Income and Expenditures

(Unit: thousands of yen)

Property number	O-0			O-1		
Property name	Roppongi Hills Mori Tower			ARK Mori Building		
Period	Seventeenth fiscal period ended January 2015	Eighteenth fiscal period ended July 2015	Difference	Seventeenth fiscal period ended January 2015	Eighteenth fiscal period ended July 2015	Difference
Operation days	184 days	181 days	(3 days)	184 days	181 days	(3 days)
Occupancy rate	100.0%	100.0%	0.0PT	100.0%	100.0%	0.0PT
Number of tenants	1	1	0	1	1	0
Rent revenue of real estate	1,431,297	1,431,297	—	1,271,693	1,271,693	—
Other rent revenue of real estate	—	—	—	—	—	—
Total property operating revenue	1,431,297	1,431,297	—	1,271,693	1,271,693	—
Property management fees	122,722	122,722	—	6,000	6,000	—
Property taxes (Note 1)	86,793	98,509	11,715	74,092	73,537	(555)
Utilities	—	—	—	—	—	—
Maintenance and repairs	—	—	—	370	—	(370)
Insurance premium	2,025	2,060	35	1,817	1,886	68
Depreciation and amortization (1)	229,004	230,096	1,092	89,783	79,995	(9,787)
Other expenses (Note 2)	140	358	218	2,745	2,844	98
Total property operating expense	440,686	453,747	13,061	174,809	164,265	(10,544)
Property operating income (2)	990,611	977,549	(13,061)	1,096,883	1,107,428	10,544
NOI (3) ((1)+(2))	1,219,615	1,207,646	(11,969)	1,186,666	1,187,424	757
Capex (4)	—	29,482	29,482	2,122	15,004	12,881
NCF (3)-(4)	1,219,615	1,178,163	(41,451)	1,184,543	1,172,420	(12,123)

(Note 1) For property tax, city planning tax and depreciable assets tax, the Company charges the amount of property taxes assessed and determined applicable to the fiscal period to expenses of real estate rent. Registered owners of properties in Japan as of January 1 are responsible for paying property taxes for the calendar year based on assessments by local governments. Therefore, registered owners who sold properties to the Company were liable for property taxes and city planning taxes for the calendar year, including the period from the date of the acquisition by the Company until the end of the year. The Company reimbursed sellers of properties for the equivalent amount of property taxes and included the amount in the acquisition cost of real estate.

(Note 2) "Other expenses" denotes the sum of rent expenses, custodian fees, and other lease business expenses (residential property management costs, and other property-related miscellaneous expenses) in aggregate.

(Unit: thousands of yen)

Property number	O-4			O-6		
Property name	Koraku Mori Building			Akasaka Tameike Tower		
Period	Seventeenth fiscal period ended January 2015	Eighteenth fiscal period ended July 2015	Difference	Seventeenth fiscal period ended January 2015	Eighteenth fiscal period ended July 2015	Difference
Operation days	184 days	181 days	(3 days)	184 days	181 days	(3 days)
Occupancy rate	100.0%	100.0%	0.0PT	100.0%	100.0%	0.0PT
Number of tenants	18	18	0	1	1	0
Rent revenue of real estate	621,068	635,028	13,959	666,446	666,446	—
Other rent revenue of real estate	113,565	109,606	(3,958)	289	289	—
Total property operating revenue	734,633	744,634	10,000	666,735	666,735	—
Property management fees	62,116	64,563	2,447	3,000	3,000	—
Property taxes (Note 1)	31,343	31,049	(293)	42,547	42,274	(272)
Utilities	88,918	88,828	(90)	—	—	—
Maintenance and repairs	1,029	5,991	4,961	—	—	—
Insurance premium	1,773	1,766	(6)	2,073	2,042	(31)
Depreciation and amortization (1)	129,379	129,376	(2)	173,256	146,854	(26,401)
Other expenses (Note 2)	68,795	68,795	0	905	1,051	146
Total property operating expense	383,354	390,371	7,016	221,783	195,223	(26,559)
Property operating income (2)	351,279	354,263	2,983	444,952	471,512	26,559
NOI (3) ((1)+(2))	480,658	483,639	2,981	618,209	618,367	157
Capex (4)	1,320	688	(632)	22,333	35,407	13,074
NCF (3)-(4)	479,337	482,951	3,613	595,875	582,959	(12,916)

(Unit: thousands of yen)

Property number	O-7			O-8		
Property name	Atago Green Hills			ARK Hills South Tower		
Period	Seventeenth fiscal period ended January 2015	Eighteenth fiscal period ended July 2015	Difference	Seventeenth fiscal period ended January 2015	Eighteenth fiscal period ended July 2015	Difference
Operation days	184 days	181 days	(3 days)	184 days	181 days	(3 days)
Occupancy rate	100.0%	100.0%	0.0PT	100.0%	100.0%	0.0PT
Number of tenants	1	1	0	1	1	0
Rent revenue of real estate	1,111,765	1,111,765	—	454,287	454,287	—
Other rent revenue of real estate	—	—	—	—	—	—
Total property operating revenue	1,111,765	1,111,765	—	454,287	454,287	—
Property management fees	2,664	2,664	—	33,078	33,968	890
Property taxes (Note 1)	70,459	69,900	(559)	0	16,556	16,555
Utilities	—	—	—	—	—	—
Maintenance and repairs	—	—	—	—	—	—
Insurance premium	3,775	3,618	(157)	1,076	1,076	0
Depreciation and amortization (1)	195,471	196,421	950	44,277	44,299	22
Other expenses (Note 2)	37,053	37,079	26	86	95	9
Total property operating expense	309,423	309,682	259	78,518	95,995	17,477
Property operating income (2)	802,341	802,082	(259)	375,768	358,291	(17,477)
NOI (3) ((1)+(2))	997,812	998,503	690	420,046	402,591	(17,455)
Capex (4)	1,497	18,582	17,085	800	1,046	246
NCF (3)-(4)	996,315	979,920	(16,394)	419,246	401,544	(17,701)

(Unit: thousands of yen)

Property number	R-1			R-3		
Property name	Moto-Azabu Hills			Roppongi First Plaza		
Period	Seventeenth fiscal period ended January 2015	Eighteenth fiscal period ended July 2015	Difference	Seventeenth fiscal period ended January 2015	Eighteenth fiscal period ended July 2015	Difference
Operation days	184 days	181 days	(3 days)	184 days	181 days	(3 days)
Occupancy rate	100.0%	82.8%	(17.2PT)	100.0%	95.4%	(4.6PT)
Number of tenants	7	6	(1)	42	40	(2)
Rent revenue of real estate	61,738	57,010	(4,727)	71,679	73,282	1,603
Other rent revenue of real estate	831	755	(75)	—	—	—
Total property operating revenue	62,569	57,766	(4,803)	71,679	73,282	1,603
Property management fees	9,650	10,560	909	14,423	12,537	(1,885)
Property taxes (Note 1)	2,081	2,080	(1)	7,043	7,088	45
Utilities	65	93	27	1,752	1,421	(330)
Maintenance and repairs	2,669	10,973	8,303	6,748	1,437	(5,310)
Insurance premium	127	141	13	258	263	4
Depreciation and amortization (1)	6,855	6,941	86	11,074	11,081	6
Other expenses (Note 2)	3,735	3,698	(36)	3,873	3,871	(1)
Total property operating expense	25,186	34,489	9,302	45,174	37,703	(7,471)
Property operating income (2)	37,382	23,276	(14,106)	26,504	35,579	9,075
NOI (3) ((1)+(2))	44,238	30,218	(14,019)	37,579	46,661	9,082
Capex (4)	442	6,720	6,277	2,786	17,700	14,913
NCF (3)-(4)	43,795	23,498	(20,297)	34,792	28,961	(5,831)

(Unit: thousands of yen)

Property number	R-4			S-1		
Property name	Roppongi View Tower			Laforet Harajuku (Land)		
Period	Seventeenth fiscal period ended January 2015	Eighteenth fiscal period ended July 2015	Difference	Seventeenth fiscal period ended January 2015	Eighteenth fiscal period ended July 2015	Difference
Operation days	184 days	181 days	(3 days)	184 days	181 days	(3 days)
Occupancy rate	94.5%	97.0%	2.5PT	100.0%	100.0%	0.0PT
Number of tenants	87	89	2	1	1	0
Rent revenue of real estate	87,066	89,959	2,892	614,400	614,400	—
Other rent revenue of real estate	472	190	(282)	—	—	—
Total property operating revenue	87,538	90,149	2,610	614,400	614,400	—
Property management fees	13,532	13,151	(380)	—	—	—
Property taxes (Note 1)	10,802	10,837	34	61,926	64,759	2,833
Utilities	1,430	1,391	(38)	—	—	—
Maintenance and repairs	3,343	3,317	(26)	—	—	—
Insurance premium	335	319	(15)	—	—	—
Depreciation and amortization (1)	12,459	12,644	184	—	—	—
Other expenses (Note 2)	743	672	(70)	—	—	—
Total property operating expense	42,647	42,335	(312)	61,926	64,759	2,833
Property operating income (2)	44,891	47,814	2,923	552,474	549,640	(2,833)
NOI (3) ((1)+(2))	57,351	60,459	3,108	552,474	549,640	(2,833)
Capex (4)	3,961	5,600	1,638	—	—	—
NCF (3)-(4)	53,389	54,858	1,469	552,474	549,640	(2,833)

(Unit: thousands of yen)

Property number	Portfolio total		
Property name			
Period	Seventeenth fiscal period ended January 2015	Eighteenth fiscal period ended July 2015	Difference
Operation days	184 days	181 days	(3 days)
Occupancy rate	99.8%	99.6%	(0.2PT)
Number of tenants	160	159	(1)
Rent revenue of real estate	6,391,443	6,405,171	13,727
Other rent revenue of real estate	115,157	110,840	(4,316)
Total property operating revenue	6,506,600	6,516,011	9,411
Property management fees	267,187	269,168	1,981
Property taxes (Note 1)	387,091	416,594	29,503
Utilities	92,167	91,734	(432)
Maintenance and repairs	14,162	21,720	7,557
Insurance premium	13,264	13,174	(89)
Depreciation and amortization (1)	891,561	857,712	(33,849)
Other expenses (Note 2)	118,077	118,467	390
Total property operating expense	1,783,510	1,788,573	5,062
Property operating income (2)	4,723,089	4,727,438	4,348
NOI (3) ((1)+(2))	5,614,651	5,585,150	(29,500)
Capex (4)	35,265	130,232	94,967
NCF (3)-(4)	5,579,385	5,454,917	(124,467)

Disclaimer:

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