



September 13, 2013

**FINANCIAL REPORT
FOR THE FOURTEENTH FISCAL PERIOD ENDED JULY 31, 2013**

Mori Hills REIT Investment Corporation is listed on the Tokyo Stock Exchange with the securities code number 3234.

Representative: Hideyuki Isobe, Executive Director

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

Asset Manager: Mori Building Investment Management Co., Ltd.

Representative: Hideyuki Isobe, President & CEO

Contact: Yoshimi Nishibeppu, General Manager of Administration Department
TEL: +81-3-6234-3234

Planned submission of semiannual securities report: October 30, 2013

Planned start of dividend payments: October 16, 2013

Preparation of supplementary explanatory materials on financial results: Yes

Holding of briefing session on financial results: Yes (for institutional investors and analysts)

This financial report has been prepared in accordance with Japanese accounting standards, Japanese laws and other relevant regulations in Japan.

Figures are rounded down to the nearest one million yen.

1. PERFORMANCE FOR THE FOURTEENTH FISCAL PERIOD ENDED JULY 31, 2013
(February 1, 2013 – July 31, 2013)

(1) Business Results

(Millions of yen; Percentage change represents a period-on-period comparison)

	Operating Revenue	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change	Net Income	Percentage Change
Fourteenth Fiscal Period	¥5,052	8.0%	¥3,430	9.8%	¥2,433	14.6%	¥2,432	14.6%
Thirteenth Fiscal Period	¥4,676	(2.5%)	¥3,125	(1.8%)	¥2,123	0.2%	¥2,122	0.2%

	Net Income per Unit	Net Income to Total Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
Fourteenth Fiscal Period	¥9,710	2.2%	1.1%	48.2%
Thirteenth Fiscal Period	¥9,169	2.0%	1.0%	45.4%

(2) Dividend

	Dividend per Unit (excluding dividend in excess of earnings)	Total Dividends	Dividend in Excess of Earnings per Unit	Total Dividends in Excess of Earnings	Dividend Payout Ratio	Dividend Ratio to Net Assets
Fourteenth Fiscal Period	¥9,552	¥2,432 million	¥0	¥0	99.9%	2.1%
Thirteenth Fiscal Period	¥9,169	¥2,122 million	¥0	¥0	99.9%	2.0%

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

(3) Financial Position

	Total Assets	Net Assets	Total Net Assets to Total Assets	Net Assets per Unit
Fourteenth Fiscal Period	¥240,681 million	¥115,503 million	48.0%	¥453,632
Thirteenth Fiscal Period	¥218,813 million	¥104,239 million	47.6%	¥450,237

(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 Period
Fourteenth Fiscal Period	¥3,198 million	(¥19,592 million)	¥18,700 million	¥11,786 million
Thirteenth Fiscal Period	¥2,551 million	(¥610 million)	(¥2,113 million)	¥9,479 million

2. FORECAST OF RESULTS FOR THE FIFTEENTH FISCAL PERIOD ENDING JANUARY 31, 2014
(August 1, 2013 – January 31, 2014)

(Millions of yen; Percentage change represents a period-on-period comparison)

	Operating Revenue	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change	Net Income	Percentage Change
Fifteenth Fiscal Period	¥5,617	11.2%	¥3,800	10.8%	¥2,770	13.9%	¥2,769	13.9%

	Dividend per Unit (excluding dividend in excess of earnings)	Dividend in Excess of Earnings per Unit
Fifteenth Fiscal Period	¥10,000	¥0

(Reference) Estimated net income per unit for the fifteenth fiscal period: ¥10,000

3. OTHER

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

- (a) Changes in accounting policies accompanying 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 Outstanding

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

Fourteenth fiscal period: 254,620 units Thirteenth fiscal period: 231,520 units

- (b) Number of own units at end of period

Fourteenth fiscal period: 0 units Thirteenth fiscal period: 0 units

(Note) For the number of investment units used as the basis for calculating net income per unit, please refer to “Notes on Per Unit Information” on page 33.

***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 information is translated in this document, audit procedures pursuant to the Financial Instruments and Exchange Act 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 Fifteenth Fiscal Period Ending January 31, 2014 (August 1, 2013 – January 31, 2014) and the Sixteenth Fiscal Period Ending July 31, 2014 (February 1, 2014 – July 31, 2014)” presented on pages 11 to 13.

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 semiannual securities report (submitted on April 26, 2013).

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 semiannual securities report (submitted on April 26, 2013).

(2) Management Status

(A) Overview of the Fiscal Period under Review

(a) Brief Background of the Investment Corporation

Mori Hills REIT Investment Corporation (the Company) was incorporated by Mori Building Investment Management Co., Ltd. (the Company’s Asset Manager) on February 2, 2006, and listed on the Real Estate Investment Trust Section of the Tokyo Stock Exchange on November 30, 2006 (Securities Code: 3234).

In the fiscal period under review (fourteenth fiscal period: February 1, 2013 to July 31, 2013), the Company held a public offering, etc. (23,100 units; includes third-party allotment through over-allotment). As of the end of the fourteenth fiscal period, the total number of investment units outstanding was 254,620.

(b) Investment Environment and Business Performance

i) Investment Environment

In the fourteenth fiscal period, the Japanese economy experienced continued depreciation of the yen and increasing equity prices driven largely by measures taken by the new Abe administration. As a result, the domestic economy showed signs of a self-sustaining recovery as corporate earnings improved, particularly those in the manufacturing sector, while private consumption was strong with the improvement of consumer sentiment.

Within this economic environment, the rental office building market is starting to see signs of improvement centering on large blue-chip properties as the amount of supply of large-scale office buildings in central Tokyo was significantly below the historical average and demand for floor space increased with the recovery of economic sentiment. In the luxury rental housing market, occupancy rates and rents have remained at stable levels as supply was low and overseas business tenants are increasing employee housing allowances in line with the depreciation of the yen. As for the real estate trading market, property acquisitions were steady along with the listings of new J-REITs and public offerings of existing J-REITs, partially due to the favorable fund procurement environment, and the total amount of property acquisitions by J-REITs reached a record level in the first half.

ii) Business Performance

In the fourteenth fiscal period, the Company strove to enhance tenant satisfaction through such measures as meticulous operational management and systematic maintenance and repair of properties in its portfolio. Moreover, the Company maintained and enhanced occupancy rates by proactively launching marketing activities targeting new and existing tenants based on a flexible price policy while taking into account the quality of tenants.

The Company's real estate portfolio as of the end of the fourteenth fiscal period was comprised of 9 properties (Note 1) under management with a total leasable floor area of 112,337.42m². The Company has already invested 230,816 million yen (based on acquisition price) into this portfolio. The occupancy rate at the end of the fourteenth fiscal period (Note 2) was 99.5%.

(Notes)

1. For Roppongi View Tower, the Company acquired the trust beneficial interests pertaining to 6% co-ownership interest on March 22, 2006 and the trust beneficial interests pertaining to 40% co-ownership interest on April 13, 2006. However, the Company treats these as one property for purposes of calculating the number of properties in the portfolio. The same shall apply hereafter. Regarding ARK Mori Building, the Company made acquisitions as follows to date. However, the Company treats these as one property for purposes of calculating the number of properties in the portfolio. The same shall apply hereafter.

- 1) Trust beneficial interests pertaining to sectional ownership for the 13th floor portion on March 22, 2006.
- 2) 75% quasi co-ownership interest of the trust beneficial interests pertaining to sectional ownership for the 12th and 22nd floor portions on March 28, 2008.
- 3) The remaining 25% quasi co-ownership interest of the trust beneficial interests pertaining to sectional ownership for the 12th and 22nd floor portions on September 30, 2008.
- 4) 50% co-ownership interest in sectional ownership for the 23rd floor portion on March 23, 2010. The Company holds trust beneficial interests from adding this co-ownership interest as a trust asset of 5) on March 18, 2011.
- 5) Trust beneficial interests pertaining to the remaining 50% co-ownership interest in sectional ownership for the 23rd floor portion and trust beneficial interests pertaining to sectional ownership for the 25th floor portion on March 18, 2011.
- 6) Trust beneficial interests pertaining to sectional ownership for the 4th, 15th and 24th floor portions on August 1, 2011.
- 7) Trust beneficial interests pertaining to sectional ownership for heating and cooling district from the 4th basement floor through the 1st floor on April 1, 2013.

Regarding Akasaka Tameike Tower, the Company made acquisitions as follows to date. However, the Company treats these as one property for purposes of calculating the number of properties in the portfolio. The same shall apply hereafter.

- 1) Trust beneficial interests pertaining to the office and shop portions (including parts of storage areas, parking lots, etc.) (approx. 35.5% of total exclusive floor area) on September 30, 2008.
- 2) Trust beneficial interests pertaining to residential portion (including parts of parking lots, etc.) (approx. 30% of total exclusive floor area) on March 18, 2011.

Regarding Roppongi Hills Mori Tower, the Company made acquisitions as follows to date. However, the Company treats these as one property for purposes of calculating the number of properties in the portfolio. The same shall apply hereafter.

- 1) 50% co-ownership interest in sectional ownership for the 24th floor portion on March 23, 2010. The Company holds trust beneficial interests from adding this co-ownership interest as a trust asset of 2) on August 1, 2011.
- 2) Trust beneficial interests pertaining to sectional ownership for the 23rd floor portion and trust beneficial interests pertaining to the remaining 50% co-ownership interest in sectional ownership for the 24th floor portion on August 1, 2011.

Regarding Atago Green Hills, the Company made acquisitions as follows to date. However, the Company treats these as one property for purposes of calculating the number of properties in the portfolio. The same shall apply hereafter.

- 1) 45% quasi co-ownership interest of the trust beneficial interests pertaining to co-ownership interest in sectional 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 (approx. 20.0% of total exclusive floor area) on May 1, 2012.
- 2) 29% quasi co-ownership interest of the trust beneficial interests pertaining to co-ownership interest in sectional 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 (approx. 12.9% of total exclusive floor area) on April 1, 2013.

2. The occupancy rate at the end of the fiscal period expresses the sum total of the total leased floor area at the end of the fiscal period as a percentage of the sum total of the total leasable floor area at the end of the fiscal period, rounded to the first decimal place.

(c) Overview of Fund Procurement

During the fourteenth fiscal period, the Company issued investment corporation bonds in the amount of 10,955 million yen (amount contributed in) and took out long-term loans payable in the amount of 10,000 million yen to be allotted to funds for the acquisition of new properties. Also, the Company took out long-term loans payable in the amount of 3,478 million yen and issued investment corporation bonds in the amount of 5,000 million yen for the refinancing of existing short-term loans payable in the amount of 3,478 million yen and the redemption of investment corporation bonds in the amount of 5,000 million yen. The Company also made a previously agreed repayment in the amount of 62 million yen on existing long-term loans payable during the fourteenth fiscal period.

As a result, as of the end of the fourteenth fiscal period, the balance of loans payable stands at 91,762 million yen (long-term loans payable: 90,762 million yen (of which, current portion of long-term loans payable: 28,084 million yen); and short-term loans payable: 1,000 million yen), the balance of investment corporation bonds stands at 25,000 million yen (of which, current portion of investment corporation bonds: 5,000 million yen) and the balance of interest-bearing debt stands at 116,762 million yen.

Of the loans payable, in addition to the 25,000 million yen in investment corporation bonds and 7,662 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 variable 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 28,478 million yen of the 83,100 million yen in long-term loans payable that have variable interest rates. Concerning future loans payable, the Company will strive to minimize refinancing risks by diversifying repayment dates for loans payable.

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

(Note) Short-term loans payable are loans payable with a period of one year or less until the repayment date at the time of drawdown, and long-term loans payable are loans payable with a period of over one year until the repayment date at the time of drawdown. The same shall apply hereafter.

(d) Overview of Business Results and Distributions

The asset management activities described above resulted in the Company recording 5,052 million yen in operating revenue, 3,430 million yen in operating income, 2,433 million yen in ordinary income and 2,432 million yen in net income in the fourteenth fiscal period.

In 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; including amendments thereto), 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. Consequently, the Company declared a dividend per unit of 9,552 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 asset 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 and residential and retail properties that are situated in "Premium Areas" and that are capable of maintaining competitiveness in the future due to attributes such as quality, size and specifications ("Premium Properties" (Note)). The quintessential example is the "Hills" brand of large redevelopment properties exhibiting high creativity and added-value in a manner 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 seek to maximize investor value through continuously conducting dividend-oriented management, by pursuing further enhancement of the portfolio NOI cap rate through external growth and by further strengthening its financial standing - primarily by reducing borrowing costs and extending the average duration of loans payable.

(Note) Premium Properties refer to properties that are situated in "Premium Areas" (central five wards of Tokyo (Minato Ward, Chiyoda Ward, Chuo Ward, Shinjuku Ward and Shibuya Ward) and their vicinity; the same hereafter), where the Mori Building Group (Mori Building Co., Ltd., Mori Building Co., Ltd.'s consolidated subsidiaries and, of affiliated companies accounted for by the equity method, companies that are engaged in business in Japan; the same hereafter) can fully demonstrate its brand/marketing strength and facilities management capabilities, etc. and that are capable of maintaining competitiveness in the future due to attributes such as quality, size and specifications. The same shall apply hereafter.

(b) Significant Subsequent Events

Issuance of New Investment Units

Issuance of new investment units was resolved at the Company's Board of Directors Meeting held on August 19, 2013 and August 28, 2013. Furthermore, the contribution for the issuance of new investment units through public offering was completed on September 4, 2013.

As a result, unitholders' capital is 123,789,819,810 yen, with the total number of investment units issued and outstanding at 275,920 units as of September 4, 2013.

i. Issuance of New Investment Units through Public Offering (Primary Offering)

Number of new investment units issued:	21,300 units
Issued price (offer price):	526,500 yen per unit
Total amount of issued price (offer price):	11,214,450,000 yen
Amount contributed in (issued value):	508,140 yen per unit
Total amount contributed in (issued value):	10,823,382,000 yen
Contribution date:	September 4, 2013

ii. Issuance of New Investment Units through Third-Party Allotment

Number (ceiling) of units to be issued:	1,065 units
Amount to be contributed in (issued value):	508,140 yen per unit
Total amount (ceiling) to be contributed in (issued value):	541,169,100 yen
Allottee:	Mizuho Securities Co., Ltd.
Subscription period (subscription date):	October 1, 2013
Contribution date:	October 2, 2013

(Note) There may be cases where there will be no subscription to the investment units to be issued in the third-party allotment, in whole or in part, and accordingly the final number of investment units issued by the third-party allotment would decrease to that extent due to forfeiture, or such issuance itself will not take place at all.

iii. Use of Funds

The funds provided through issuance of new investment units through public offering (primary offering) and through third-party allotment were used as a part of the funds for the acquisition of assets (part of Roppongi Hills Mori Tower). The remaining funds, if any, will be kept as cash on hand, and will be used for part of future acquisition of specified assets.

(Reference Information)

i) Acquisition of Asset

The Company resolved at its Board of Directors' Meeting held on August 19, 2013 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

Asset-to-be-acquired:	Trust beneficial interests (Note 1)
Property name:	Roppongi Hills Mori Tower
Acquisition price:	21,900 million yen (Note 2)
Appraisal value:	24,500 million yen
Agreement date:	August 19, 2013
Acquisition date:	October 1, 2013 (planned)
Seller:	Mori Building Co., Ltd.
Acquisition financing:	Capital acquired through the issuance of new investment units, borrowings, and cash on hand (planned)

(Note 1) The Company plans to acquire the trust beneficial interests in sectional ownership of the 19th and 22nd floors.

(Note 2) The indicated planned acquisition price does not include acquisition-related costs, consumption taxes and other expenses. The same shall apply hereafter.

ii. 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 beneficiary		Mori Hills REIT Investment Corporation
Trust establishment		October 1, 2013 (planned)
Trust maturity date		September 30, 2028
Location	Lot number	6-502-1, Roppongi, Minato-ku, Tokyo, etc. (total:13 lots)
	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	Sectional ownership (Note 3)
Former owner		Mori Building Co., Ltd.
Planned acquisition price		21,900 million yen
Acquisition date		October 1, 2013 (planned)
Appraisal	Appraiser	Japan Real Estate Institute
	Appraisal date	June 1, 2013
	Appraisal value	24,500 million yen
PML (Note 4)		0.29%
Collateral		None
Property manager		Mori Building Co., Ltd.
Details of tenants (as of October 1, 2013)		
Total number of end tenants		1 (Note 5)
Gross rent income (annual rent)		1,140,711,732 yen
Deposits/Guarantees		950,593,110 yen
Total leasable floor area (Note 6)		8,609.47m ²
Total leased floor area (Note 7)		8,609.47m 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, hereafter the same.
- (Note 2) As for land, land use rights for the Property are designated. The site area corresponding to the trust beneficial interests that the Company plans to acquire as indicated in the real estate registry is approx. 2,028.37m². The land use right interest ratio is approx. 3.5%. Moreover, the site area corresponding to the trust beneficial interests that the Company is to own after the Acquisition as indicated in the real estate registry, is approx. 4,116.36m² and the land use right interest ratio is approx. 7.2%.
- (Note 3) The exclusive floor area corresponding to the trust beneficial interests that the Company plans to acquire as indicated in the real estate registry is 8,748.28m². The exclusive floor area interest ratio is approx. 2.8%. Moreover, exclusive floor area corresponding to the trust beneficial interests that the Company is to own after the Acquisition, as indicated in the real estate registry, is 17,636.67m² and the exclusive floor area interest ratio is approx. 5.6%.
- (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 July 9, 2013 by Tokyo Bldg-Tech Center Co., Ltd. is shown.
- (Note 5) With regard to the Property, the Company 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 indicated in the lease agreement. Moreover, total leasable floor area and total leased floor area exclude storage, parking lots, mechanical rooms, etc.

ii) Borrowing of Funds

The Company resolved at its Board of Directors’ Meeting held on September 13, 2013, the following with regard to agreements on borrowings to be used as part of the funds for acquisition of the asset (part of Roppongi Hills Mori Tower).

i. Long-Term Loan Payable

Lenders	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, Aozora Bank, Ltd., Development Bank of Japan, Inc., The Norinchukin Bank, The Bank of Fukuoka, Ltd., Resona Bank, Limited., Shinsei Bank, Limited and Mizuho Trust & Banking Co., Ltd.
Borrowing amount	10,500 million yen
Interest rate	Base Interest Rate (1-month JBA Japanese Yen TIBOR) + 0.35% (Note)
Drawdown date	September 30, 2013
Principal repayment date	September 30, 2018 (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.)
Method of principal repayment	To be repaid in full on the principal repayment date
Collateral	Unsecured/Unguaranteed

(Note) Regarding part or all of its borrowings, the Company plans to convert interest rate payments to a virtual fixed rate by concluding interest rate swap agreements separately.

(c) Outlook of Business Results

The Company expects the following business results for the fifteenth fiscal period (August 1, 2013 to January 31, 2014) and the sixteenth fiscal period (February 1, 2014 to July 31, 2014). For the assumptions underlying the forecasts of results, please refer to “Assumptions of Forecasts of Results for the Fifteenth Fiscal Period Ending January 31, 2014 (August 1, 2013 – January 31, 2014) and the Sixteenth Fiscal Period Ending July 31, 2014 (February 1, 2014 – July 31, 2014)” presented below.

[Fifteenth Fiscal Period Ending January 31, 2014 (August 1, 2013 – January 31, 2014)]

Operating revenue	¥5,617 million
Operating income	¥3,800 million
Ordinary income	¥2,770 million
Net income	¥2,769 million
Dividend per unit	¥10,000
Dividend in excess of earnings per unit	¥0

[Sixteenth Fiscal Period Ending July 31, 2014 (February 1, 2014 – July 31, 2014)]

Operating revenue	¥5,780 million
Operating income	¥3,874 million
Ordinary income	¥2,964 million
Net income	¥2,963 million
Dividend per unit	¥10,700
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 Fifteenth Fiscal Period Ending January 31, 2014
(August 1, 2013 – January 31, 2014) and the Sixteenth Fiscal Period Ending July 31, 2014
(February 1, 2014 – July 31, 2014)**

Item	Assumptions
Accounting Period	Fifteenth fiscal period: August 1, 2013 – January 31, 2014 (184 days) Sixteenth fiscal period: February 1, 2014 – July 31, 2014 (181 days)
Investment Portfolio	<ul style="list-style-type: none"> • In addition to the currently owned 9 properties, the Company plans additional acquisition of Roppongi Hills Mori Tower (hereafter, “Asset to be Acquired”) on October 1, 2013. • The Company assumes the investment portfolio for the period from August 1 to September 30, 2013 is comprised of the currently owned 9 properties as of the end of the fourteenth fiscal period, and that after October 1, 2013, it acquires the asset to be acquired on the planned acquisition date above, and there will be no change in the investment portfolio (acquisition of new properties, transfers of existing properties) until the end the sixteenth fiscal period ending July 2014. • In actual practice, however, the forecast is subject to change due to changes in the investment portfolio and other factors.
Operating Revenue	<ul style="list-style-type: none"> • Rent revenue of real estate is estimated based on lease agreements, etc. of assets under management above, taking into account market environment, the trends of individual tenants and other factors. • The Company assumes that there will be no delinquencies or unpaid rent by tenants.

Item	Assumptions
Operating Expenses	<ul style="list-style-type: none"> • For expenses related to the real estate leasing business, major operating expenses, 1,539 million yen is expected for the period ending January 2014, and 1,635 million yen is expected for the period ending July 2014. 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"> A) For property taxes, city planning taxes, etc., 309 million yen (for six months) and 347 million yen (for six months) are expected for the period ending January 2014 and the period ending July 2014, respectively. Furthermore, property taxes, city planning taxes, etc. associated with the acquisition of Atago Green Hills and ARK Mori Building additionally acquired in the period ending July 2013, and the asset to be acquired, will be calculated at the time of acquisition with the seller using a prorated adjusted amount; however, the Company shall incorporate these amounts into the cost of acquisition and, thus, shall not recognize them as operating expenses for the fifteenth fiscal period. Additionally, part of the property taxes, city planning taxes, etc. associated with these property acquisitions will be incorporated into the cost of acquisition, and 36 million yen (for three months) is expected to be recognized as operating expenses for the sixteenth fiscal period. B) For building maintenance and repairs, the Company recorded the estimated required amount for the respective fiscal periods (28 million yen for the period ending January 2014; 31 million yen for the period ending July 2014). However, note the actual expenses for maintenance and repairs in the respective fiscal 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 of variation may vary significantly from one period to the next. C) Depreciation and amortization, which are calculated using the straight-line method with future additional capital expenditures taken into account, are expected to be 810 million yen in the period ending January 2014 and 834 million yen in the period ending July 2014. D) For property management fees, 169 million yen is expected for the period ending January 2014 and 209 million yen is expected for the period ending July 2014. • For the operating expenses other than expenses related to the real estate leasing business (asset management fee, asset custody fee, administrative service fees, etc.), 277 million yen is expected for the period ending January 2014 and 270 million yen is expected for the period ending July 2014.
Non-Operating Expenses	<ul style="list-style-type: none"> • The Company expects to incur 567 million yen for the period ending January 2014 and 515 million yen for the period ending July 2014 in interest expenses, 162 million yen for the period ending January 2014 and 151 million yen for the period ending July 2014 in interest expenses on investment corporation bonds, and 247 million yen for the period ending January 2014 and 226 million yen for the period ending July 2014 in borrowing expenses. • Expenses of 37 million yen are expected for the period ending January 2014 for the cost of issuance of new investment units (hereafter, "Issuance of New Investment Units"), etc.

Item	Assumptions
Interest-Bearing Debt	<ul style="list-style-type: none"> • The Company's balance of interest-bearing debt as of the end of the period ended July 2013 is 116,762 million yen. • The Company assumes that it will newly borrow 10,500 million yen in September 2013 as part of funds for the acquisition of the asset to be acquired described in the investment portfolio above. • The balance of loans payable outstanding as of the end of the period ended July 2013 is 91,762 million yen. The Company assumes that regarding 29,084 million yen remaining of loans payable due for repayment by the end the period ending July 2014, of which the amount of 1,000 million yen of a short-term loan payable was repaid on August 31, 2013, and refinancing of 2,062 million yen of long-term loan payable (due for payment on November 30, 2013) is planned by a 62 million yen reduction in the payment period, and the remaining 26,022 million yen will be refinanced in the entire amount. The Company also assumes that combined with the new loans payable above, the balance will be 101,200 million yen at the end of the periods ending January 2014 and July 2014. • The Company assumes that of the balance of 25,000 million yen as of the end of the period ended July 2013, 5,000 million yen outstanding due for repayment by the end of the period ending July 2014 will be redeemed through issuance of investment corporation bonds of the same value.
Issuance of Investment Units	<ul style="list-style-type: none"> • The number of investment units outstanding as of the end of the period ended July 2013 was 254,620 units. The Company assumes that a total of 22,365 units (21,300 units additionally issued through public offering and 1,065 units additionally issued through third-party allotment), will all be issued. • The Company assumes that there will be no additional issuance of investment units until the end of the sixteenth fiscal period.
Dividend per Unit (excluding dividend in excess of earnings)	<ul style="list-style-type: none"> • Dividend per unit is calculated based on the assumption that the Company will make distributions in accordance with the distribution policy set forth in its Articles of Incorporation. • Dividend per unit may vary due to various factors, including changes in the investment portfolio, changes in rent income due to tenant replacement, unexpected repairs, changes in interest rates, or additional issuance of new investment units.
Dividend 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 (dividend 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, rules, etc. provided by the Investment Trusts Association Japan 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 Sheets**

(Unit: thousands of yen)

	Thirteenth Fiscal Period (as of January 31, 2013)	Fourteenth Fiscal Period (as of July 31, 2013)
Assets		
Current assets		
Cash and deposits	2,633,516	3,960,756
Cash and deposits in trust	6,845,858	7,825,875
Operating accounts receivable	73,626	74,073
Prepaid expenses	431,022	423,788
Deferred tax assets	18	17
Consumption taxes receivable	81,821	115,985
Other	-	7,229
Total current assets	10,065,863	12,407,726
Noncurrent assets		
Property, plant and equipment		
Land	22,074,160	22,074,160
Buildings in trust	41,650,705	46,868,973
Accumulated depreciation	(4,673,002)	(5,366,193)
Buildings in trust, net	36,977,703	41,502,780
Structures in trust	393,266	495,486
Accumulated depreciation	(118,078)	(134,290)
Structures in trust, net	275,188	361,195
Machinery and equipment in trust	449,066	529,870
Accumulated depreciation	(48,222)	(60,477)
Machinery and equipment in trust, net	400,844	469,392
Tools, furniture and fixtures in trust	60,940	63,545
Accumulated depreciation	(22,826)	(27,545)
Tools, furniture and fixtures in trust, net	38,114	35,999
Land in trust	122,721,231	132,702,890
Construction in progress in trust	273	273
Total property, plant and equipment	182,487,516	197,146,693
Intangible assets		
Leasehold rights in trust	25,825,688	30,650,962
Other intangible assets in trust	398	1,208
Other	1,996	1,496
Total intangible assets	25,828,083	30,653,667
Investments and other assets		
Lease and guarantee deposits	10,000	10,000
Long-term prepaid expenses	357,936	386,058
Total investments and other assets	367,936	396,058
Total noncurrent assets	208,683,536	228,196,420
Deferred assets		
Investment corporation bonds issuance cost	63,781	77,108
Total deferred assets	63,781	77,108
Total assets	218,813,181	240,681,255

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(Unit: thousands of yen)

	Thirteenth Fiscal Period (as of January 31, 2013)	Fourteenth Fiscal Period (as of July 31, 2013)
Liabilities		
Current liabilities		
Operating accounts payable	160,700	82,343
Short-term loans payable	4,478,000	1,000,000
Current portion of investment corporation bonds	5,000,000	5,000,000
Current portion of long-term loans payable	15,125,000	28,084,500
Accounts payable – other	22,280	56,817
Accrued expenses	357,230	316,669
Income taxes payable	809	801
Accrued consumption taxes	43,594	22,692
Advances received	678,529	790,266
Deposits received	99,762	99,711
Total current liabilities	25,965,907	35,453,802
Noncurrent liabilities		
Investment corporation bonds	20,000,000	20,000,000
Long-term loans payable	62,222,000	62,678,000
Lease and guarantee deposits in trust	6,386,240	7,045,564
Total noncurrent liabilities	88,608,240	89,723,564
Total liabilities	114,574,147	125,177,367
Net assets		
Unitholders' equity		
Unitholders' capital	102,010,939	112,966,437
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	105,244	105,244
Total voluntary retained earnings	105,244	105,244
Unappropriated retained earnings	2,122,849	2,432,207
Total surplus	2,228,093	2,537,451
Total unitholders' equity	104,239,033	115,503,888
Total net assets	104,239,033	115,503,888
Total liabilities and net assets	218,813,181	240,681,255

(2) Statements of Income and Retained Earnings

(Unit: thousands of yen)

	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)	Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)
Operating revenue		
Rent revenue of real estate	*1, *2 4,568,819	*1, *2 4,949,170
Other rent revenue of real estate	*1, *2 107,776	*1, *2 103,034
Total operating revenue	4,676,596	5,052,204
Operating expenses		
Expenses of real estate rent	*1, *2 1,257,009	*1, *2 1,358,705
Asset management fee	220,361	184,957
Directors' compensation	5,400	5,400
Asset custody fee	5,485	5,470
Administrative service fees	14,096	15,444
Other operating expenses	*2 48,831	*2 51,430
Total operating expenses	1,551,184	1,621,408
Operating income	3,125,411	3,430,796
Non-operating income		
Interest income	866	840
Exclusion gain of unpaid dividend	2,178	2,230
Interest of refund	-	607
Other	-	860
Total non-operating income	3,044	4,539
Non-operating expenses		
Interest expenses	553,240	532,111
Interest expenses on investment corporation bonds	188,041	168,407
Amortization of investment corporation bonds issuance cost	17,556	17,558
Borrowing expenses	243,935	243,582
Investment unit issuance cost	-	38,699
Other	1,855	1,840
Total non-operating expenses	1,004,628	1,002,199
Ordinary income	2,123,827	2,433,136
Income before income taxes	2,123,827	2,433,136
Income taxes - current	982	972
Income taxes - deferred	(4)	0
Total income taxes	977	972
Net income	2,122,849	2,432,164
Retained earnings brought forward	-	42
Unappropriated retained earnings	2,122,849	2,432,207

(3) Statements of Unitholders' Equity

(Unit: thousands of yen)

	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)	Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)
Unitholders' equity		
Unitholders' capital		
Balance at beginning of the period	102,010,939	102,010,939
Change during the period		
Issuance of new investment units	-	10,955,498
Total changes of items during the period	-	10,955,498
Balance at end of the period	102,010,939	112,966,437
Surplus		
Voluntary retained earnings		
Provision for reduction entry		
Balance at beginning of the period	-	105,244
Change during the period		
Provision of reserve for reduction entry	105,244	-
Total changes of items during the period	105,244	-
Balance at end of the period	105,244	105,244
Total voluntary retained earnings		
Balance at beginning of the period	-	105,244
Change during the period		
Provision of reserve for reduction entry	105,244	-
Total changes of items during the period	105,244	-
Balance at end of the period	105,244	105,244
Unappropriated retained earnings (undisposed loss)		
Balance at beginning of the period	2,119,468	2,122,849
Change during the period		
Provision of reserve for reduction entry	(105,244)	-
Dividends from surplus	(2,014,224)	(2,122,806)
Net income	2,122,849	2,432,164
Total changes of items during the period	3,381	309,357
Balance at end of the period	2,122,849	2,432,207
Total surplus		
Balance at beginning of the period	2,119,468	2,228,093
Change during the period		
Dividends from surplus	(2,014,224)	(2,122,806)
Net income	2,122,849	2,432,164
Total changes of items during the period	108,625	309,357
Balance at end of the period	2,228,093	2,537,451
Total unitholders' equity		
Balance at beginning of the period	104,130,407	104,239,033
Change during the period		
Issuance of new investment units	-	10,955,498
Dividends from surplus	(2,014,224)	(2,122,806)
Net income	2,122,849	2,432,164
Total changes of items during the period	108,625	11,264,855
Balance at end of the period	104,239,033	115,503,888
Total net assets		
Balance at beginning of the period	104,130,407	104,239,033
Change during the period		
Issuance of new investment units	-	10,955,498
Dividends from surplus	(2,014,224)	(2,122,806)
Net income	2,122,849	2,432,164
Total changes of items during the period	108,625	11,264,855
Balance at end of the period	104,239,033	115,503,888

(4) Statements of Cash Distributions

(Unit: yen)

	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)	Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)
I. Unappropriated retained earnings	2,122,849,651	2,432,207,002
II. Amount of dividends	2,122,806,880	2,432,130,240
[Amount of dividends per unit]	[9,169]	[9,552]
III. Retained earnings carried forward	42,771	76,762
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 Act on Special Measures Concerning Taxation, but not in excess of the amount of earnings. Based on such policy, the Company has declared the total dividends to be 2,122,806,880 yen, which is the largest integral multiple of the number of investment units issued and outstanding (231,520 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 Act on Special Measures Concerning Taxation, but not in excess of the amount of earnings. Based on such policy, the Company has declared the total dividends to be 2,432,130,240 yen, which is the largest integral multiple of the number of investment units issued and outstanding (254,620 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) Statements of Cash Flows

(Unit: thousands of yen)

	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)	Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes	2,123,827	2,433,136
Depreciation and amortization	672,023	727,293
Amortization of investment corporation bonds issuance cost	17,556	17,558
Investment unit issuance cost	-	38,699
Interest income	(866)	(840)
Exclusion gain of unpaid dividend	(2,178)	(2,230)
Interest expenses	741,282	700,519
Decrease (increase) in operating accounts receivable	825	(447)
Decrease (increase) in consumption taxes refund receivable	(81,746)	(34,164)
Increase (decrease) in operating accounts payable	9,028	(10,709)
Increase (decrease) in accounts payable – other	(1,349)	(792)
Increase (decrease) in accrued expenses	(15,639)	(36,989)
Increase (decrease) in accrued consumption taxes	(70,872)	(20,902)
Increase (decrease) in advances received	(3,189)	111,736
Increase (decrease) in deposits received	(7,069)	9,267
Decrease (increase) in prepaid expenses	(29,211)	7,233
Decrease (increase) in long-term prepaid expenses	(13,316)	(28,122)
Other, net	140	(7,229)
Subtotal	<u>3,339,245</u>	<u>3,903,014</u>
Interest income received	866	840
Interest expenses paid	(787,361)	(704,090)
Income taxes paid	(894)	(979)
Net cash provided by (used in) operating activities	<u>2,551,856</u>	<u>3,198,785</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	(47,706)	(15,415,551)
Purchase of intangible assets in trust	-	(4,826,500)
Repayments of lease and guarantee deposits in trust	(672,226)	(92,181)
Proceeds from lease and guarantee deposits in trust	109,323	742,187
Net cash provided by (used in) investing activities	<u>(610,609)</u>	<u>(19,592,045)</u>
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	1,000,000	-
Decrease in short-term loans payable	(5,500,000)	(3,478,000)
Proceeds from long-term loans payable	17,500,000	13,478,000
Repayment of long-term loans payable	(13,062,500)	(62,500)
Proceeds from issuance of investment corporation bonds	6,963,659	4,969,110
Redemption of investment corporation bonds	(7,000,000)	(5,000,000)
Proceeds from issuance of investment unit	-	10,916,798
Cash dividends paid	(2,014,508)	(2,122,893)
Net cash provided by (used in) financing activities	<u>(2,113,349)</u>	<u>18,700,516</u>
Net increase (decrease) in cash and cash equivalents	<u>(172,102)</u>	<u>2,307,256</u>
Cash and cash equivalents at beginning of period	9,651,478	9,479,375
Cash and cash equivalents at end of period	<u>*1 9,479,375</u>	<u>*1 11,786,631</u>

(6) Notes on the Going Concern Assumption

Not applicable.

(7) Notes on Matters Concerning Significant Accounting Policies

1. Method of depreciation of noncurrent assets	<p>(1) Property, plant and equipment (including assets in trust)</p> <p>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.</p> <table border="0"> <tr> <td>Buildings</td> <td>3~66 years</td> </tr> <tr> <td>Structures</td> <td>3~41 years</td> </tr> <tr> <td>Machinery and equipment</td> <td>8~31 years</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td>3~15 years</td> </tr> </table> <p>(2) Intangible assets (including assets in trust)</p> <p>Intangible assets are amortized by the straight-line method based on the estimated useful lives.</p> <p>(3) Long-term prepaid expenses</p> <p>Long-term prepaid expenses are amortized by the straight-line method based on the estimated useful lives.</p>	Buildings	3~66 years	Structures	3~41 years	Machinery and equipment	8~31 years	Tools, furniture and fixtures	3~15 years
Buildings	3~66 years								
Structures	3~41 years								
Machinery and equipment	8~31 years								
Tools, furniture and fixtures	3~15 years								
2. Accounting for deferred assets	<p>(1) Investment corporation bonds issuance cost</p> <p>Investment corporation bonds issuance cost is amortized using the straight-line method over the term of the bonds.</p> <p>(2) Investment unit issuance cost</p> <p>Investment unit issuance cost is recognized as expenses when incurred.</p>								
3. Standards for recognition of revenue and expenses	<p>Accounting for property taxes</p> <p>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.</p> <p>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 included in the cost of acquisition of real estate are none and 43,496 thousand yen as of January 31, 2013 and July 31, 2013, respectively.</p>								
4. Hedge accounting approach	<p>(1) Hedge accounting approach</p> <p>Deferred hedge accounting is adopted for interest rate swap transactions. However, special treatment is adopted for interest rate swaps when the requirements for special treatment are fulfilled.</p> <p>(2) Hedging instruments and hedged items</p> <table border="0"> <tr> <td>Hedging instruments:</td> <td>Interest rate swap transactions</td> </tr> <tr> <td>Hedged items:</td> <td>Borrowing interest rates</td> </tr> </table> <p>(3) Hedging policy</p> <p>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.</p> <p>(4) Method for assessing the effectiveness of hedging</p> <p>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.</p>	Hedging instruments:	Interest rate swap transactions	Hedged items:	Borrowing interest rates				
Hedging instruments:	Interest rate swap transactions								
Hedged items:	Borrowing interest rates								

	<p>However, assessment of the effectiveness is omitted for interest rate swaps when the requirements for special treatment are fulfilled.</p>
<p>5. Other significant matters serving as the basis for preparing financial statements</p>	<p>(1) Accounting for trust beneficial interest in real estate</p> <p>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.</p> <p>The following material items of the assets in trust recognized in the relevant accounts are separately listed on the balance sheet.</p> <p>(a) Cash and deposits in trust</p> <p>(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</p> <p>(c) Lease and guarantee deposits in trust</p> <p>(2) Accounting for consumption taxes</p> <p>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.</p>

Other than the method of depreciation of noncurrent assets, accounting for deferred assets, standards for recognition of revenue and expenses, hedge accounting approach and other significant matters serving as the basis for preparing financial statements above, disclosure is omitted because there are no significant changes from those stated in the most recent semiannual securities report (submitted on April 26, 2013).

(8) Notes to Financial Statements**(Omission of Disclosure)**

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

(Notes to Statement of Income)***1. Breakdown of property operating income**

(Unit: thousands of yen)					
		Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)		Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)	
A.	Property operating revenue				
	Rent revenue of real estate				
	Rent and common area revenue	4,565,601		4,945,540	
	Other rent revenue	3,218	4,568,819	3,629	4,949,170
	Other rent revenue of real estate				
	Parking revenue	14,268		16,366	
	Utilities and other revenue	92,907		86,283	
	Cancellation penalty	-		384	
	Key money income	600	107,776	-	103,034
	Total property operating revenue		4,676,596		5,052,204
B.	Property operating expenses				
	Expenses of real estate rent				
	Property management fees	103,933		103,752	
	Property taxes	260,799		285,171	
	Utilities	84,335		79,748	
	Maintenance and repairs	21,950		39,096	
	Insurance premium	11,519		11,193	
	Custodian fees	5,635		5,696	
	Depreciation and amortization	671,523		726,793	
	Rent expenses	90,053		98,966	
	Other lease business expenses	7,259	1,257,009	8,286	1,358,705
	Total property operating expenses		1,257,009		1,358,705
C.	Property operating income [A - B]		3,419,586		3,693,499

***2. Transactions with major unitholders**

(Unit: thousands of yen)					
		Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)		Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)	
From operating transactions					
	Rent revenue of real estate	3,112,728		3,475,048	
	Other rent revenue of real estate	2,074		2,111	
	Expenses of real estate rent	95,038		92,073	
	Other operating expenses	552		735	

(Notes to Statement of Cash Flows)

- *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)

	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)	Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)
Cash and deposits	2,633,516	3,960,756
Cash and deposits in trust	6,845,858	7,825,875
Cash and cash equivalents	9,479,375	11,786,631

(Notes on Lease Transactions)

Operating lease transactions (as lessor)

Future minimum rental revenues under existing non-cancelable lease agreements

(Unit: thousands of yen)

	Thirteenth Fiscal Period (as of January 31, 2013)	Fourteenth Fiscal Period (as of July 31, 2013)
Due within 1 year	2,428,639	2,407,440
Due after 1 year	21,574,368	19,813,506
Total	24,003,007	22,220,947

(Notes on 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, 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 "Notes on Matters Concerning Significant Accounting Policies; 4. 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 "Notes on 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, 2013.

(Unit: thousands of yen)

	Carrying amount	Fair value	Difference
(a) Cash and deposits	2,633,516	2,633,516	-
(b) Cash and deposits in trust	6,845,858	6,845,858	-
Assets total	9,479,375	9,479,375	-
(c) Short-term loans payable	4,478,000	4,478,000	-
(d) Current portion of investment corporation bonds	5,000,000	5,011,500	11,500
(e) Current portion of long-term loans payable	15,125,000	15,168,163	43,163
(f) Investment corporation bonds	20,000,000	20,199,000	199,000
(g) Long-term loans payable	62,222,000	62,223,152	1,152
Liabilities total	106,825,000	107,079,816	254,816
Derivative transactions	-	-	-

The following are the carrying amount, fair value and the difference between them of financial instruments as of July 31, 2013.

(Unit: thousands of yen)

	Carrying amount	Fair value	Difference
(a) Cash and deposits	3,960,756	3,960,756	-
(b) Cash and deposits in trust	7,825,875	7,825,875	-
Assets total	11,786,631	11,786,631	-
(c) Short-term loans payable	1,000,000	1,000,000	-
(d) Current portion of investment corporation bonds	5,000,000	5,025,500	25,500
(e) Current portion of long-term loans payable	28,084,500	28,101,989	17,489
(f) Investment corporation bonds	20,000,000	20,272,100	272,100
(g) Long-term loans payable	62,678,000	62,659,028	(18,971)
Liabilities total	116,762,500	117,058,617	296,117
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) Short-term loans payable

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.

(d) Current portion of investment corporation bonds; (f) Investment corporation bonds

The fair value of these is based on market prices.

(e) Current portion of long-term loans payable; (g) 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 "Notes on 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 "Notes on Derivative Transactions" below.

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(Note 2) Redemption of monetary claims scheduled to be due after the balance sheet date (as of January 31, 2013)

(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	2,633,516	-	-	-	-	-
Cash and deposits in trust	6,845,858	-	-	-	-	-
Total	9,479,375	-	-	-	-	-

Redemption of monetary claims scheduled to be due after the balance sheet date (as of July 31, 2013)

(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	3,960,756	-	-	-	-	-
Cash and deposits in trust	7,825,875	-	-	-	-	-
Total	11,786,631	-	-	-	-	-

(Note 3) Short-term loans payable, investment corporation bonds and long-term loans payable scheduled to be due after the balance sheet date (as of January 31, 2013)

(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
Short-term loans payable	4,478,000	-	-	-	-	-
Investment corporation bonds	5,000,000	8,000,000	10,000,000	-	2,000,000	-
Long-term loans payable	15,125,000	30,022,000	30,200,000	2,000,000	-	-
Total	24,603,000	38,022,000	40,200,000	2,000,000	2,000,000	-

Short-term loans payable, investment corporation bonds and long-term loans payable scheduled to be due after the balance sheet date (as of July 31, 2013)

(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
Short-term loans payable	1,000,000	-	-	-	-	-
Investment corporation bonds	5,000,000	8,000,000	5,000,000	-	5,000,000	2,000,000
Long-term loans payable	28,084,500	31,700,000	17,000,000	3,978,000	10,000,000	-
Total	34,084,500	39,700,000	22,000,000	3,978,000	15,000,000	2,000,000

(Notes on Derivative Transactions)

1. Transactions for which hedge accounting is not applied

Thirteenth Fiscal Period (as of January 31, 2013)

Not applicable.

Fourteenth Fiscal Period (as of July 31, 2013)

Not applicable.

2. Transactions for which hedge accounting is applied

Thirteenth Fiscal Period (as of January 31, 2013)

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	16,500,000	16,500,000	*	

* 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 (e) and (g) of (Note 1) Method of calculating the fair value of financial instruments, and derivative transactions of “Notes on Financial Instruments; 2. Fair value of financial instruments” above).

Fourteenth Fiscal Period (as of July 31, 2013)

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	28,478,000	28,478,000	*	

* 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 (e) and (g) of (Note 1) Method of calculating the fair value of financial instruments, and derivative transactions of “Notes on Financial Instruments; 2. Fair value of financial instruments” above).

(Notes on Related Party Transactions)

1. Parent company and major corporate unitholders

Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)

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	21.1% directly held by related party	Leasing and management of real estate	Leasing of properties (Note 2) (Note 5)	3,114,802	Operating accounts receivable	670
									Advances received	541,079
									Lease and guarantee deposits in trust	5,023,359
							Payment of property operation and management fees (Note 6)	100,755 (Note 3)	Prepaid expenses	1,858
									Operating accounts payable	25,927
Payment of other operating expenses (IR related expenses) (Note 4) (Note 7)	552	-	-							

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

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

(Note 3) The amount includes construction fees (4,083 thousand yen) and construction management fees (1,634 thousand yen) that are not charged to expenses but recognized as assets.

(Note 4) The venue expenses for the twelfth fiscal period financial results briefing.

[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.

Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)

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	19.2% directly held by related party	Leasing and management of real estate	Acquisition of property (Note 2) (Note 6)	20,000,000	-	-
							Leasing of properties (Note 3) (Note 7)	3,477,159	Operating accounts receivable	778
									Advances received	635,177
									Lease and guarantee deposits in trust	5,712,051
							Payment of property operation and management fees (Note 8)	93,009 (Note 5)	Prepaid expenses	2,251
Payment of other operating expenses (IR related expenses) (Note 4) (Note 9)	735	-	-							
								Operating accounts payable	20,986	

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

(Note 2) A portion of Atago Green Hills and a portion of ARK Mori Building

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

(Note 4) The venue expenses for the thirteenth fiscal period financial results briefing and the expenses for the fifth general meeting of unitholders.

(Note 5) The amount includes construction fees (637 thousand yen) and construction management fees (298 thousand yen) that are not charged to expenses but recognized as assets.

[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. 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.

2. Subsidiaries and affiliates

Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)

Not applicable.

Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)

Not applicable.

3. Subsidiaries of parent company

Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)

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 beneficial interests and other financial asset management operations	None	Outsourcing of asset management Concurrent post of directors	Payment of management fees (Note 2) (Note 3)	220,361	Accrued expenses	231,379

(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.

Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)

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 beneficial interests and other financial asset management operations	None	Outsourcing of asset management Concurrent post of directors	Payment of management fees (Note 2) (Note 4)	204,957 (Note 3)	Accrued expenses	194,205

(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 20,000 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.

4. Directors and major individual unitholders

Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)

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)	220,361	Accrued expenses	231,379

(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.

Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)

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)	204,957 (Note 3)	Accrued expenses	194,205

(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 20,000 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.

(Notes on Tax-Effect Accounting)

1. Breakdown of significant components of deferred tax assets and deferred tax liabilities

(Unit: thousands of yen)

	Thirteenth Fiscal Period (as of January 31, 2013)	Fourteenth Fiscal Period (as of July 31, 2013)
Deferred tax assets		
Current assets		
Accrued enterprise tax excluded from expenses	18	17
Total deferred tax assets [current]	18	17
Net deferred tax assets [current]	18	17

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

	Thirteenth Fiscal Period (as of January 31, 2013)	Fourteenth Fiscal Period (as of July 31, 2013)
Statutory tax rate	36.59%	36.59%
[Adjustments]		
Deductible cash distributions	(36.57%)	(36.57%)
Other	0.03%	0.02%
Effective tax rate	0.05%	0.04%

(Notes on 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)

	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)	Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)
Carrying amount		
Balance at beginning of the period	208,875,768	208,313,604
Amount of increase (decrease) during the period	(562,164)	19,485,261
Balance at end of the period	208,313,604	227,798,865
Fair value at end of the period	194,870,000	216,680,000

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

(Note 2) Of the amount of increase (decrease) during the thirteenth fiscal period, the amount of increase is primarily attributable to renewal of the central monitoring system at Akasaka Tameike Tower (56,988 thousand yen), while the amount of decrease is primarily attributable to the recognition of depreciation and amortization. Of the amount of increase (decrease) during the fourteenth fiscal period, the amount of increase is primarily attributable to the acquisition of two properties (Atago Green Hills (about 12.9% of total property) (16,658,414 thousand yen) and ARK Mori Building (the area used as District Heating and Cooling) (3,526,027 thousand yen)), while the amount of decrease is primarily attributable to the recognition of depreciation and amortization.

(Note 3) The fair value at the 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.

The income (loss) for investment and rental properties is as presented in the "Notes to Statement of Income."

(Notes on Segment and Related Information)

[Segment Information]

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

[Related Information]

Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)

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.	3,114,802	Real estate leasing business
Mori Building Ryutsu System Co., Ltd.	646,800	Real estate leasing business

Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)

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.	3,477,159	Real estate leasing business
Mori Building Ryutsu System Co., Ltd.	646,800	Real estate leasing business

(Notes on Per Unit Information)

(Unit: yen)

	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)	Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)
Net assets per unit	450,237	453,632
Net income per unit	9,169	9,710

(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.

	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)	Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)
Net income (thousands of yen)	2,122,849	2,432,164
Amounts not attributable to common unitholders (thousands of yen)	-	-
Net income attributable to common investment units (thousands of yen)	2,122,849	2,432,164
Average number of investment units during the period (units)	231,520	250,481

(Significant Subsequent Events)**Issuance of New Investment Units**

Issuance of new investment units was resolved at the Company's Board of Directors Meeting held on August 19, 2013 and August 28, 2013. Furthermore, the contribution for the issuance of new investment units through public offering was completed on September 4, 2013.

As a result, unitholders' capital is 123,789,819,810 yen, with the total number of investment units issued and outstanding at 275,920 units as of September 4, 2013.

1. Issuance of New Investment Units through Public Offering (Primary Offering)

Number of new investment units issued:	21,300 units
Issued price (offer price):	526,500 yen per unit
Total amount of issued price (offer price):	11,214,450,000 yen
Amount contributed in (issued value):	508,140 yen per unit
Total amount contributed in (issued value):	10,823,382,000 yen
Contribution date:	September 4, 2013

2. Issuance of New Investment Units through Third-Party Allotment

Number (ceiling) of units to be issued:	1,065 units
Amount to be contributed in (issued value):	508,140 yen per unit
Total amount (ceiling) to be contributed in (issued value):	541,169,100 yen
Allottee:	Mizuho Securities Co., Ltd.
Subscription period (subscription date):	October 1, 2013
Contribution date:	October 2, 2013

(Note) There may be cases where there will be no subscription to the investment units to be issued in the third-party allotment, in whole or in part, and accordingly the final number of investment units issued by the third-party allotment would decrease to that extent due to forfeiture, or such issuance itself will not take place at all.

3. Use of Funds

The funds provided through issuance of new investment units through public offering (primary offering) and through third-party allotment were used as a part of the funds for the acquisition of assets (part of Roppongi Hills Mori Tower). The remaining funds, if any, will be kept as cash on hand, and will be used for part of future acquisition of specified assets.

(9) Increase (Decrease) in Number of Investment Units Issued and Outstanding

New investment units were issued on March 4, 2013 and April 3, 2013 (capital increase through public offering of 22,000 units and capital increase through private placement of 1,100 units), procuring 10,955 million yen. The following is the increase (decrease) in the number of investment units issued and outstanding and unitholders' capital over the most recent five years.

Date	Description	Number of investment units issued and outstanding (units)		Unitholders' capital (millions of yen)		Notes
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
September 29, 2008	Capital increase through private placement	29,400	159,200	14,700	87,371	(Note 1)
March 23, 2010	Capital increase through public offering	67,000	226,200	13,562	100,934	(Note 2)
April 23, 2010	Capital increase through private placement	5,320	231,520	1,076	102,010	(Note 3)
March 4, 2013	Capital increase through public offering	22,000	253,520	10,433	112,444	(Note 4)
April 3, 2013	Capital increase through private placement	1,100	254,620	521	112,966	(Note 5)

(Note 1) New investment units were issued through private placement at an issued value of 500,000 yen per unit for procurement of funds for new property acquisitions and other purposes.

(Note 2) New investment units were issued through public offering at an issued value of 202,427 yen per unit for procurement of funds for new property acquisitions and other purposes.

(Note 3) New investment units were issued through private placement at an issued value of 202,427 yen per unit for loan repayment and other purposes.

(Note 4) New investment units were issued through public offering at an issued value of 474,264 yen per unit for procurement of funds for new property acquisitions and other purposes.

(Note 5) New investment units were issued through private placement at an issued value of 474,264 yen per unit for procurement of funds for new property acquisitions and other purposes.

4. CHANGE IN DIRECTORS**(1) Directors of the Company**

There was the following change in directors, effective April 8, 2013.

Resignation Executive Director Toshifumi Saito

Timely disclosure is made when a change in directors is finalized.

(2) Directors of the Company's Asset Manager

There was the following change in directors, effective April 30, 2013.

Resignation Corporate Auditor (External) Muneo Ohashi

Timely disclosure is made when a change in directors is finalized.

5. REFERENCE INFORMATION

(1) Investment Status

Type of asset	Main type of use	Region	Thirteenth Fiscal Period (as of January 31, 2013)		Fourteenth Fiscal Period (as of July 31, 2013)		
			Total amount held (millions of yen) (Note 2)	As a percentage of total assets (%)	Total amount held (millions of yen) (Note 2)	As a percentage of total assets (%)	
Real estate	Office	Central five wards of Tokyo and their vicinity	-	-	-	-	
		Tokyo area	-	-	-	-	
		Major local cities	-	-	-	-	
	Residential	Central five wards of Tokyo and their vicinity	-	-	-	-	
		Tokyo area	-	-	-	-	
		Major local cities	-	-	-	-	
	Retail, etc.	Central five wards of Tokyo and their vicinity	22,074	10.1	22,074	9.2	
		Tokyo area	22,074	10.1	22,074	9.2	
		Major local cities	-	-	-	-	
	Subtotal			22,074	10.1	22,074	9.2
	Real estate in trust	Office	Central five wards of Tokyo and their vicinity	178,441	81.5	197,952	82.2
			Tokyo area	178,441	81.5	197,952	82.2
Major local cities			-	-	-	-	
Residential		Central five wards of Tokyo and their vicinity	7,797	3.6	7,772	3.2	
		Tokyo area	7,797	3.6	7,772	3.2	
		Major local cities	-	-	-	-	
Retail, etc.		Central five wards of Tokyo and their vicinity	-	-	-	-	
		Tokyo area	-	-	-	-	
		Major local cities	-	-	-	-	
Subtotal			186,239	85.1	205,724	85.5	
Deposits, etc. and other assets			10,499	4.8	12,882	5.4	
Total assets			218,813	100.0	240,681	100.0	

(Note 1) Monetary amounts are rounded down to the nearest specified unit and percentage figures are rounded to the first decimal place (the same shall apply hereafter unless otherwise stated).

(Note 2) Total amount held is the carrying amount (book value less depreciation and amortization).

	Thirteenth Fiscal Period (as of January 31, 2013)		Fourteenth Fiscal Period (as of July 31, 2013)	
	Carrying amount (millions of yen)	As a percentage of total assets (%)	Carrying amount (millions of yen)	As a percentage of total assets (%)
Total liabilities	114,574	52.4	125,177	52.0
Total net assets	104,239	47.6	115,503	48.0
Total assets	218,813	100.0	240,681	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 beneficial interests in a trust that holds title to primarily real estate listed in the tables in (a) as of July 31, 2013. Mori Building Co., Ltd. led the development of all of the following real estate.

(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, 2013.

i) Overview of Assets by Main Type of Use

Type of asset	Property number (Note 1)	Property name	Location	Construction completion (YYYY/MM) (Note 2)	Structure and number of floors (Note 2)	Site area (m ²) (Note 3)	Gross floor area (m ²) (Note 2) (Note 3)	Form of ownership (Note 4)		Opinion of value at end of period (millions of yen) (Note 5)	Book value (millions of yen)	Acquisition price (millions of yen)	Investment ratio (%) (Note 6)	
								Land	Bldg					
Real estate in trust	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)	S	29,500	25,188	25,490	11.0	
	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)	S	59,000	61,882	62,480	27.1	
	O-4 Premium	Koraku Mori Building	Koraku, Bunkyo-ku	2000/03	SRC/S B6F/19F	6,611.58	46,154.65	L	S	21,200	25,739	27,200	11.8	
	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)	S	30,100	42,917	43,930	19.0	
	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	42,224	42,090	18.2
			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						
	Subtotal										185,600	197,952	201,190	87.2
	Residential	R-1 Premium	Moto-Azabu Hills (Note 12)	Moto-Azabu, Minato-ku	2002/05 2002/09 (Note 13)	S/SRC/RC B4F/29F (Note 13)	12,199.65	54,006.76	C (Note 7)	S	1,730	1,649	1,706	0.7
		R-3 Premium	Roppongi First Plaza	Roppongi, Minato-ku	1993/10	RC B1F/20F	4,357.88 (Note 14)	22,906.74 (Note 14)	C (Note 14)	S (Note 15)	1,510	2,234	2,100	0.9
R-4		Roppongi View Tower	Roppongi, Minato-ku	1993/10	RC B1F/20F	C (Note 14)			C (Note 15)	2,640	3,888	4,000	1.7	
Subtotal										5,880	7,772	7,806	3.4	
Real estate Retail, etc.	S-1 Premium	Laforet Harajuku (Land)	Jingumae, Shibuya-ku	-	-	2,565.06	-	O	-	25,200	22,074	21,820	9.5	
Subtotal										25,200	22,074	21,820	9.5	
Portfolio total										216,680	227,798	230,816	100.0	

- (Note 1) “Property number” is the number assigned to real estate and real estate in trust held by the Company by classifying into the following main types of use. The alphabet on the left represents the main type of use, where “O” is for office, “R” is for residential and “S” is for retail, etc. In addition, Premium Properties are denoted by “Premium.” The same shall apply hereafter.
- (Note 2) “Construction completion,” “Structure and number of floors,” “Site area” and “Gross floor area” are as stated in the real estate registry. “Structure and number of floors” use the following abbreviations.
RC: Reinforced concrete structure; SRC: Steel-framed reinforced concrete structure; S: Steel-framed structure;
B: Basement; F: Number of floors
- (Note 3) “Site area” and “Gross floor area” are the area of the entire site and the gross floor area of the entire building as stated in the real estate registry, regardless of the form of ownership.
- (Note 4) “Form of ownership” is the type of rights, where “O” is for ownership, “C” is for ownership of co-ownership interest, “S” is for ownership of exclusive elements of a building under sectional ownership (sectional ownership), and “L” is for leasehold rights.
- (Note 5) “Opinion of value at end of period” is as stated in the real estate appraisal report prepared by Japan Real Estate Institute with July 31, 2013 as the date of valuation.
- (Note 6) “Investment ratio” is the acquisition price expressed as a percentage of the portfolio total.
- (Note 7) Co-ownership interest held in the land use rights ratio.
- (Note 8) Regarding the land pertaining to Akasaka Tameike Tower, which consists of land owned by another owner (parcel number 1705-1) and land co-owned by six parties, including the trust fiduciary (parcel number 1701-1), ownership is subdivided. The trust fiduciary’s co-ownership interest ratio for the land (parcel number 1701-1) is about 98.6% and the area corresponding to the co-ownership interest ratio is 3,211.94m². The same shall apply hereafter.
- (Note 9) “Site area” for Atago Green Hills is the area of the entire site for which land use rights for the building have been established pursuant to the Atago Green Hills Operational Council Bylaws.
- (Note 10) Regarding the land pertaining to Atago Green Hills, which consists of land owned by another owner and land co-owned by and leasehold rights and easement under quasi co-ownership of the trust fiduciary with Mori Building Co., Ltd., sites are designated for each building in the Atago Green Hills Operational Council Bylaws.
- (Note 11) The buildings pertaining to Atago Green Hills consist of sectional ownership owned by another owner and ownership and sectional ownership co-owned by the trust fiduciary with Mori Building Co., Ltd.
- (Note 12) Real estate pertaining to trust beneficial interests, excluding the assets in trust transferred on October 31, 2008, September 15, 2010 and March 18, 2011. The same shall apply hereafter.
- (Note 13) Moto-Azabu Hills is registered as a single establishment in the real estate registry, but consists of three establishments, which are Forest Tower (steel-framed reinforced concrete structure; 29 floors above ground and 3 floors below ground), Forest Terrace East (reinforced concrete structure; 6 floors above ground and 1 floor below ground) and Forest Terrace West (reinforced concrete structure; 5 floors above ground and 1 floor below ground), according to the Building Standards Act, with construction completion of the buildings being May 2002 for Forest Tower and Forest Terrace East and September 2002 for Forest Terrace West.
- (Note 14) Roppongi First Plaza and Roppongi View Tower share the site and are registered as a single establishment that is under sectional ownership in the real estate registry. The site area and gross floor area pertaining to both real estate in trust are thus shown combined. Regarding the land of both real estate in trust, sites are designated for each building as provided by the Management Bylaws, with the site held in the land use rights ratio for Roppongi First Plaza and the co-ownership interest of the site held for Roppongi View Tower.
- (Note 15) Roppongi First Plaza and Roppongi View Tower are registered as a single establishment that is under sectional ownership in the real estate registry, but the form of ownership of the buildings differs. Regarding Roppongi First Plaza, sectional ownership for 42 residential units out of the total of 90 residential units in the property is held. Regarding Roppongi View Tower, co-ownership interest of the sectional ownership for all 202 residential units in the property is held.

ii) Overview of Lease Conditions (as of July 31, 2013)

Property number	Property name	Leasing scheme (Note 1)	Total leasable floor area (m ²) (Note 2)	Total leased floor area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Total number of end tenants (Note 4)	Gross rent income (annual rent) (millions of yen) (Note 5)	Deposits/Guarantees (millions of yen) (Note 6)
O-0	Roppongi Hills Mori Tower	Fixed master lease	8,993.45	8,993.45	100.0	1	1,207	1,006
O-1	ARK Mori Building	Fixed 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	15,804.27	97.6	17	1,213	1,201
O-6	Akasaka Tameike Tower	Fixed master lease	19,698.54	19,698.54	100.0	1	1,333	946
O-7	Atago Green Hills	Fixed master lease	29,667.58	29,667.58	100.0	1	2,223	1,482
R-1	Moto-Azabu Hills	Pass-through master lease	1,325.30	1,325.30	100.0	7	126	51
R-3	Roppongi First Plaza	Pass-through master lease	2,956.77	2,821.98	95.4	40	137	49
R-4	Roppongi View Tower (Note 7)	Fixed master lease	6,344.84	6,344.84	100.0	1	218	-
S-1	Laforet Harajuku (Land)	Business-use fixed-term land lease	2,565.06	2,565.06	100.0	1	1,293	-
Portfolio total			112,337.42	111,809.45	99.5	70	10,298	6,842

(Note 1) Cases where a co-owner is granted lease rights and pays a fixed amount as compensation for such are deemed fixed master leases. The same shall apply hereafter.

(Note 2) "Total leasable floor area" is the floor area deemed leasable to end tenants. In cases where the entire property is leased as a fixed master lease to a tenant or in cases where a co-owner is granted lease rights and pays a fixed amount as compensation for such, that tenant or co-owner is deemed as the end tenant. The same shall apply hereafter. "Total leased floor area" is the sum total of the contracted floor area indicated in the lease agreement, etc. with end tenants. However, regarding Roppongi View Tower, the floor area arrived at when the total leasable floor area and total leased floor area pertaining to real estate in trust is multiplied by the ratio of co-ownership interest (46%) and, regarding Koraku Mori Building, the floor area arrived at when the total leasable floor area and total leased floor area pertaining to real estate in trust is multiplied by the ratio of quasi co-ownership interest of the trust beneficial interests (80%) and, regarding Atago Green Hills, the floor area arrived at when the total leasable floor area and total leased floor area pertaining to real estate in trust is multiplied by the ratio of quasi co-ownership interest of the trust beneficial interests (74%), and each are rounded to the second decimal place.

The total leasable floor area and total leased floor area, with the exception of Roppongi View Tower, does not include the floor area of storage areas, parking lots, mechanical rooms, etc. The same shall apply hereafter.

(Note 3) "Occupancy rate" is the total leased floor area expressed as a percentage of the total leasable floor area. The portfolio total is the sum total of the total leased floor area expressed as a percentage of the sum total of the total leasable floor area.

(Note 4) "Total number of end tenants" is counted as 1 tenant for fixed master lease properties and Laforet Harajuku (Land) and, for other properties, is counted as 1 tenant when a single tenant leases multiple rental units within a single property in the case of tenants of office buildings and retail properties and is counted as 1 tenant per residential unit in the case of tenants of residential properties. The same shall apply hereafter.

(Note 5) "Gross rent income (annual rent)" is the amount of the monthly rent indicated in the lease agreement, etc. with end tenants (However, in cases where a period of free rent has been set at the beginning of the agreement period, the monthly rent after the end of the free-rent period. In addition, percentage-of-sales rent is the amount invoiced to end tenants from July 1, 2013 to July 31, 2013.) multiplied by 12. However, regarding Roppongi View Tower, the amount arrived at when the gross rent income (annual rent) pertaining to real estate in trust is multiplied by the ratio of co-ownership interest (46%) and, regarding Koraku Mori Building, the amount arrived at when the gross rent income (annual rent) pertaining to real estate in trust is multiplied by the ratio of quasi co-ownership interest of the trust beneficial interests (80%) and, regarding Atago Green Hills, the amount arrived at when the gross rent income (annual rent) pertaining to real estate in trust is multiplied by the ratio of quasi co-ownership interest of the trust beneficial interests (74%).

(Note 6) "Deposits/Guarantees" is the balance of the amount indicated in the lease agreement, etc. with end tenants. However, regarding Roppongi View Tower, the amount arrived at when the deposits/guarantees pertaining to real estate in trust is multiplied by the ratio of co-ownership interest (46%) and, regarding Koraku Mori Building, the amount arrived at when the deposits/guarantees pertaining to real estate in trust is multiplied by the ratio of quasi co-ownership interest of the trust beneficial interests (80%) and, regarding Atago Green Hills, the amount arrived at when the deposits/guarantees pertaining to real estate in trust is multiplied by the ratio of quasi co-ownership interest of the trust beneficial interests (74%).

(Note 7) An advance notice of termination of a lease agreement (fixed master lease) upon expiration of the agreement (notice stating non-renewal) was received on December 4, 2009 from the end tenant of Roppongi View Tower, Urban Renaissance Agency. The date of expiration of the agreement is October 31, 2013.

iii) Status of Income and Expenditures

(Unit: thousands of yen)

Property number	O-0		O-1		O-4		O-6		O-7	
	Premium		Premium		Premium		Premium		Premium	
Property name	Roppongi Hills Mori Tower		ARK Mori Building (Note 2)		Koraku Mori Building		Akasaka Tameike Tower		Atago Green Hills (Note 2)	
Fiscal period (Note 1)	Thirteenth	Fourteenth	Thirteenth	Fourteenth	Thirteenth	Fourteenth	Thirteenth	Fourteenth	Thirteenth	Fourteenth
Days of operations	184	181	184	181	184	181	184	181	184	181
Rent revenue of real estate	603,955	603,955	1,163,923	1,235,770	578,680	586,812	666,446	666,446	676,073	966,534
Other rent revenue of real estate	-	-	-	-	105,815	101,173	289	289	-	-
Total property operating revenue	603,955	603,955	1,163,923	1,235,770	684,495	687,986	666,735	666,735	676,073	966,534
Property management fees	1,200	1,200	4,800	5,600	67,638	66,156	3,000	3,000	1,620	2,316
Property taxes	40,336	41,157	70,723	70,574	31,560	31,499	43,441	43,008	-	21,419
Utilities	-	-	-	-	84,040	79,604	-	-	-	-
Maintenance and repairs	-	-	-	-	10,525	6,875	-	-	-	-
Insurance premium	1,088	945	1,985	1,873	2,198	1,910	2,578	2,237	2,772	3,447
Depreciation and amortization	98,872	99,022	120,274	123,776	128,979	128,760	173,230	174,612	119,958	170,035
Other lease business expenses	27	27	2,674	2,731	68,732	67,844	905	906	21,888	32,424
Total property operating expenses	141,525	142,352	200,457	204,556	393,675	382,651	223,157	223,764	146,239	229,642
NOI	561,302	560,624	1,083,740	1,154,990	419,799	434,094	616,809	617,583	649,792	906,927

(Unit: thousands of yen)

Property number	R-1		R-3		R-4		S-1	
	Premium		Premium		Premium		Premium	
Property name	Moto-Azabu Hills		Roppongi First Plaza		Roppongi View Tower		Laforet Harajuku (Land)	
Fiscal period (Note 1)	Thirteenth	Fourteenth	Thirteenth	Fourteenth	Thirteenth	Fourteenth	Thirteenth	Fourteenth
Days of operations	184	181	184	181	184	181	184	181
Rent revenue of real estate	63,039	63,039	60,474	70,384	109,426	109,426	646,800	646,800
Other rent revenue of real estate	1,071	1,186	600	384	-	-	-	-
Total property operating revenue	64,110	64,226	61,074	70,769	109,426	109,426	646,800	646,800
Property management fees	8,852	9,905	13,083	11,836	3,738	3,738	-	-
Property taxes	2,069	2,063	6,954	6,972	10,755	10,769	54,958	57,708
Utilities	12	-	282	144	-	-	-	-
Maintenance and repairs	6,186	2,760	5,238	29,461	-	-	-	-
Insurance premium	158	137	321	278	415	361	-	-
Depreciation and amortization	6,395	6,412	10,757	11,118	13,055	13,055	-	-
Other lease business expenses	3,875	3,956	4,388	4,559	455	499	-	-
Total property operating expenses	27,550	25,235	41,025	64,371	28,419	28,422	54,958	57,708
NOI	42,955	45,403	30,805	17,516	94,062	94,058	591,842	589,092

(Note 1) The thirteenth fiscal period was from August 1, 2012 to January 31, 2013.

The fourteenth fiscal period was from February 1, 2013 to July 31, 2013.

(Note 2) Acquired on April 1, 2013.

Explanation Concerning “Status of Income and Expenditures”

The status of income and expenditures of the Company state the figures on an accrual basis in principle. The following are the items concerning the status of income and expenditures of the Company.

- i. “Rent revenue of real estate” include rent and common area revenue.
- ii. “Other rent revenue of real estate” include rental unit cleaning fees, parking lot use fees, utilities revenue, etc.
- iii. “Property management fees” include management company consignment expenses, property management fees, etc.
- iv. “Property taxes” include property tax, city planning tax and depreciable assets tax.

- v. "Utilities" recognize the amount of utilities expenses paid in the relevant period.
- vi. "Maintenance and repairs" state the expenses incurred for routine maintenance required to restore noncurrent assets to the original state in cases of depreciation of the value in use due to damage, defacement or aging.
- vii. "Insurance premium" recognize the amount of insurance expenses payable prorated for the relevant period.
- viii. "Depreciation and amortization" recognize the amount of depreciation and amortization of noncurrent assets by the straight-line method.
- ix. "Other lease business expenses" include rent expenses, custodian fees and other lease business expenses (residential property management costs and other property-related miscellaneous expenses).
- x. "NOI" state the amount arrived at when total property operating expense (excluding depreciation and amortization) is subtracted from total property operating revenue.

iv) Overview of Tenants

Top 5 Tenants by Leased Floor Area

The following are the end tenants ranking in the top five in terms of leased floor area for real estate and real estate in trust held by the Company as of July 31, 2013.

Name of end tenant	Property name	Leased floor area (m ²) (Note 1)	Share of floor area (%) (Note 2)
Mori Building Co., Ltd.	Roppongi Hills Mori Tower ARK Mori Building Koraku Mori Building Akasaka Tameike Tower Atago Green Hills	83,240.22	74.4
Urban Renaissance Agency	Roppongi View Tower	6,344.84	5.7
Showa Leasing Co., Ltd.	Koraku Mori Building	2,683.90	2.4
Mori Building Ryutsu System Co., Ltd.	Laforet Harajuku (Land)	2,565.06	2.3
ITOCHU Techno-Solutions Corporation	Koraku Mori Building	2,116.88	1.9
Total for top 5 end tenants		96,950.90	86.7

(Note 1) "Leased floor area" is the contracted floor area indicated in the lease agreement, etc. with each end tenant. However, regarding Roppongi View Tower, the floor area arrived at when multiplied by the ratio of co-ownership interest (46%) and, regarding Koraku Mori Building, the floor area arrived at when multiplied by the ratio of quasi co-ownership interest of the trust beneficial interests (80%) and, regarding Atago Green Hills, the floor area arrived at when multiplied by the ratio of quasi co-ownership interest of the trust beneficial interests (74%), and each are rounded to the second decimal place. The leased floor area, with the exception of Roppongi View Tower, does not include the floor area of storage areas, parking lots, mechanical rooms, etc.

(Note 2) "Share of floor area" is the leased floor area expressed as a percentage of the sum total of the total leased floor area of each real estate and real estate in trust held by the Company as of July 31, 2013.

(b) Overview of Trust Beneficial Interests

(as of July 31, 2013)

Main type of use	Property number	Property name	Trust fiduciary	Trust establishment date (YYYY/MM/DD)	Trust maturity date (YYYY/MM/DD)	Description
Office	O-0 Premium	Roppongi Hills Mori Tower	Sumitomo Mitsui Trust Bank, Ltd.	2011/08/01	2026/07/31	Trust beneficial interests pertaining to sectional ownership for 23F and 24F portions
	O-1 Premium	ARK Mori Building	Mizuho Trust & Banking Co., Ltd.	2006/03/22	2016/03/31	Trust beneficial interests pertaining to sectional ownership for 13F portion
			Mizuho Trust & Banking Co., Ltd.	2008/03/28	2018/03/31	Trust beneficial interests pertaining to sectional ownership for 12F and 22F portions
			Mizuho Trust & Banking Co., Ltd.	2011/03/18	2021/01/31	Trust beneficial interests pertaining to sectional ownership for 23F and 25F portions
			Sumitomo Mitsui Trust Bank, Ltd.	2011/08/01	2026/07/31	Trust beneficial interests pertaining to sectional ownership for 4F, 15F and 24F portions
			Sumitomo Mitsui Trust Bank, Ltd.	2013/04/01	2028/03/31	Trust beneficial interests pertaining to sectional ownership for B4F through 1F heating and cooling district
	O-4 Premium	Koraku Mori Building	Sumitomo Mitsui Trust Bank, Ltd.	2003/03/04	2023/03/03	Trust beneficial interests representing 80% interest of the assets in trust; Trust beneficial interests representing the remaining 20% interest of the assets in trust are held by Mori Building Co., Ltd.
	O-6 Premium	Akasaka Tameike Tower	Sumitomo Mitsui Trust Bank, Ltd.	2008/09/30	2026/03/31	Trust beneficial interests pertaining to office and shop portions (including parts of storage areas, parking lots, etc.)
			Sumitomo Mitsui Trust Bank, Ltd.	2011/03/18	2026/03/31	Trust beneficial interests pertaining to residential portion (including parts of parking lots, etc.)
	O-7 Premium	Atago Green Hills	Mitsubishi UFJ Trust and Banking Corporation	2012/05/01	2027/04/30	Trust beneficial interests representing 74% interest of the assets in trust; Trust beneficial interests representing the remaining 26% interest of the assets in trust are held by Mori Building Co., Ltd.
Residential	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 beneficial interests pertaining to 40% co-ownership interest of Roppongi View Tower
			Sumitomo Mitsui Trust Bank, Ltd.	2006/03/22	2023/03/03	Trust beneficial interests pertaining to 6% co-ownership interest of Roppongi View Tower

Disclaimer:

This report is a translation of the Japanese language Financial Release (*Kessan-Tanshin*) dated September 13, 2013 of Mori Hills REIT Investment Corporation (the Company) prepared under the timely-disclosure requirements of the Tokyo Stock Exchange.

This English language document was prepared solely for the convenience of and reference by investors and does not necessarily correspond to the original Japanese documents nor is it intended to constitute a disclosure document. The Japanese language *Kessan-Tanshin* for the aforementioned should always be referred to as the original of this document.

English terms for Japanese legal, accounting, tax and business concepts used herein may not be precisely identical to the concepts of the equivalent Japanese terms. With respect to any and all terms herein, including without limitation, financial statements, if there exist any discrepancies in the meaning or interpretation thereof between the original Japanese documents and English statements contained herein, the original Japanese documents will always govern the meaning and interpretation.

None of the Company, Mori Building Investment Management Co., Ltd. (MIM) or any of their respective directors, officers, employees, partners, shareholders, agents or affiliates will be responsible or liable for the completeness, appropriateness or accuracy of English translations. No person has been authorized to give any information or make any representations other than as contained in this document in relation to the matters set out in this document, and if given or made, such information or representation must not be relied upon as having been authorized by the Company, MIM or any of their respective directors, officers, employees, partners, shareholders, agents or affiliates.

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), including provisions set forth in the Act on Investment Trusts and Investment Corporations and the Financial Instruments and Exchange Act of Japan as well as related regulations, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards. The accompanying financial statements are a translation of the financial statements of the Company, which were prepared in accordance with Japanese GAAP.

Certain provisions of this document contain forward-looking statements and information. We base these statements on our beliefs as well as our assumptions based solely on certain limited information currently available to us. Because these statements reflect our current views concerning future events, these statements involve known and unknown risks, uncertainties and assumptions.

These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements, including without limitation: the general economy, market conditions, financial markets including the performance of the real estate market, interest rate fluctuations, competition with our properties, and the impact of changing regulations or taxation.

The forward-looking statements contained in this document express information only as of the date of release, September 13, 2013, and the Company does not undertake to update those forward-looking statements to reflect events or circumstances occurring after the date of this release.

The version posted on the website is the latest version. Accordingly, the content may vary depending on the timing of release.