



March 14, 2014

**FINANCIAL REPORT
FOR THE FIFTEENTH FISCAL PERIOD ENDED JANUARY 31, 2014**

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

Representative: Hideyuki Isobe, Executive Director

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Planned submission of semiannual security report: April 28, 2014

Planned start of dividend payments: April 15, 2014

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 FIFTEENTH FISCAL PERIOD ENDED JANUARY 31, 2014

(August 1, 2013 – January 31, 2014)

(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
Fifteenth Fiscal Period	¥5,610	11.0%	¥3,790	10.5%	¥2,798	15.0%	¥2,797	15.0%
Fourteenth Fiscal Period	¥5,052	8.0%	¥3,430	9.8%	¥2,433	14.6%	¥2,432	14.6%

	Net Income per Unit	Net Income to Total Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
Fifteenth Fiscal Period	¥2,052	2.3%	1.1%	49.9%
Fourteenth Fiscal Period	¥1,942	2.2%	1.1%	48.2%

(Note) 5-for-1 split of investment units has been implemented by setting January 31, 2014 as the record date and February 1, 2014 as the effective date. Net income per unit is calculated by assuming that the split of investment units had been implemented at the beginning of the fourteenth fiscal period ended July 2013.

(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
Fifteenth Fiscal Period	¥10,099	¥2,797 million	¥0	¥0	100.0%	2.2%
Fourteenth Fiscal Period	¥9,552	¥2,432 million	¥0	¥0	99.9%	2.1%

(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
Fifteenth Fiscal Period	¥262,881 million	¥127,233 million	48.4%	¥91,870
Fourteenth Fiscal Period	¥240,681 million	¥115,503 million	48.0%	¥90,726

(Note) 5-for-1 split of investment units has been implemented by setting January 31, 2014 as the record date and February 1, 2014 as the effective date. Net Assets per unit is calculated by assuming that the split of investment units had been implemented at the beginning of the fourteenth fiscal period ended July 2013.

(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
Fifteenth Fiscal Period	¥3,639 million	(¥21,069 million)	¥18,340 million	¥12,696 million
Fourteenth Fiscal Period	¥3,198 million	(¥19,592 million)	¥18,700 million	¥11,786 million

2. FORECAST OF RESULTS FOR THE SIXTEENTH FISCAL PERIOD ENDING JULY 31, 2014
(February 1, 2014 – July 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
Sixteenth Fiscal Period	¥5,785	3.1%	¥3,840	1.3%	¥2,964	6.0%	¥2,963	6.0%

	Dividend per Unit (excluding dividend in excess of earnings)	Dividend in Excess of Earnings per Unit
Sixteenth Fiscal Period	¥2,140	¥0

(Reference) Estimated net income per unit for the sixteenth fiscal period: ¥2,140

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)

Fifteenth fiscal period: 276,985 units Fourteenth fiscal period: 254,620 units

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

Fifteenth fiscal period: 0 units Fourteenth fiscal period: 0 units

***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 selected 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 Forecast of Results for the Sixteenth Fiscal Period Ending July 31, 2014 (February 1, 2014 – July 31, 2014) and the Seventeenth Fiscal Period Ending January 31, 2015 (August 1, 2014 – January 31, 2015)” presented on pages 10 to 12.

4. **BUSINESS RESULTS**

(1) **Overview of the Fifteenth Fiscal Period**

(a) **Brief Background of the Company**

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 the Company was listed on the Real Estate Investment Trust Section of the Tokyo Stock Exchange on November 30, 2006 (Securities Code: 3234).

In the fifteenth fiscal period (August 1, 2013 to January 31, 2014), the Company held its public offering, etc. (22,365 units; includes third-party allotment through over-allotment). As of the end of the Company’s fiscal period under review, the total number of investment units outstanding was 276,985.

(b) **Investment Environment and Business Performance**

i) **Investment Environment**

In the fifteenth fiscal period, the Japanese economy experienced a modest recovery trend supported by the effects of Japanese government’s financial measures and Bank of Japan’s monetary measures. In addition to private consumption and housing investment being steady due to the improved employment environment and last-minute demand before the consumption tax rate increase, capital investment also showed signs of recovery along with improvement of corporate performance, which was driven by the recovery of overseas economies and depreciation of the yen.

Within this economic environment, the rental office building market showed signs of increase in rents centering on large blue-chip properties as the supply of additional large-scale office buildings in central Tokyo continued to be limited and vacancy rates improved due to strong demand for floor space. In the luxury rental housing market, occupancy rates and rents have remained at stable levels despite no clear recovery in demand from foreigners, as solid demand from Japanese was fueled by the relatively low price and the recovery of the domestic economy. As for the real estate trading market, property acquisitions continued to be active along with the listings of new J-REITs and public offerings of existing J-REITs, partially due to the fund procurement environment remaining favorable.

ii) **Business Performance**

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

The Company’s real estate portfolio as of the end of the fifteenth fiscal period was comprised of 9 properties (Note 1) under management with a total leasable floor area of 119,117.30m². The Company has already invested 252,716 million yen (based on acquisition price) into this portfolio. The occupancy rate at the end of the fifteenth 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.
- 3) Trust beneficial interests pertaining to sectional ownership for the 19th and 22nd floor portions on October 1, 2013.

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 interest 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 interest 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 first decimal place.

(c) Overview of Fund Procurement

During the fifteenth fiscal period, the Company issued investment units in the amount of 11,364 million yen (amount paid in) and took out long-term loans payable in the amount of 10,500 million yen to be allotted to funds for the acquisition of new properties. Furthermore, the Company repaid all existing short-term loans payable in the amount of 1,000 million yen using cash on hand on the due dates and took out long-term loans payable in the amount of 15,000 million yen for the refinancing of existing long-term loans payable in the amount of 15,062 million yen while allotting cash on hand in the amount of 62 million yen for repayment.

As a result, as of the end of the fifteenth fiscal period, the balance of loans payable stands at 101,200 million yen (all of them are long-term loans payable (of which, current portion of long-term loans payable: 30,022 million yen), the balance of investment corporation bonds stands at 25,000 million yen (of which, current portion of investment corporation bonds: 8,000 million yen) and the balance of interest-bearing debt stands at 126,200 million yen.

Of the loans payable, in addition to the 25,000 million yen in investment corporation bonds and 1,700 million yen in long-term loans payable that have fixed interest rates, the Company utilizes interest rate swaps to in effect convert the interest rates for loans payable that have 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 38,978 million yen of the 99,500 million yen in long-term loans payable that have variable interest rates. (Ratio of fixed rate debt against total interest-bearing debt as of the end of the fifteenth fiscal period is 52.0%.) 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 fifteenth fiscal period, the Company has obtained AA- long-term issuer rating (rating outlook: stable) from Japan Credit Rating Agency, Ltd.

(Note) Long-term loans payable are loans payable with a period of over one year until the repayment date at the time of drawdown, and short-term loans payable are loans payable with a period of one year or less 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 5,610 million yen in operating revenue, 3,790 million yen in operating income, 2,798 million yen in ordinary income and 2,797 million yen in net income in the fifteenth 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 10,099 yen.

Furthermore, the Company implemented a 5-for-1 split of investment units by setting January 31, 2014 as the record date and February 1, 2014 as the effective date with the aim to create a more favorable investment environment for investors by lowering the per unit market price of investment units in line with the introduction of the Japanese version of the Individual Savings Account (NISA) on January 1, 2014.

(2) Outlook for the Sixteenth Fiscal Period

(a) Future Management Policy

Pursuant to the Company's investment policy, the Company will seek to grow and increasingly enhance the profitability and value of assets under management by focusing on the competitiveness and the ability to create value attributable to "urban" areas (central Tokyo being the core area) and concentrating investment into "urban" areas. Specifically, the Company will seek to develop an urban portfolio centered on office buildings 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

Split of Investment Units

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

i) Purpose of Split

MHR aims to expand the investor base and improve the liquidity of its investment units by creating an environment favorable to investors by lowering the per /unit market price of investment units in line with the introduction of the Japanese version of the Individual Savings Account (NISA) on January 1, 2014.

ii) Method of split

With January 31, 2014 (Friday) established as the record date, MHR implemented a 5-for-1 split of MHR's investment units owned by unitholders indicated or recorded on that date's final unitholder registry.

iii) Increase in Number of Investment Units through Split, etc.

a. Number of investment units issued before split	:	276,985 units
b. Increase in number of investment units through split	:	1,107,940 units
c. Number of investment units issued after split	:	1,384,925 units
d. Total number of investment units authorized after split	:	10,000,000 units

(Note) The Articles of Incorporation of the Company will be partially amended in order to increase the total number of investment units authorized in accordance with the ratio of investment units split based on the stipulation of Article 184 Paragraph 2 of the Companies Act which is applied mutatis mutandis pursuant to Article 81-3 Paragraph 2 of the Act on Investment Trusts and Investment Corporations.

(Reference Information)

Issuance of Investment Corporation Bonds

The Company decided to issue investment corporation bonds as follows on February 7, 2014 based on the resolution adopted at a meeting of its board of directors held on January 22, 2014. Payment was completed on February 24, 2014.

i) Name of investment corporation bonds

MHR Tenth Series Unsecured Investment Corporation Bond (subject to a limited pari passu clause between specified investment corporation bonds) (hereafter, "Tenth Series Investment Corporation Bond").

MHR Eleventh Series Unsecured Investment Corporation Bond (subject to a limited pari passu clause between specified investment corporation bonds) (hereafter, "Eleventh Series Investment Corporation Bond").

ii) Total issue amount of the investment corporation bonds

Tenth Series Investment Corporation Bond: 3 billion yen
Eleventh Series Investment Corporation Bond: 2 billion yen
Total: 5 billion yen

iii) Interest rate

Tenth Series Investment Corporation Bond: 0.414% per annum
Eleventh Series Investment Corporation Bond: 0.688% per annum

iv) Payment date

February 24, 2014

v) Collateral and guarantee

The Investment Corporation Bonds are unsecured and unguaranteed. There is also no particular asset retained for the Investment Corporation Bonds.

vi) Redemption method and maturity

Tenth Series Investment Corporation Bond: The total amount of the Investment Corporation Bond will be redeemed on February 22, 2019.

Eleventh Series Investment Corporation Bond: The total amount of the Investment Corporation Bond will be redeemed on February 24, 2021.

- vii) Credit rating**
Japan Credit Rating Agency, Ltd.: AA-
- viii) Fiscal agent, issuing agent and paying agent**
Mitsubishi UFJ Trust and Banking Corporation
- ix) Underwriting securities companies**
Mizuho Securities Co., Ltd.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
- x) Specific use of funds**
For allocation to the redemption of 5 billion yen in Fifth Series Unsecured Investment Corporation Bond whose redemption date is February 25, 2014

(c) Outlook of Business Results

The Company expects the following business results for the sixteenth fiscal period (February 1, 2014 to July 31, 2014) and the seventeenth fiscal period (August 1, 2014 to January 31, 2015). For the assumptions underlying the forecasts of results, please refer to “Assumptions of Forecasts of Results for the Sixteenth Fiscal Period Ending July 31, 2014 (February 1, 2014 – July 31, 2014) and the Seventeenth Fiscal Period Ending January 31, 2015 (August 1, 2014 – January 31, 2015)” presented below.

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

Operating revenue	¥5,785 million
Operating income	¥3,840 million
Ordinary income	¥2,964 million
Net income	¥2,963 million
Dividend per unit	¥2,140
Dividend in excess of earnings per unit	¥0

[Seventeenth Fiscal Period Ending January 31, 2015 (August 1, 2014 – January 31, 2015)]

Operating revenue	¥5,797 million
Operating income	¥3,845 million
Ordinary income	¥3,047 million
Net income	¥3,046 million
Dividend per unit	¥2,200
Dividend in excess of earnings per unit	¥0

(Note1) A 5-for-1 split of investment units has been implemented by setting January 31, 2014 as the record date and February 1, 2014 as the effective date.

(Note2) 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 Sixteenth Fiscal Period Ending July 31, 2014
(February 1, 2014 – July 31, 2014) and the Seventeenth Fiscal Period Ending January 31, 2015
(August 1, 2014 – January 31, 2015)

Item	Assumptions
Accounting Period	The Sixteenth Fiscal Period: February 1, 2014 – July 31, 2014 (181 days) The Seventeenth Fiscal Period: August 1, 2014 – January 31, 2015 (184 days)
Investment Portfolio	<ul style="list-style-type: none"> • The Company assumes there will be no change in the investment portfolio (acquisition of new properties, transfers of existing properties) until the end the seventeenth fiscal period ending January 2015. • 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 of real estate leasing business, major operating expenses, 1,646 million yen is expected for the period ending July 2014, and 1,656 million yen is expected for the period ending January 2015. 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. 347 million yen (for six months) and 385 million yen (for six months) are expected for the period ending July 2014 and the period ending January 2015, respectively. Furthermore, property taxes, city planning taxes, etc. associated with the acquisitions of Atago Green Hills and ARK Mori Building additionally acquired in the period ended July 2013, and the acquisition of Roppongi Hills Mori Tower additionally acquired in the period ended January 2014, 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. 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 period ending July 2014. B) For building maintenance and repairs, the Company recorded the estimated required amount for the respective fiscal periods: (38 million yen for the period ending July 2014; 29 million yen for the period ending January 2015). 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 839 million yen in the period ending July 2014 and 817 million yen in the period ending January 2015. D) For property management fees, 204 million yen is expected for the period ending July 2014 and 198 million yen is expected for the period ending January 2015. • For the operating expenses other than expenses related to the real estate leasing business (asset management fee, asset custody fee, administrative service fees, etc.), 298 million yen is expected for the period ending July 2014 and 296 million yen is expected for the period ending January 2015.
Non-Operating Expenses	<ul style="list-style-type: none"> • The Company expects to incur 488 million yen for the period ending July 2014 and 436 million yen for the period ending January 2015 in interest expenses, 150 million yen for the period ending July 2014 and 143 million yen for the period ending January 2015 in interest expenses on investment corporation bonds, and 220 million yen for the period ending July 2014 and 202 million yen for the period ending January 2015 in borrowing expenses.

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 January 2014 is 126,200 million yen. • The balance of loans payable outstanding as of the end of the period ended January 2014 is 101,200 million yen. The Company assumes that regarding 30,022 million yen remaining of loans payable due for repayment by the end the period ending January 2015 will be refinanced in the entire amount. • The Company assumes that of the balance of investment corporation bonds is 25,000 million yen as of the end of the period ended January 2014, 8,000 million yen outstanding due for repayment by the end of the period ending January 2015 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 January 2014 was 1,384,925 units. The Company assumes that there will be no additional issuance of investment units until the end of the period ending January 2015.
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.

5. FINANCIAL STATEMENTS**(1) Balance Sheet**

(Unit: thousands of yen)

	Fourteenth Fiscal Period (as of July 31, 2013)	Fifteenth Fiscal Period (as of January 31, 2014)
Assets		
Current assets		
Cash and deposits	3,960,756	3,531,963
Cash and deposits in trust	7,825,875	9,164,640
Operating accounts receivable	74,073	43,321
Prepaid expenses	423,788	424,558
Deferred tax assets	17	15
Consumption taxes receivable	115,985	67,754
Other	7,229	15
Total current assets	12,407,726	13,232,269
Noncurrent assets		
Property, plant and equipment		
Land	22,074,160	22,074,160
Buildings in trust	46,868,973	51,625,833
Accumulated depreciation	(5,366,193)	(6,138,615)
Buildings in trust, net	41,502,780	45,487,218
Structures in trust	495,486	519,318
Accumulated depreciation	(134,290)	(152,661)
Structures in trust, net	361,195	366,657
Machinery and equipment in trust	529,870	584,421
Accumulated depreciation	(60,477)	(74,462)
Machinery and equipment in trust, net	469,392	509,959
Tools, furniture and fixtures in trust	63,545	84,102
Accumulated depreciation	(27,545)	(33,094)
Tools, furniture and fixtures in trust, net	35,999	51,008
Land in trust	132,702,890	149,879,429
Construction in progress in trust	273	5,882
Total property, plant and equipment	197,146,693	218,374,316
Intangible assets		
Leasehold rights in trust	30,650,962	30,650,962
Other intangible assets in trust	1,208	1,031
Other	1,496	996
Total intangible assets	30,653,667	30,652,990
Investments and other assets		
Lease and guarantee deposits	10,000	10,000
Long-term prepaid expenses	386,058	551,297
Total investments and other assets	396,058	561,297
Total noncurrent assets	228,196,420	249,588,604
Deferred assets		
Investment corporation bonds issuance cost	77,108	60,873
Total deferred assets	77,108	60,873
Total assets	240,681,255	262,881,748

Mori Hills REIT Investment Corporation (3234) Financial Report for the Period ended January 2014

(Unit: thousands of yen)

	Fourteenth Fiscal Period (as of July 31, 2013)	Fifteenth Fiscal Period (as of January 31, 2014)
Liabilities		
Current liabilities		
Operating accounts payable	82,343	84,175
Short-term loans payable	1,000,000	-
Current portion of investment corporation bonds	5,000,000	8,000,000
Current portion of long-term loans payable	28,084,500	30,022,000
Accounts payable – other	56,817	27,155
Accrued expenses	316,669	324,855
Income taxes payable	801	700
Accrued consumption taxes	22,692	-
Advances received	790,266	877,919
Deposits received	99,711	88,203
Total current liabilities	35,453,802	39,425,010
Noncurrent liabilities		
Investment corporation bonds	20,000,000	17,000,000
Long-term loans payable	62,678,000	71,178,000
Lease and guarantee deposited in trust	7,045,564	8,045,199
Total noncurrent liabilities	89,723,564	96,223,199
Total liabilities	125,177,367	135,648,210
Net assets		
Unitholders' equity		
Unitholders' capital	112,966,437	124,330,988
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	105,244	105,244
Total voluntary retained earnings	105,244	105,244
Unappropriated retained earnings	2,432,207	2,797,305
Total surplus	2,537,451	2,902,549
Total unitholders' equity	115,503,888	127,233,537
Total net assets	115,503,888	127,233,537
Total liabilities and net assets	240,681,255	262,881,748

(2) Statement of Income and Retained Earnings

(Unit: thousands of yen)

	Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)	Fifteenth Fiscal Period (August 1, 2013 to January 31, 2014)
Operating revenue		
Rent revenue of real estate	4,949,170	5,489,850
Other rent revenue of real estate	103,034	120,184
Total operating revenue	5,052,204	5,610,034
Operating expenses		
Expenses of real estate rent	1,358,705	1,529,666
Asset management fee	184,957	210,042
Directors' compensation	5,400	5,400
Asset custody fee	5,470	6,017
Administrative service fees	15,444	15,309
Other operating expenses	51,430	53,558
Total operating expenses	1,621,408	1,819,992
Operating income	3,430,796	3,790,042
Non-operating income		
Interest income	840	1,186
Exclusion gain of unpaid dividend	2,230	7,847
Interest of refund	607	1,256
Other	860	7
Total non-operating income	4,539	10,297
Non-operating expenses		
Interest expenses	532,111	542,095
Interest expenses on investment corporation bonds	168,407	162,100
Amortization of investment corporation bonds issuance cost	17,558	16,235
Borrowing expenses	243,582	248,417
Investment unit issuance cost	38,699	31,128
Other	1,840	2,206
Total non-operating expenses	1,002,199	1,002,182
Ordinary income	2,433,136	2,798,156
Income before income taxes	2,433,136	2,798,156
Income taxes - current	972	926
Income taxes - deferred	0	2
Total income taxes	972	928
Net income	2,432,164	2,797,228
Retained earnings brought forward	42	76
Unappropriated retained earnings	2,432,207	2,797,305

(3) Statement of Unitholders' Equity

[Fourteenth Fiscal Period Ending July 31, 2013 (February 1, 2013 – July 31, 2013)]

(Unit: thousands of yen)

	Unitholders' equity					Total net assets
	Unitholders' Capital	Surplus			Total unitholders' equity	
		Voluntary retained earnings	Unappropriated retained earnings (undisposed loss)	Total Surplus		
Balance at beginning of the period	102,010,939	105,244	2,122,849	2,228,093	104,239,033	104,239,033
Change during the period						
Issuance of new investment units	10,955,498	-	-	-	10,955,498	10,955,498
Dividends from surplus	-	-	(2,122,806)	(2,122,806)	(2,122,806)	(2,122,806)
Net income	-	-	2,432,164	2,432,164	2,432,164	2,432,164
Total changes of items during the period	10,955,498	-	309,357	309,357	11,264,855	11,264,855
Balance at end of the period	112,966,437	105,244	2,432,207	2,537,451	115,503,888	115,503,888

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

(Unit: thousands of yen)

	Unitholders' equity					Total net assets
	Unitholders' Capital	Surplus			Total unitholders' equity	
		Voluntary retained earnings	Unappropriated retained earnings (undisposed loss)	Total Surplus		
Balance at beginning of the period	112,966,437	105,244	2,432,207	2,537,451	115,503,888	115,503,888
Change during the period						
Issuance of new investment units	11,364,551	-	-	-	11,364,551	11,364,551
Dividends from surplus	-	-	(2,432,130)	(2,432,130)	(2,432,130)	(2,432,130)
Net income	-	-	2,797,228	2,797,228	2,797,228	2,797,228
Total changes of items during the period	11,364,551	-	365,098	365,098	11,729,649	11,729,649
Balance at end of the period	124,330,988	105,244	2,797,305	2,902,549	127,233,537	127,233,537

(4) Statement of Cash Distributions

(Unit: yen)

	Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)	Fifteenth Fiscal Period (August 1, 2013 to January 31, 2014)
I. Unappropriated retained earnings	2,432,207,002	2,797,305,040
II. Amount of dividends	2,432,130,240	2,797,271,515
[Amount of dividends per unit]	[9,552]	[10,099]
III. Retained earnings carried forward	76,762	33,525

(5) Statement of Cash Flows

(Unit: thousands of yen)

Account	Fourteenth Fiscal Period (February 1, 2013 to July 31, 2013)	Fifteenth Fiscal Period (August 1, 2013 to January 31, 2014)
Net cash provided by (used in) operating activities		
Income before income taxes	2,433,136	2,798,156
Depreciation and amortization	727,293	811,127
Amortization of investment corporation bonds issuance cost	17,558	16,235
Investment unit issuance cost	38,699	31,128
Interest income	(840)	(1,186)
Exclusion gain of unpaid dividend	(2,230)	(7,847)
Interest expenses	700,519	704,195
Decrease (increase) in operating accounts receivable	(447)	30,751
Decrease (increase) in consumption taxes refund receivable	(34,164)	48,230
Increase (decrease) in operating accounts payable	(10,709)	4,592
Increase (decrease) in accounts payable – other	(792)	1,263
Increase (decrease) in accrued expenses	(36,989)	26,889
Increase (decrease) in accrued consumption taxes	(20,902)	(22,692)
Increase (decrease) in advances received	111,736	87,653
Increase (decrease) in deposits received	9,267	(7,792)
Decrease (increase) in prepaid expenses	7,233	(769)
Decrease (increase) in long-term prepaid expenses	(28,122)	(165,238)
Other, net	(7,229)	7,374
Subtotal	<u>3,903,014</u>	<u>4,362,072</u>
Interest income received	840	1,186
Interest expenses paid	(704,090)	(722,898)
Income taxes paid	(979)	(1,027)
Net cash provided by (used in) operating activities	<u>3,198,785</u>	<u>3,639,332</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	(15,415,551)	(22,065,808)
Purchase of intangible assets in trust	(4,826,500)	-
Repayments of lease and guarantee deposits in trust	(92,181)	(24,894)
Proceeds from lease and guarantee deposits in trust	742,187	1,020,814
Net cash provided by (used in) investing activities	<u>(19,592,045)</u>	<u>(21,069,888)</u>
Net cash provided by (used in) financing activities		
Repayments of short-term loans payable	(3,478,000)	(1,000,000)
Proceeds from long-term loans payable	13,478,000	25,500,000
Repayments of long-term loans payable	(62,500)	(15,062,500)
Proceeds from issuance of investment corporation bonds	4,969,110	-
Redemption of investment corporation bonds	(5,000,000)	-
Proceeds from issuance of investment unit	10,916,798	11,333,422
Cash dividends paid	(2,122,893)	(2,430,394)
Net cash provided by (used in) financing activities	<u>18,700,516</u>	<u>18,340,528</u>
Net increase (decrease) in cash and cash equivalents	<u>2,307,256</u>	<u>909,972</u>
Cash and cash equivalents at beginning of the period	<u>9,479,375</u>	<u>11,786,631</u>
Cash and cash equivalents at end of the period	<u>11,786,631</u>	<u>12,696,604</u>

6. OVERVIEW OF LEASE CONDITIONS (as of January 31, 2014)

Property number	Property name	Leasing scheme	Total leasable floor area (m ²)	Total leased floor area (m ²)	Occupancy rate (%)	Total no. of end tenants	Gross rent income (annual rent) (millions of yen)	Deposits / Guarantees (millions of yen)
O-0	Roppongi Hills Mori Tower	Fixed master lease	17,602.92	17,602.92	100.0	1	2,348	1,957
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	16,197.45	100.0	18	1,233	1,217
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	125	47
R-3	Roppongi First Plaza	Pass-through master lease	2,956.77	2,730.36	92.3	39	136	49
R-4	Roppongi View Tower (Note)	Pass-through master lease	4,515.25	4,118.97	91.2	83	169	53
S-1	Laforet Harajuku (Land)	Business-use fixed-term land lease	2,565.06	2,565.06	100.0	1	1,228	-
Total portfolio			119,117.30	118,494.61	99.5	152	11,342	7,858

(Note) Leasing scheme has been changed from fixed master lease to pass-through master lease on November 1, 2013. For details, please refer to the press release "MHR Announces Change in Leasing Scheme, etc. for Roppongi View Tower and Transaction with Interested Parties (Mori Building Co., Ltd. and Roppongi First Building Co., Ltd.)" separately announced on October 30, 2013.

7. STATUS OF INCOME AND EXPENDITURES (August 1, 2013 – January 31, 2014)

(Unit: thousands of yen)

Property number	O-0			O-1		
Property name	Roppongi Hills Mori Tower			ARK Mori Building		
Period	Fourteenth period (Jul. 2013)	Fifteenth period(Note3) (Jan. 2014)	Difference	Fourteenth period(Note 3) (Jul. 2013)	Fifteenth period (Jan. 2014)	Difference
Operation days	181 days	184 days	3 days	181 days	184 days	3 days
Occupancy rate	100.0%	100.0%	0.0PT	100.0%	100.0%	0.0PT
Number of tenants	1	1	0	1	1	0
Rent revenue of real estate	603,955	984,192	380,237	1,235,770	1,271,693	35,923
Other rent revenue of real estate	-	-	-	-	-	-
Total property operating revenue	603,955	984,192	380,237	1,235,770	1,271,693	35,923
Property management fees	1,200	57,040	55,840	5,600	6,000	400
Property taxes (Note1)	41,157	41,977	820	70,574	70,424	(149)
Utilities	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	370	370
Insurance premium	945	1,394	449	1,873	1,817	(56)
Depreciation and amortization (1)	99,022	161,817	62,795	123,776	120,411	(3,365)
Other expenses (Note2)	27	56	28	2,731	2,753	22
Total property operating expense	142,352	262,286	119,933	204,556	201,777	(2,778)
Property operating income (2)	461,602	721,905	260,303	1,031,214	1,069,915	38,701
NOI (3) ((1)+(2))	560,624	883,723	323,098	1,154,990	1,190,326	35,336
Capex (4)	3,075	-	(3,075)	7,555	1,102	(6,453)
NCF (3)-(4)	557,549	883,723	326,174	1,147,434	1,189,224	41,789

(Note 1) We have adopted the method of including with expenses of real estate rent the amount of taxes which were actually paid out of the levies and taxes imposed on the Company, such as the Property tax, City planning tax, and Depreciable property tax on properties owned by the Company for each fiscal period.

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

(Note 3) Properties acquired or sold during the relevant period.

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(Unit: thousands of yen)

Property number	O-4			O-6		
Property name	Koraku Mori Building			Akasaka Tameike Tower		
Period	Fourteenth period (Jul. 2013)	Fifteenth period (Jan. 2014)	Difference	Fourteenth period (Jul. 2013)	Fifteenth period (Jan. 2014)	Difference
Operation days	181 days	184 days	3 days	181 days	184 days	3 days
Occupancy rate	97.6%	100.0%	2.4PT	100.0%	100.0%	0.0PT
Number of tenants	17	18	1	1	1	0
Rent revenue of real estate	586,812	606,805	19,993	666,446	666,446	-
Other rent revenue of real estate	101,173	118,591	17,417	289	289	-
Total property operating revenue	687,986	725,396	37,410	666,735	666,735	-
Property management fees	66,156	62,460	(3,696)	3,000	3,000	-
Property taxes (Note1)	31,499	31,434	(64)	43,008	42,574	(433)
Utilities	79,604	93,081	13,476	-	-	-
Maintenance and repairs	6,875	4,998	(1,876)	-	-	-
Insurance premium	1,910	1,773	(137)	2,237	2,073	(163)
Depreciation and amortization (1)	128,760	128,693	(66)	174,612	174,847	235
Other expenses (Note2)	67,844	68,794	949	906	905	(0)
Total property operating expense	382,651	391,235	8,584	223,764	223,401	(363)
Property operating income (2)	305,334	334,160	28,826	442,971	443,334	363
NOI (3) ((1)+(2))	434,094	462,854	28,759	617,583	618,182	598
Capex (4)	3,345	841	(2,503)	3,981	12,896	8,914
NCF (3)-(4)	430,749	462,012	31,263	613,601	605,285	(8,316)

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(Unit: thousands of yen)

Property number	O-7			R-1		
Property name	Atago Green Hills			Moto-Azabu Hills		
Period	Fourteenth period(Note3) (Jul. 2013)	Fifteenth period (Jan. 2014)	Difference	Fourteenth period (Jul. 2013)	Fifteenth period (Jan. 2014)	Difference
Operation days	181 days	184 days	3 days	181 days	184 days	3 days
Occupancy rate	100.0%	100.0%	0.0PT	100.0%	100.0%	0.0PT
Number of tenants	1	1	0	7	7	0
Rent revenue of real estate	966,534	1,111,765	145,230	63,039	61,936	(1,103)
Other rent revenue of real estate	-	-	-	1,186	974	(212)
Total property operating revenue	966,534	1,111,765	145,230	64,226	62,910	(1,315)
Property management fees	2,316	2,664	348	9,905	9,070	(834)
Property taxes (Note1)	21,419	43,277	21,857	2,063	2,057	(6)
Utilities	-	-	-	-	22	22
Maintenance and repairs	-	-	-	2,760	4,254	1,494
Insurance premium	3,447	3,775	327	137	127	(9)
Depreciation and amortization (1)	170,035	194,993	24,958	6,412	6,550	137
Other expenses (Note2)	32,424	36,988	4,564	3,956	3,817	(139)
Total property operating expense	229,642	281,699	52,056	25,235	25,900	665
Property operating income (2)	736,892	830,065	93,173	38,991	37,010	(1,980)
NOI (3) ((1)+(2))	906,927	1,025,059	118,132	45,403	43,560	(1,843)
Capex (4)	4,379	1,946	(2,432)	347	3,153	2,806
NCF (3)-(4)	902,547	1,023,112	120,565	45,056	40,407	(4,649)

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(Unit: thousands of yen)

Property number	R-3			R-4		
Property name	Roppongi First Plaza			Roppongi View Tower		
Period	Fourteenth period (Jul. 2013)	Fifteenth period (Jan. 2014)	Difference	Fourteenth period (Jul. 2013)	Fifteenth period (Jan. 2014)	Difference
Operation days	181 days	184 days	3 days	181 days	184 days	3 days
Occupancy rate	95.4%	92.3%	(3.1PT)	100.0%	91.2%	(8.8PT)
Number of tenants	40	39	(1)	1	83	82
Rent revenue of real estate	70,384	65,747	(4,637)	109,426	96,062	(13,363)
Other rent revenue of real estate	384	330	(54)	-	-	-
Total property operating revenue	70,769	66,077	(4,692)	109,426	96,062	(13,363)
Property management fees	11,836	13,399	1,562	3,738	15,436	11,698
Property taxes (Note1)	6,972	6,989	17	10,769	10,781	12
Utilities	144	240	96	-	3	3
Maintenance and repairs	29,461	5,560	(23,900)	-	24	24
Insurance premium	278	258	(20)	361	335	(25)
Depreciation and amortization (1)	11,118	11,178	59	13,055	12,134	(920)
Other expenses (Note2)	4,559	4,839	279	499	1,728	1,229
Total property operating expense	64,371	42,466	(21,905)	28,422	40,444	12,021
Property operating income (2)	6,397	23,611	17,213	81,003	55,618	(25,385)
NOI (3) ((1)+(2))	17,516	34,789	17,273	94,058	67,752	(26,306)
Capex (4)	4,927	33,447	28,520	-	5,826	5,826
NCF (3)-(4)	12,589	1,342	(11,246)	94,058	61,926	(32,132)

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(Unit: thousands of yen)

Property number	S-1			Total		
Property name	Laforet Harajuku					
Period	Fourteenth period (Jul. 2013)	Fifteenth period (Jan. 2014)	Difference	Fourteenth period(Note 3) (Jul. 2013)	Fifteenth period(Note3) (Jan. 2014)	Difference
Operation days	181 days	184 days	3 days	181 days	184 days	3 days
Occupancy rate	100.0%	100.0%	0.0PT	99.5%	99.5%	0.0PT
Number of tenants	1	1	0	70	152	82
Acquisition price	21,820,000			252,716,440 (before acquisition 230,816,440)		
Rent revenue of real estate	646,800	625,200	(21,600)	4,949,170	5,489,850	540,680
Other rent revenue of real estate	-	-	-	103,034	120,184	17,149
Total property operating revenue	646,800	625,200	(21,600)	5,052,204	5,610,034	557,829
Property management fees	-	-	-	103,752	169,071	65,319
Property taxes (Note1)	57,708	60,454	2,746	285,171	309,970	24,799
Utilities	-	-	-	79,748	93,347	13,598
Maintenance and repairs	-	-	-	39,096	15,208	(23,888)
Insurance premium	-	-	-	11,193	11,557	363
Depreciation and amortization (1)	-	-	-	726,793	810,627	83,833
Other expenses (Note2)	-	-	-	112,949	119,883	6,933
Total property operating expense	57,708	60,454	2,746	1,358,705	1,529,666	170,960
Property operating income (2)	589,092	564,746	(24,346)	3,693,499	4,080,368	386,869
NOI (3) ((1)+(2))	589,092	564,746	(24,346)	4,420,292	4,890,995	470,703
Capex (4)	-	-	-	27,612	59,214	31,602
NCF (3)-(4)	589,092	564,746	(24,346)	4,392,679	4,831,780	439,101

Disclaimer:

This report contains translations of selected information described in the Financial Release (*Kessan-Tanshin*) dated March 14, 2014 prepared under the timely-disclosure requirements of the Tokyo Stock Exchange, and portions of the Financial Statements and the Performance Information Report for the fifteenth fiscal period from August 1, 2014 to January 31, 2014, of Mori Hills REIT Investment Corporation (“the Company”), prepared pursuant to the Law Concerning Investment Trusts and Investment Corporations of Japan.

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* and the Financial Statements and the Performance Information Report for the aforementioned should always be referred to as originals 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.

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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 Investment Trust Act of Japan and the Financial Instruments and Exchange Act and 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 and were presented in the Securities Report of the Company filed with the Kanto Local Finance Bureau of the Ministry of Finance. In preparing the accompanying financial statements, certain reclassifications have been made to the financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan.

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, March 14, 2014, and the Company does not undertake to update those forward-looking statements to reflect events or circumstances occurring after the date of this release.

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