



HILLS REIT

MORI HILLS REIT INVESTMENT CORPORATION (CODE:3234)

Results of 15th Fiscal Period (Ended January 31, 2014)



MORI HILLS REIT INVESTMENT CORPORATION

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

Mori Building Investment Management Co., Ltd.

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

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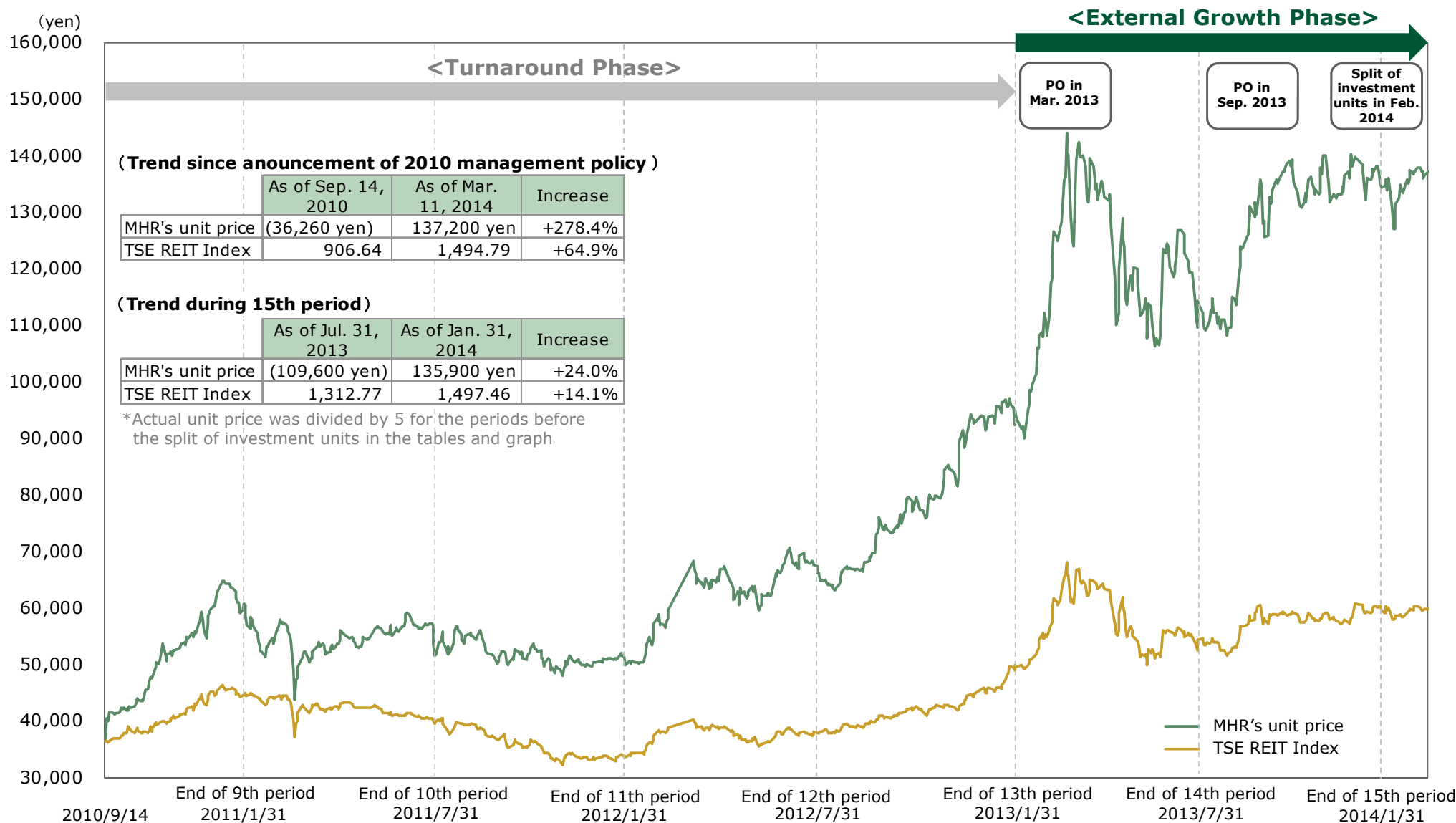
This document contains charts, data, etc. that were prepared by Mori Building Investment Management Co., Ltd. (hereafter, the “asset manager”) based on charts, data, indicators, etc. released by third parties. Furthermore, this document includes statements based on analyses, judgments, and other observations concerning such matters by the asset manager as of the date of preparation.

1. Investment highlights

1-1 Investment highlights Unit price performance

Unit price performance

Implemented a 5-for-1 investment unit split on February 1, 2014 (effective date)



(Note 1) Unless otherwise stated in this document, all amounts of less than a unit are omitted and all fractions are rounded up to one digit below decimal point.

(Note 2) TSE REIT Index is based to the announcement date of the management policy (Sep. 14, 2010) and shows the relative performance vs. MHR's unit price performance.

1-2 Investment highlights

Operation based on New 2013 Management Policy

New 2013 Management Policy

Basic policy “Dividend-driven management”

Policy Strive for external growth

Policy Further strengthening of our financial position

Policy Continued increase of dividend per unit, NAV and market value

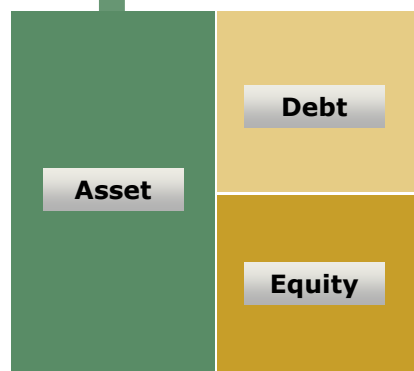
Strive for external growth

- Primarily seek premium properties in central Tokyo
- Utilization of sponsors’ property pipeline
- Further increase portfolio NOI yield
- Further improvement of unrealized gains/losses

Further strengthening of our financial position

- Extending the average duration of loans payable
- Reducing borrowing costs

Continued increase of dividend per unit, NAV and market value



2013 Operating Results

Total acquisition of assets
41.9 billion yen
Total PO amount paid in
22.3 billion yen

13th period
(ended Jan. 2013)

15th period
(ended Jan. 2014)

Total assets (acquisition price basis)	210.8 billion yen	252.7 billion yen
NOI yield (Note 1)	3.8%	4.0%
LTV (appraisal value basis) (Note 2)	52.0%	49.3%
LTV (book value basis) (Note 3)	48.8%	48.0%
NAV per unit	392,170 yen	434,706 yen
Dividend per unit	9,169 yen/unit	10,099 yen/unit

(Note 1) Figures are average NOI yields of the entire portfolio.

(Note 2) LTV (appraisal value basis) is calculated as [Interest-bearing debt/Appraisal value based total assets (Total assets + Total appraisal value – Total book value)]

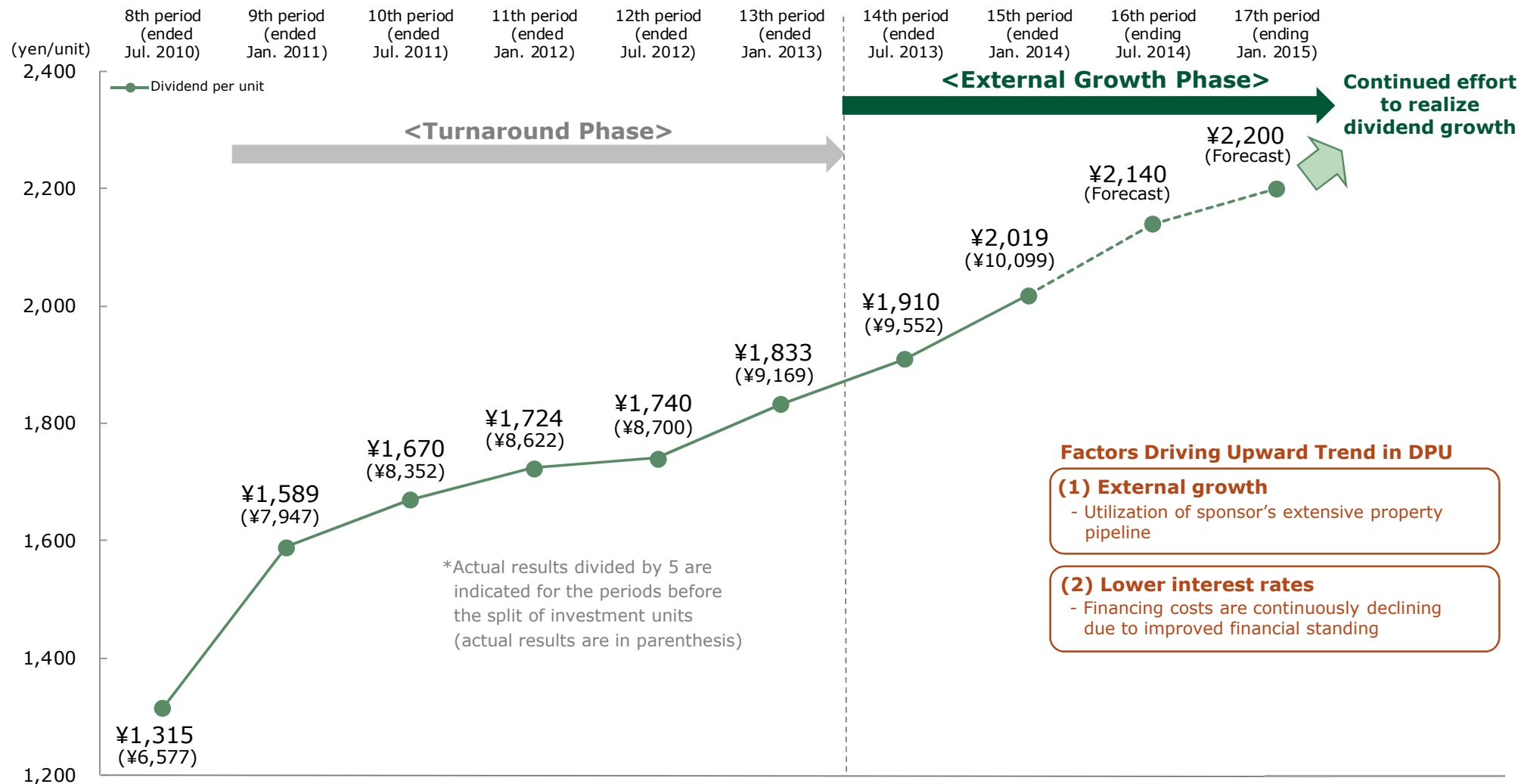
(Note 3) LTV (book value basis) is calculated as [Interest bearing debt/Total assets]

1-3 Investment highlights

Advantage of Mori Hills REIT (1) Upward trend in dividends



Change in dividend per unit



- Factors Driving Upward Trend in DPU**
- (1) External growth**
 - Utilization of sponsor's extensive property pipeline
 - (2) Lower interest rates**
 - Financing costs are continuously declining due to improved financial standing

NAV per unit	66,229 yen	78,434 yen	86,941yen
PBR	0.4x	1.1x	1.5x
NOI yield	3.7%	3.8%	4.0%

*Actual results divided by 5 are indicated for the periods before the split of investment units

1-4 Investment highlights

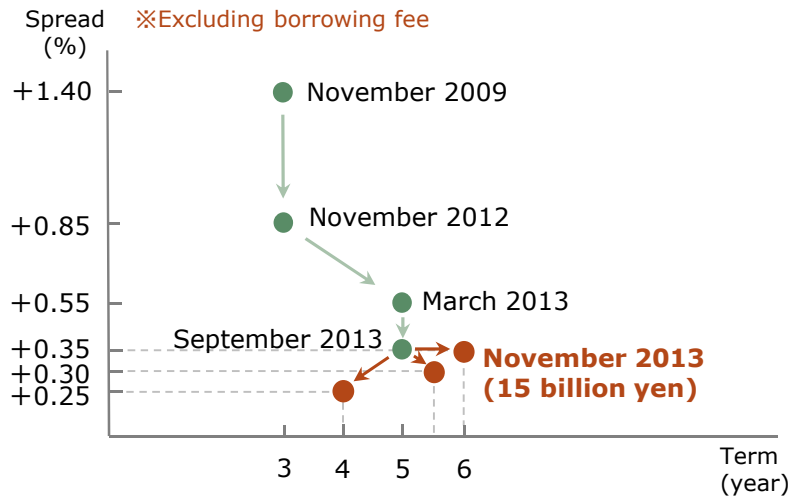
Advantage of Mori Hills REIT (1) Upward trend in dividends



Improved LTV enabled MHR to negotiate lower interest rates

Financing trend

Debt

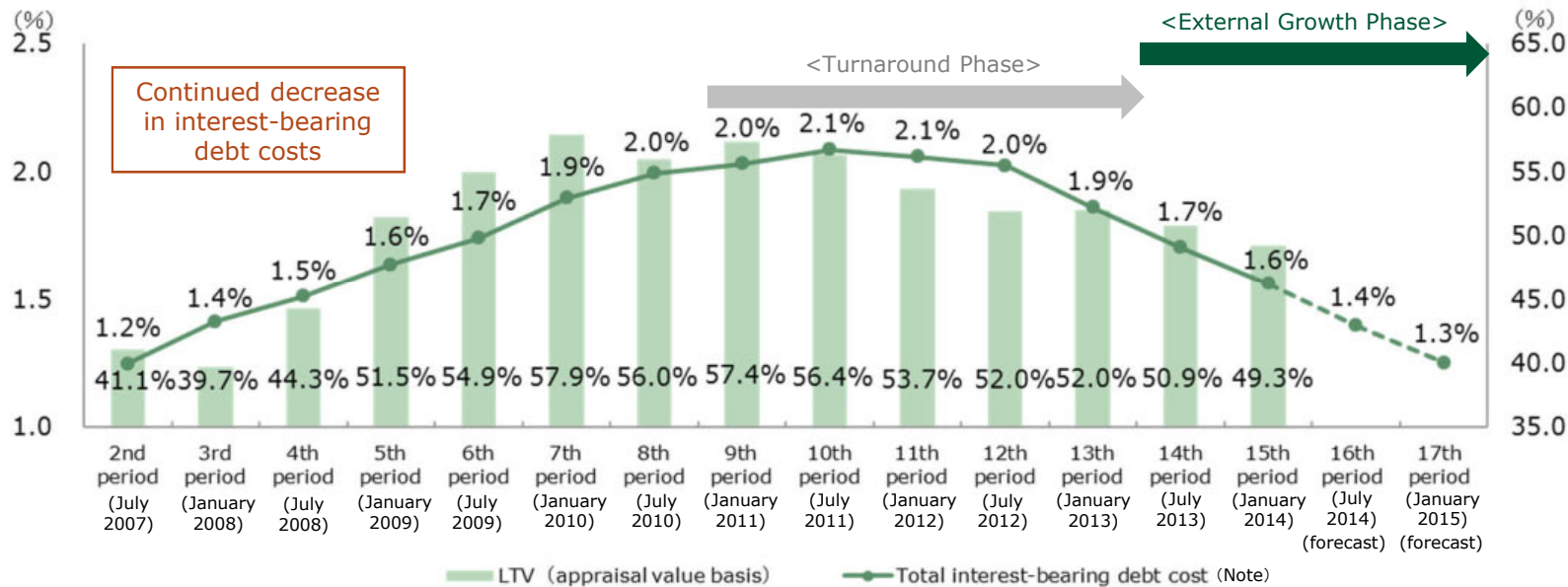


Investment corporation bonds

Issue Date	Amount	Maturity	Rate of Interest
May 2010	5,000mn yen	5 years	1.95%
Nov. 2012	2,000mn yen	5 years	0.97%
May 2013	3,000mn yen	5 years	0.85%
Feb. 2014	3,000mn yen	5 years	0.41%

Issue Date	Amount	Maturity	Rate of Interest
May 2013	2,000mn yen	7 years	1.26%
Feb. 2014	2,000mn yen	7 years	0.69%

Change in LTV (appraisal value basis) and total interest-bearing debt cost



(Note) "Total interest-bearing debt cost" is calculated as sum of interest expenses, interest expenses on investment corporation bonds, borrowing expenses, and amortization of investment corporation bond issuance costs, annualized and divided by average interest-bearing debt balance during each period.

1-5 Investment highlights

Advantage of Mori Hills REIT (1) Upward trend in dividends



DPU simulations (as of March 14, 2014)

Impact of lower interest rates due to improved LTV
(assuming interest-bearing debt of 126.2 billion yen) (Note)

Decrease in interest rate					
△0.1%		△0.2%		△0.3%	
Distributable profit/period	DPU	Distributable profit/period	DPU	Distributable profit/period	DPU
+63mn	+¥45	+126mn	+¥91	+189mn	+¥136

(Note) This simulation shows the change in financial costs on MHR's earnings with a simplified calculation assuming the other conditions remained constant. The actual results may differ from this simulation.

Financing figures

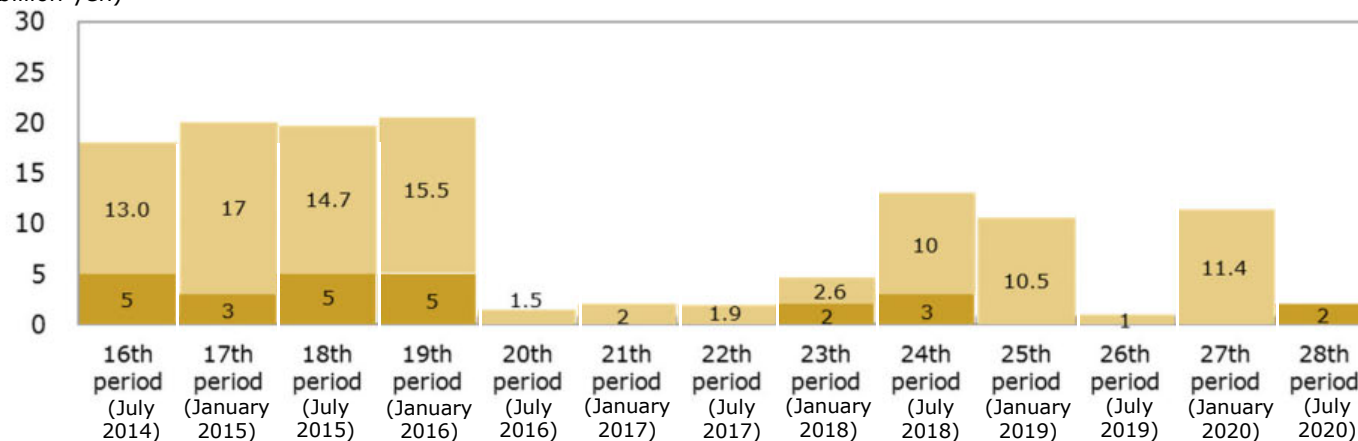
	End of 14th period Jul. 31, 2013	End of 15th period Jan. 31, 2014
Debt Balance	116,762mn yen	126,200mn yen
LTV(total assets basis) (Note 1)	48.5%	48.0%
LTV(appraisal value basis) (Note 2)	50.9%	49.3%
Avg. remaining duration	1.95 years	2.40 years

(Note 1) LTV(book value basis) is calculated as [Interest bearing debt/Total assets]

(Note 2) LTV(appraisal value basis) is calculated as [Interest-bearing debt/Appraisal value based total assets (Total assets+Total appraisal value–Total book value)]

Overview of maturity (as of January 31, 2014)

(billion yen)



■ Long-term ■ Investment corporation bonds

Rating

Japan Credit Rating (JCR)
Long-term issuer rating:
AA- (Stable)

1-6 Investment highlights

Advantage of Mori Hills REIT (1) Upward trend in dividends



Overview of fixed rent master lease properties by the sponsor

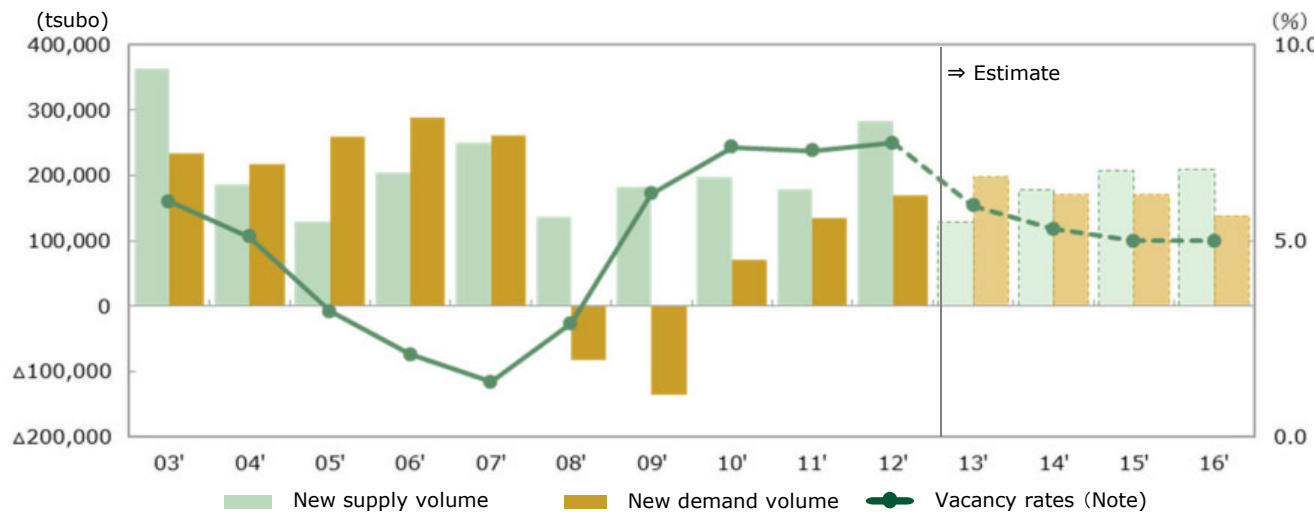
Property	Monthly rent (mn yen)	% of portfolio total rent (Note 1)	Next rent revision	Expiration of the lease agreement	No. of tenants (office) (Note 2)
Roppongi Hills Mori Tower (4 floors)	195.7	20.6%	- Aug. 2016	Sep. 2018 Jul. 2021	5
ARK Mori Building (8 floors + DHC)	211.9	22.3%	Feb./Apr./Aug. 2016 Apr. 2018	Jan. 2021 Mar. 2023	42
Akasaka Tameike Tower (8 office floors+88 residential units)	111.1	11.7%	Apr./Aug. 2016	Mar. 2021 Mar. 2026	9
Atago Green Hills (approx. 32.9% of entire property)	185.2	19.5%	May 2017	Apr. 2022	64
Total	704.0	74.2%			



Expand portfolio and decrease the ratio of fixed rent master lease in the mid-long term

(Note 1) Figures reflect the situation of tenants as of February 26, 2014 including move in/out and rent revision.
 (Note 2) It is based on monthly number of tenants who are actually using the floor areas as of January 31, 2014.

New supply & demand volume (Tokyo's 23 wards)



Outlook for office rental market trends

- While the central Tokyo office supply will steadily increase, new demand is solid and the decrease in vacancy rate is expected to continue
- Increase in new rents and upward rent revisions of existing tenants were concentrated in S and A class buildings recently, and rents are expected to remain on an upward trend

(Source) Created by the asset manager based on the "Mid-term Office Market Forecast of Tokyo's 23 wards in 2013 (Standard scenario)" of CBRE K.K.

(Note) Vacancy rate is the figure that indicates the balance between supply and demand as of each December. Specifically, it is calculated using the formula (Vacant floor area/Leased floor area) × 100 (vacant floor area is limited to where tenants can move in immediately).

1-7 Investment highlights

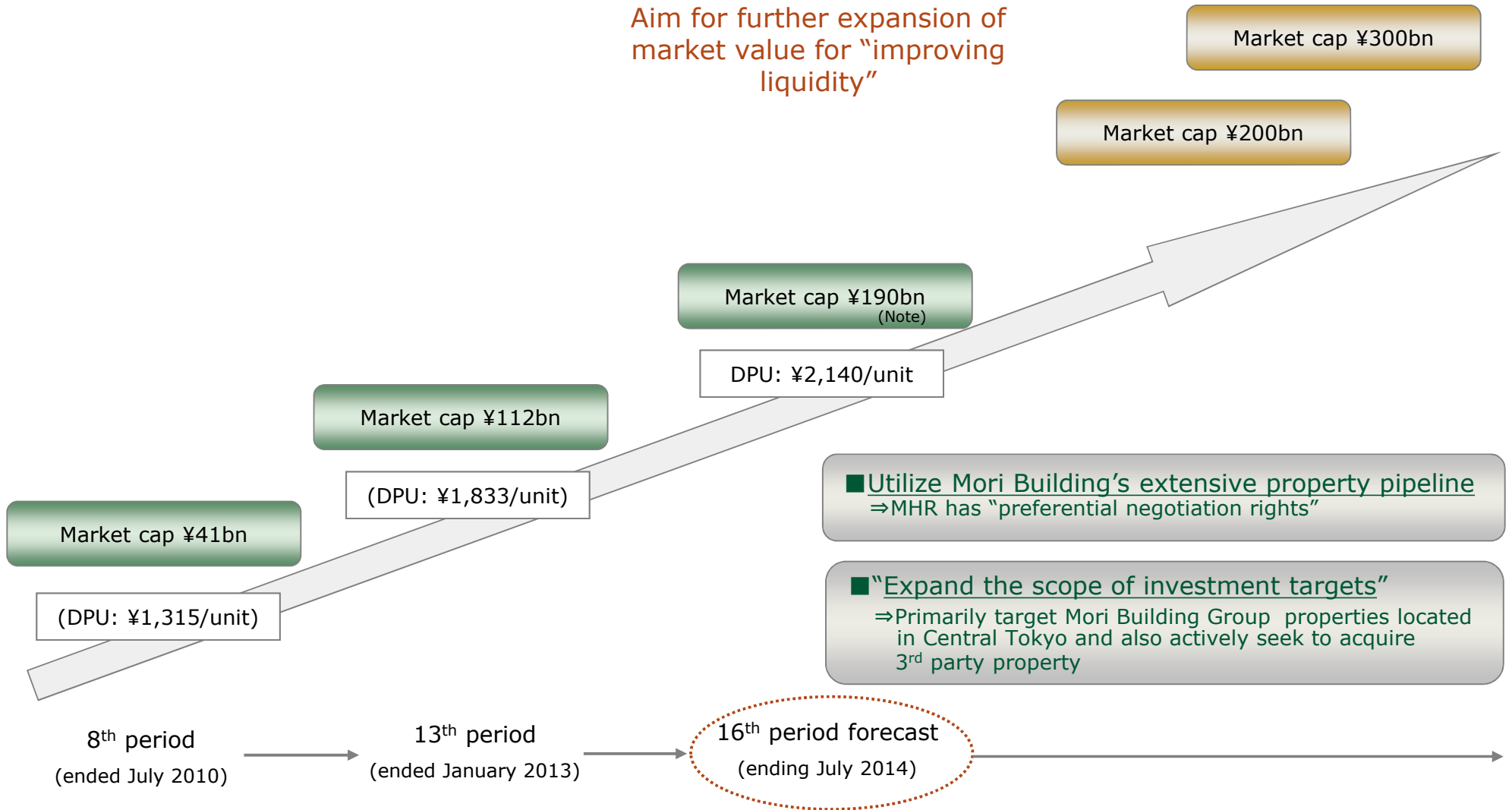
Advantage of Mori Hills REIT (2) Increasing trend in market value



“Turnaround Phase”

“External Growth Phase” based on the New 2013 Management Policy

Aim for further expansion of market value for “improving liquidity”



(Note) Market cap is based on MHR’s unit price of March 10, 2014.

1-8 Investment highlights

Advantage of Mori Hills REIT (2) Increasing trend in market value



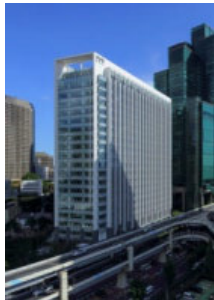
Mori Building's extensive property pipeline

- Total assets of 1.3 trillion yen as of March 2013
- 111 buildings for lease as of March 2013

When Mori Building sells properties, MHR has "preferential negotiation rights" (Note 1)

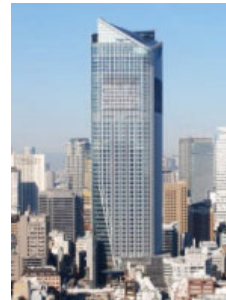
New redevelopment by Mori Building

A. ARK Hills South Tower



- a) Approx. 5,846m²
- b) Approx. 55,033m²
- c) Office/retail/parking
- d) Mori Building Co., Ltd.
- e) Sep. 2013

B. Toranomon Hills



- a) Approx. 17,069m²
- b) Approx. 244,360m²
- c) Office/residential/hotel/retail/conference/parking
- d) Tokyo Metropolitan Government (Note 2)
- e) May 2014 (planned)

- a) Land area b) Total floor area c) Uses
- d) Operator e) Completion date

Mori Building's Involvement in Projects in the Akasaka/Roppongi and Toranomon Areas



In operation
Planning /Under construction

MHR (Note 3) Mori Building Group (Note 4)

(Source) Prepared by the Asset Management Company based on Mori Building's "Mori Building Handy Map Mori Building Map/Home Route Support Map 2014"

(Note 1) Some exemptions included.

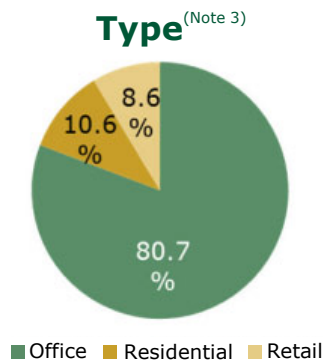
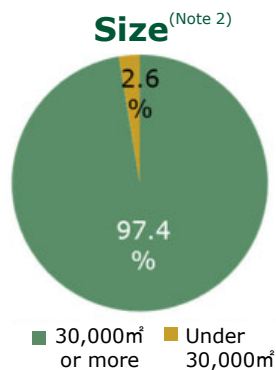
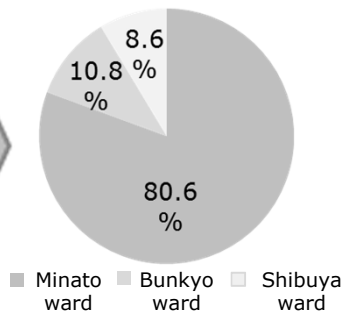
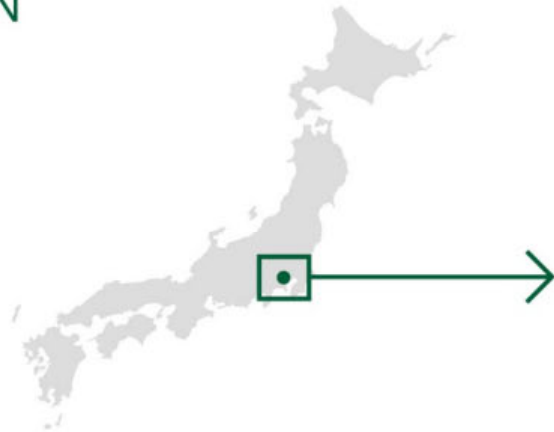
(Note 2) Mori Building was appointed as a distinct developer.

(Note 3) Some of the above were partially acquired or are held by MHR.

(Note 4) Properties are developed, owned, managed and planned for development by Mori Building Group, and there are no properties to be acquired as of the date of this material.

Portfolio focused on large properties in Central Tokyo

JAPAN



Central Five Wards of Tokyo



(Note 1) The ratios represent proportion of acquisition price to total acquisition price.

(Note 2) Chart showing "Size" does not include Laforet Harajuku (land).

(Note 3) For calculation of breakdown by type, acquisition price for Akasaka Tameike Tower and Atago Green Hills are divided into offices and residences.

1-10 Investment highlights

Advantage of Mori Hills REIT (3) High quality of portfolio



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Competitive strength of Central Tokyo

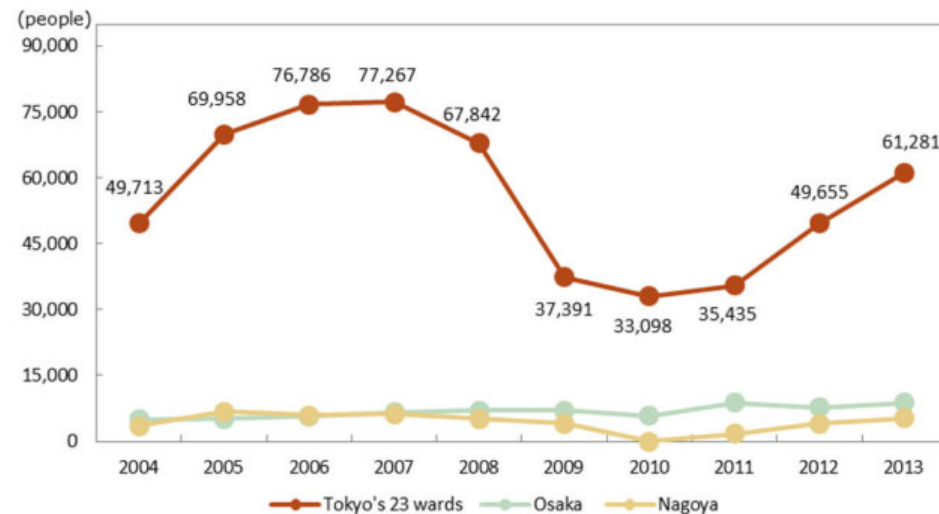
Comparison of GDP and population among major cities around the world



(Source) Prepared by the Asset Management Company based on "Global Power City Index Yearbook 2013" of Institute for Urban Strategies, the Mori Memorial Foundation

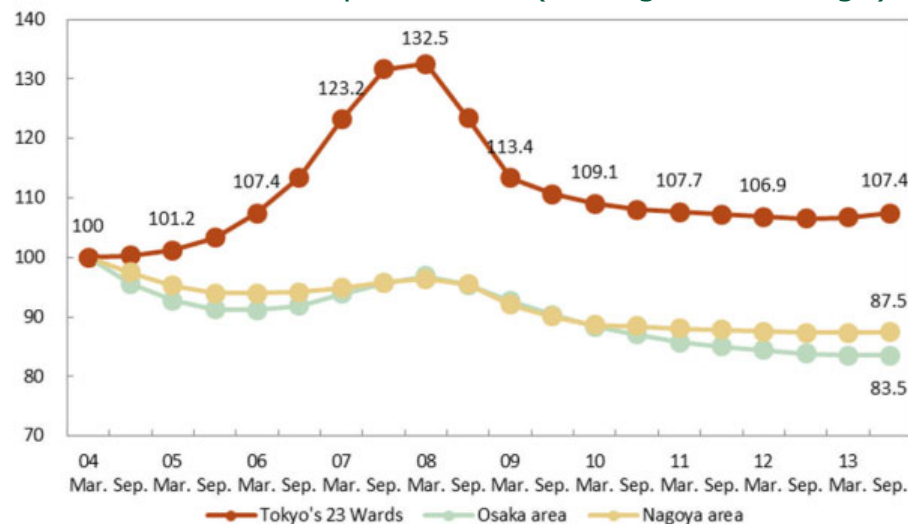
(Note) Targeted areas of the cities are administrative districts and the "23 wards" for "Tokyo."

Trend of net migration growth



(Source) Prepared by the Asset Management Company based on "Report on Internal Migration in Japan" of Statistics Bureau, the Ministry of Internal Affairs and Communications

Trend of urban land price index (average of all usage)



(Source) Prepared by the Asset Management Company based on "Urban Land Price Index" of Japan Real Estate Institute

- Tokyo is one of the largest cities in the world in terms of GDP and population
- Tokyo's 23 wards consistently achieve net population growth and continue to attract migration from other parts of Japan
- However, caution is required when making investments at times of significant increase in asset prices and MHR intends to take a cautious acquisition stance

Competitive strength of Central Tokyo

Tokyo 2020 Olympic Economic Impact

Economic impact (Economic production generated: analysis by Tokyo Metropolitan Government)

Tokyo prefecture	Rest of Japan	Japan total amount
1,675bn yen	1,285bn yen	2,960bn yen

(Source) Prepared by the Asset Management Company based on the website of Tokyo Metropolitan Government

Additional economic impact (Economic production generated: analysis by Institute for Urban Strategies, the Mori Memorial Foundation)

Item	Breakdown	Japan total amount
Direct increases in demand	Net increase in foreign tourist visits	335bn yen
	Construction of accommodations	1,030bn yen
Accelerated urban development	Infrastructure construction	1,259bn yen
	Private sector real estate development	1,183bn yen
New business creation	Net increase in employment	2,798bn yen
	New business creation by overseas entities	2,279bn yen
"Feelgood factor" impact on consumer confidence and spending	Personal consumption expansion	7,504bn yen
Total		16,391bn yen

(Source) Prepared by the Asset Management Company based on "2020 Tokyo Olympics' National Economic Impact" by Institute for Urban Strategies, the Mori Memorial Foundation

"20 trillion yen combined total economic impact for Japan"
"Acceleration of infrastructure development in Central Tokyo"

Creation of National Strategic Special Zones

- ✓ As a breakthrough to force through bold regulatory reforms, etc. and to realize the Japanese government's growth strategy, the government will create National Strategic Special Zones
- ✓ Act on National Strategic Special Zones enacted in December 2013
- ✓ 2020 Tokyo Olympics targeted as a mid-term goal for National Strategic Special Zones' progress

"Creating the most business-friendly environment in the world"

[Examples of items considered as regulatory and other reforms for National Strategic Special Zones]

- Review of regulations on land use, such as floor-area ratios and usage (to promote living in the city center)
- Improvement of medical services targeting foreigners (including lifting ban on diagnosis made by foreign doctors)
- Employment system reform (including special exceptions on limited term employment)

(Source) Prepared by the Asset Management Company based on the website of Prime Minister of Japan and His Cabinet

"Central Tokyo is a top candidate for special zoning designation"

1-12 Investment highlights

Advantage of Mori Hills REIT (3) High quality of portfolio



Superior earthquake-resistance

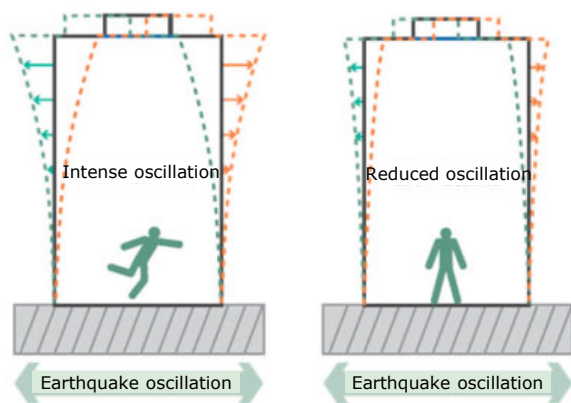
MHR properties' PML and earthquake-resistant features (as of January 31, 2014)

Lowest portfolio PML of all listed J-REITs : 0.71%

Property Name	Office building			Office building (Partly residential)			Residential				
	Roppongi Hills Mori Tower	ARK Mori Building	Koraku Mori Building	Akasaka Tameike Tower	Atago Green Hills		Moto-Azabu Hills		Roppongi First Plaza	Roppongi View Tower	
					MORI Tower	Forest Tower	Plaza	Forest Tower	Forest Terrace East		
PML	0.29%	0.38%	0.42%	2.15%	1.66%	0.99%	9.84%	1.16%	1.72%	3.53%	3.53%
Earthquake-resistant feature	Seismic damping	Seismic damping	Seismic damping	Seismic damping	Seismic damping	Seismic damping	-	Seismic isolators	Seismic isolators	-	-

Seismic damping

Minimize the level of oscillation



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

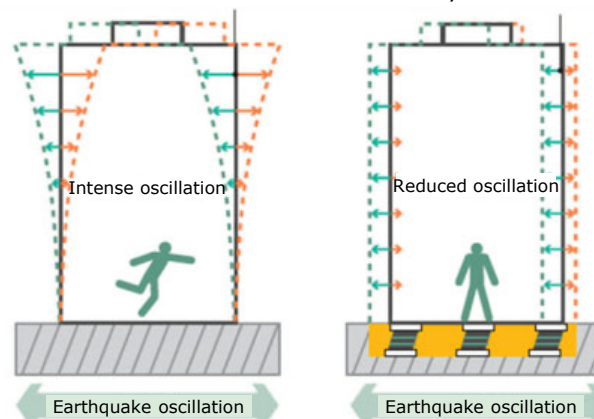


Viscous seismic damping wall

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

Seismic isolators

Oscillate slowly and horizontally



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



Seismic isolators

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

1-13 Investment highlights

Advantage of Mori Hills REIT (3) High quality of portfolio



Superior environmental performance

Acquisition of Highest Rank in CASBEE Real Estate Certification System for Pilot Evaluation

- The Comprehensive Assessment System for Built Environment Efficiency (CASBEE) was established under the leadership of the Ministry of Land, Infrastructure, Transport and Tourism to appropriately identify and evaluate profit-oriented real estate such as office buildings which have high environmental performance and value.
- MHR acquired rank S (the highest rank) ratings for Roppongi Hills Mori Tower, ARK Mori Building and Atago Green Hills (MORI Tower) and a rank A rating for Koraku Mori Building.



Roppongi Hills Mori Tower

Rank S: ★★★★★



ARK Mori Building

Rank S: ★★★★★



Atago Green Hills MORI Tower

Rank S: ★★★★★



Koraku Mori Building

Rank A: ★★★★★

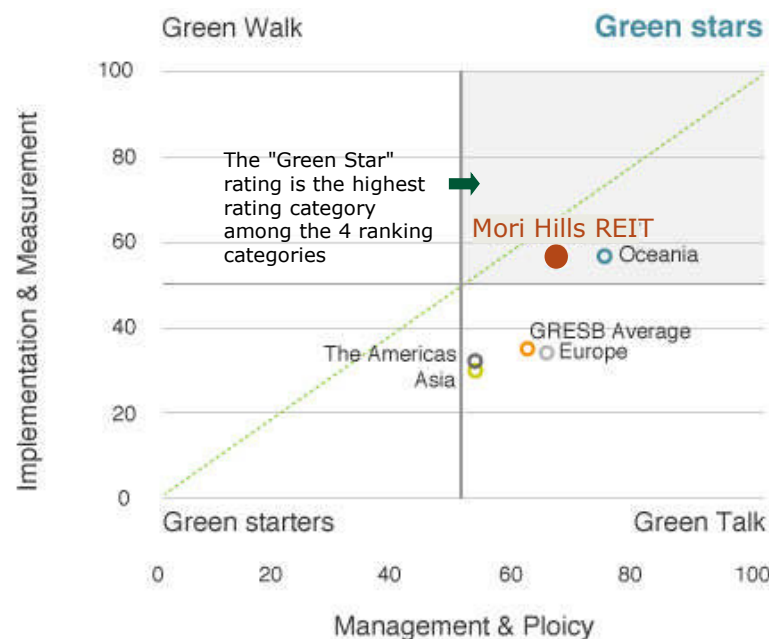
Acquired GRESB Green Star Rating

For the second consecutive year, MHR received the Green Star rating in the Global Real Estate Sustainability Benchmark (GRESB) survey.



GRESB is a benchmark that measures the sustainability performance of real estate companies and real estate management institutions based on a questionnaire survey conducted by the GRESB foundation, composed primarily of European pension fund groups.

<GRESB Four-Quadrant Model Scores by Region>



(Source) Created by the asset manager based on the "2013 GRESB Report" of the Global Real Estate Sustainability Benchmark (GRESB)

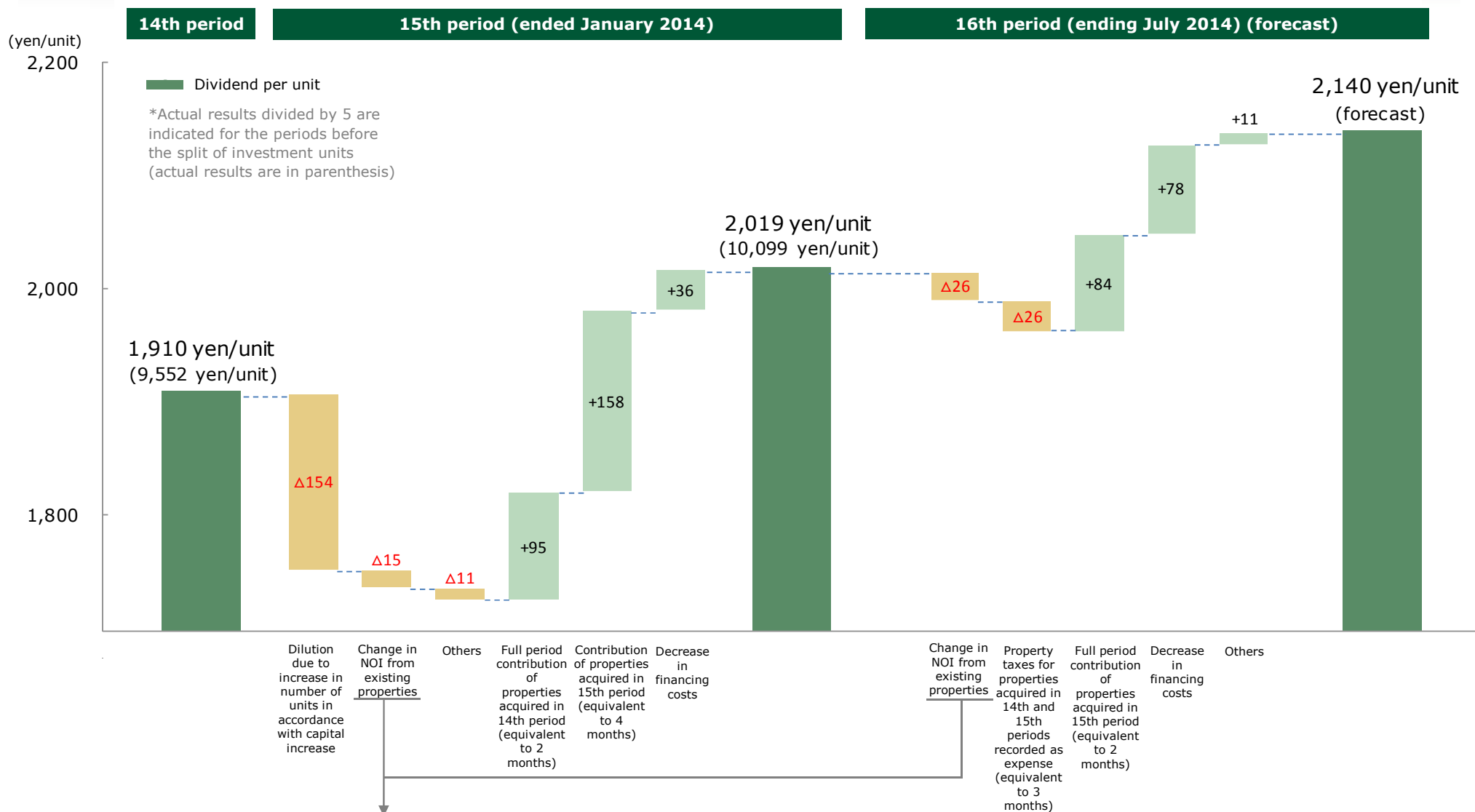
2. 15th period (ended January 2014) financial highlights

2-1 15th period (ended January 2014) financial highlights

Factors that led to changes in dividend per unit from the previous fiscal period



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Major factors behind change in NOI from existing properties :

- Downward revision of land fee from Laforet Harajuku (land) (as of October 1, 2013)
- Reduction of NOI due to change in scheme for Roppongi View Tower (as of November 1, 2013)
- Rent increase due to the ending of free rent period at Koraku Mori Building

(Note 1) Factors that led to change are arrived at by dividing the change from the previous fiscal period by 1,384,925 units and indicated as approximate figure in yen.

(Note 2) Dilution due to increase in number of units in accordance with the capital increase are arrived at by multiplying the dividend for the 14th period by the number of units newly issued in the 15th period (111,825 units) and dividing by 1,384,925 units and indicated as approximate figure in yen.

2-2 15th period (ended January 2014) financial highlights

Financial summary



(million yen)

	Actual		Difference	
	14th period	15th period	15th - 14th period	
	181 days	184 days		
Operating revenue	5,052	5,610	557	11.0%
Rent revenue of real estate	4,949	5,489	540	10.9%
Rent and common area revenue	4,945	5,486	540	10.9%
Office	3,524	4,057	533	15.1%
Residential	717	738	21	2.9%
Retail	57	64	7	12.6%
Land	646	625	△ 21	△ 3.3%
Other rent revenue	3	3	0	4.6%
Other rent revenue of real estate	103	120	17	16.6%
Operating expenses	1,621	1,819	198	12.2%
Expenses of real estate rent	1,358	1,529	170	12.6%
SG&A	262	290	27	10.5%
Operating income	3,430	3,790	359	10.5%
Non-operating income	4	10	5	126.8%
Non-operating expenses	1,002	1,002	△ 0	△ 0.0%
Interest expenses	700	704	3	0.5%
Other non-operating expenses	301	297	△ 3	△ 1.2%
Non-operating income/expenses	△ 997	△ 991	5	0.6%
Ordinary income	2,433	2,798	365	15.0%
Income before income taxes	2,433	2,798	365	15.0%
Total income taxes	0	0	△ 0	△ 4.5%
Net income	2,432	2,797	365	15.0%
Profit on real estate rental	3,693	4,080	386	10.5%
Depreciation and amortization	726	810	83	11.5%
NOI	4,420	4,890	470	10.6%
NOI yield	4.0%	4.0%	△ 0.0PT	△ 0.5%
Acquisition price (weighted average based on the number of operating days during the period) (Note)	224,297	245,456	21,159	9.4%
Total units outstanding (units)	254,620	276,985	22,365	8.8%
Dividend/unit (yen)	9,552	10,099	547	5.7%

Acquisition of Roppongi Hills Mori Tower in 15th period	+380
Acquisition of Atago Green Hills in 14th period (Difference in operating days)	+97
Acquisition of ARK Mori Building in 14th period (Difference in operating days)	+35
Koraku Mori Building	+19
Acquisition of Atago Green Hills in 14th period (Difference in operating days)	+40
Roppongi View Tower	△13
Roppongi First Plaza	△4
Laforet Harajuku (land)	△21
Utilities revenue, etc.	+13
Acquisition of Roppongi Hills Mori Tower in 15th period	+119
Acquisition of Atago Green Hills in 14th period (Difference in operating days)	+30
Roppongi View Tower	+12
Property taxes, etc.	+24
(Properties acquired in 12th period)	+21
Utilities	+13
Maintenance and repairs	△23
Asset management fees	+25
Interest expenses in 15th period (New borrowings)	+27
Interest expenses in 14th period (Difference in operating days of new borrowings)	+13
Interest expenses (Existing borrowings)	△31
Interest on investment corporation bonds	△6

(Note) If properties are acquired during the period, the acquisition price is the weighted average based on the number of operating days.

2-3 15th period (ended January 2014) financial highlights

Comparison between forecast and results



(million yen)

	15th period			
	Forecasted	Actual	Actual - Forecasted	
	184 days	184 days		
Operating revenue	5,617	5,610	Δ 7	Δ 0.1%
Rent revenue of real estate	5,497	5,489	Δ 7	Δ 0.1%
Rent and common area revenue	5,493	5,486	Δ 7	Δ 0.1%
Office	4,057	4,057	0	0.0%
Residential	745	738	Δ 7	Δ 1.0%
Retail	64	64	0	0.1%
Land	625	625	Δ 0	Δ 0.0%
Other rent revenue	3	3	0	1.6%
Other rent revenue of real estate	120	120	0	0.2%
Operating expenses	1,816	1,819	3	0.2%
Expenses of real estate rent	1,539	1,529	Δ 9	Δ 0.6%
SG&A	277	290	13	4.7%
Operating income	3,800	3,790	Δ 10	Δ 0.3%
Non-operating income	1	10	8	493.9%
Non-operating expenses	1,031	1,002	Δ 29	Δ 2.8%
Interest expenses	729	704	Δ 24	Δ 3.4%
Other non-operating expenses	302	297	Δ 4	Δ 1.4%
Non-operating income/expenses	Δ 1,029	Δ 991	37	3.7%
Ordinary income	2,770	2,798	27	1.0%
Income before income taxes	2,770	2,798	27	1.0%
Total income taxes	1	0	Δ 0	Δ 15.6%
Net income	2,769	2,797	27	1.0%
Profit on real estate rental	4,077	4,080	2	0.1%
Depreciation and amortization	810	810	0	0.0%
NOI	4,888	4,890	2	0.1%
NOI yield	4.0%	4.0%	0.0PT	0.1%
Acquisition price (weighted average based on the number of operating days during the period)	245,456	245,456	—	—
Total units outstanding (units)	276,985	276,985	—	—
Dividend/unit (yen)	10,000	10,099	99	1.0%

Moto-Azabu Hills	+2
Roppongi First Plaza	Δ5
Roppongi View Tower	Δ3
Maintenance and repairs	Δ12
Asset management fees	+9
Interest expenses in 15th period (New borrowings)	Δ2
Interest expenses (Existing borrowings)	Δ22

2-4 15th period (ended January 2014) financial highlights

Projection



(million yen)

	Actual	Forecast	Difference	
	15th period	16th period	16th - 15th period	
	184 days	181 days		
Operating revenue	5,610	5,785	175	3.1%
Rent revenue of real estate	5,489	5,674	185	3.4%
Other rent revenue of real estate	120	110	△ 10	△ 8.4%
Operating expenses	1,819	1,944	124	6.9%
Expenses of real estate rent	1,529	1,646	116	7.6%
SG&A	290	298	8	3.0%
Operating income	3,790	3,840	50	1.3%
Non-operating income	10	3	△ 6	△ 63.1%
Non-operating expenses	1,002	879	△ 123	△ 12.3%
Interest expenses	704	639	△ 65	△ 9.3%
Other non-operating expenses	297	240	△ 57	△ 19.5%
Non-operating income/expenses	△ 991	△ 875	116	11.8%
Ordinary income	2,798	2,964	166	6.0%
Income before income taxes	2,798	2,964	166	6.0%
Total income taxes	0	1	0	18.5%
Net income	2,797	2,963	166	6.0%
Profit on real estate rental	4,080	4,139	58	1.4%
Depreciation and amortization	810	839	29	3.6%
NOI	4,890	4,978	87	1.8%
NOI yield	4.0%	4.0%	0.0PT	0.5%
Acquisition price (weighted average based on the number of operating days during the period)	245,456	252,716	7,260	3.0%
Total units outstanding (units)	276,985	1,384,925	1,107,940	400.0%
Dividend/unit (yen)	(before split)	(10,700)	601	6.0%
	(after split)	(2,019)	2,140	121

Acquisition of Roppongi Hills Mori Tower
in 15th period (Difference in operating days) +190

Koraku Mori Building +10
Roppongi View Tower △7
Laforet Harajuku (land) △10

Utilities revenue, etc. △9

Acquisition of Roppongi Hills Mori Tower
in 15th period (Difference in operating days) +59

Roppongi View Tower +10

Property taxes, etc. +37
(Properties acquired in 14th and 15th period +36)
Maintenance and repairs +14
Utilities △7

Interest expenses in 15th period (Difference
in operating days of new borrowings) +12
Interest expenses (Existing borrowings) △66
Interest on investment corporation bonds △11

Borrowing expenses △27
Investment unit issuance expenses △31

Rent revenue of Koraku Mori Building +7
Rent revenue of Roppongi View Tower △5
Utilities revenue, etc. +10

Property taxes, etc. +38
(Properties acquired in 14th and 15th period +36)
Utilities +8
Depreciation and amortization △22
Maintenance and repairs △8

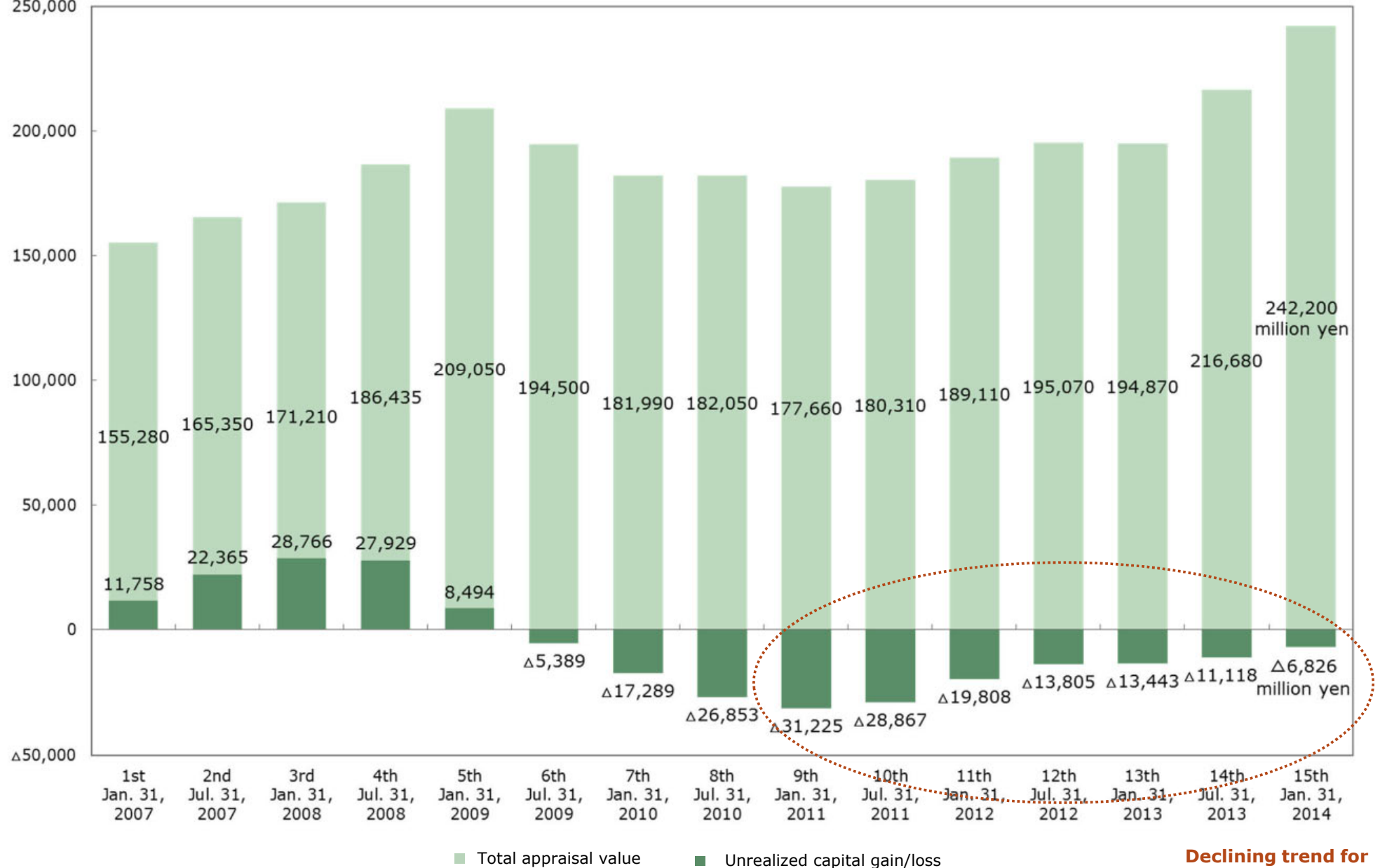
Interest expenses △51
Interest on investment corporation bonds △7
Borrowing expenses △18

	Forecast	Forecast	Difference	
	16th period	17th period	17th - 16th period	
	181 days	184 days		
Operating revenue	5,785	5,797	12	0.2%
Operating expenses	1,944	1,952	7	0.4%
Operating income	3,840	3,845	4	0.1%
Non-operating income	3	2	△ 1	△ 42.1%
Non-operating expenses	879	799	△ 79	△ 9.1%
Ordinary income	2,964	3,047	83	2.8%
Net income	2,963	3,046	83	2.8%
Total units outstanding (units)	1,384,925	1,384,925	—	—
Dividend/unit (yen)	2,140	2,200	60	2.8%

3. Operation highlights

3-1 Operation highlights Change in total appraisal value

(million yen)
250,000



Declining trend for "unrealized loss"

3-2 Operation highlights Appraisal value

(million yen)

Main type	Property name	Property No.	Acquisition price	Book value	As of end of 14th period (July 31, 2013)		As of end of 15th period (January 31, 2014)				Difference (B) - (A)	Difference (B)/(A) - 1	Unrealized capital gain (B)-book value
					(A) Appraisal value	Yield (direct capitalization method)	(B) Appraisal value	Yield (direct capitalization method)	Discount (DCF)	Terminal yield (DCF)			
Office	Roppongi Hills Mori Tower	O-0	47,390	46,999	29,500	3.8%	54,200	3.7%	3.4%	3.9%	24,700	83.7%	7,200
	ARK Mori Building	O-1	62,480	61,768	59,000	3.9%	59,000	3.9%	3.6%	4.1%	0	0.0%	△ 2,768
	Koraku Mori Building	O-4	27,200	25,611	21,200	4.5%	21,600	4.4%	4.0%	4.7%	400	1.9%	△ 4,011
	Akasaka Tameike Tower	O-6	43,930	42,755	30,100	4.0%	30,200	4.0%	3.7%	4.2%	100	0.3%	△ 12,555
	Atago Green Hills	O-7	42,090	42,031	45,800	4.1%	45,800	4.1%	3.6%	4.3%	0	0.0%	3,768
	Sub total			223,090	219,167	185,600	-	210,800	-	-	-	25,200	13.6%
Residential	Moto-Azabu Hills	R-1	1,706	1,646	1,730	4.6%	1,760	4.5%	4.1%	4.7%	30	1.7%	113
	Roppongi First Plaza	R-3	2,100	2,256	1,510	5.1%	1,560	5.0%	4.8%	5.2%	50	3.3%	△ 696
	Roppongi View Tower	R-4	4,000	3,882	2,640	5.2%	2,280	5.1%	4.9%	5.3%	△ 360	△ 13.6%	△ 1,602
	Sub total			7,806	7,784	5,880	-	5,600	-	-	-	△ 280	△ 4.8%
Retail, etc.	Laforet Harajuku (land) (Note 2)	S-1	21,820	22,074	25,200	5.0%	25,800	-	4.7%	-	600	2.4%	3,725
	Sub total			21,820	22,074	25,200	-	25,800	-	-	-	600	2.4%
Total			252,716	249,026	216,680	-	242,200	-	-	-	25,520	11.8%	△ 6,826

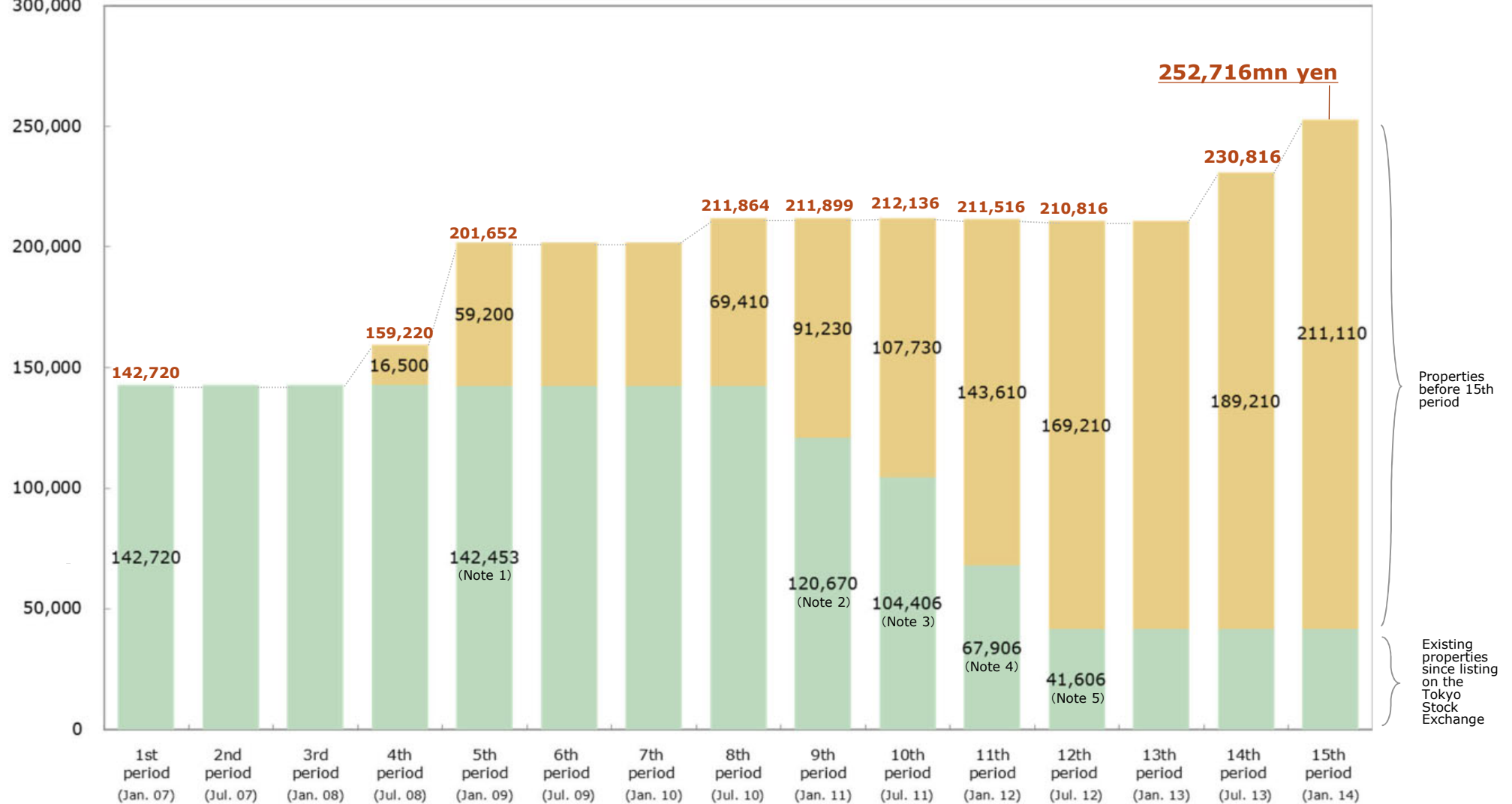
(Note 1) "Appraisal values" as of end of each period are based on the REIT's calculation rules, asset valuation methods & standards defined by the Business Regulation Rules (Kiyaku), defined by the Investment Trust Association, and the property appraisal reports created by Japan Real Estate Institute.

(Note 2) For Laforet Harajuku (Land), value in the "Yield (direct capitalization method)" column for the 14th period shows the discount rate used in the DCF analysis.

3-3 Operation highlights Portfolio overview

Change in assets under management

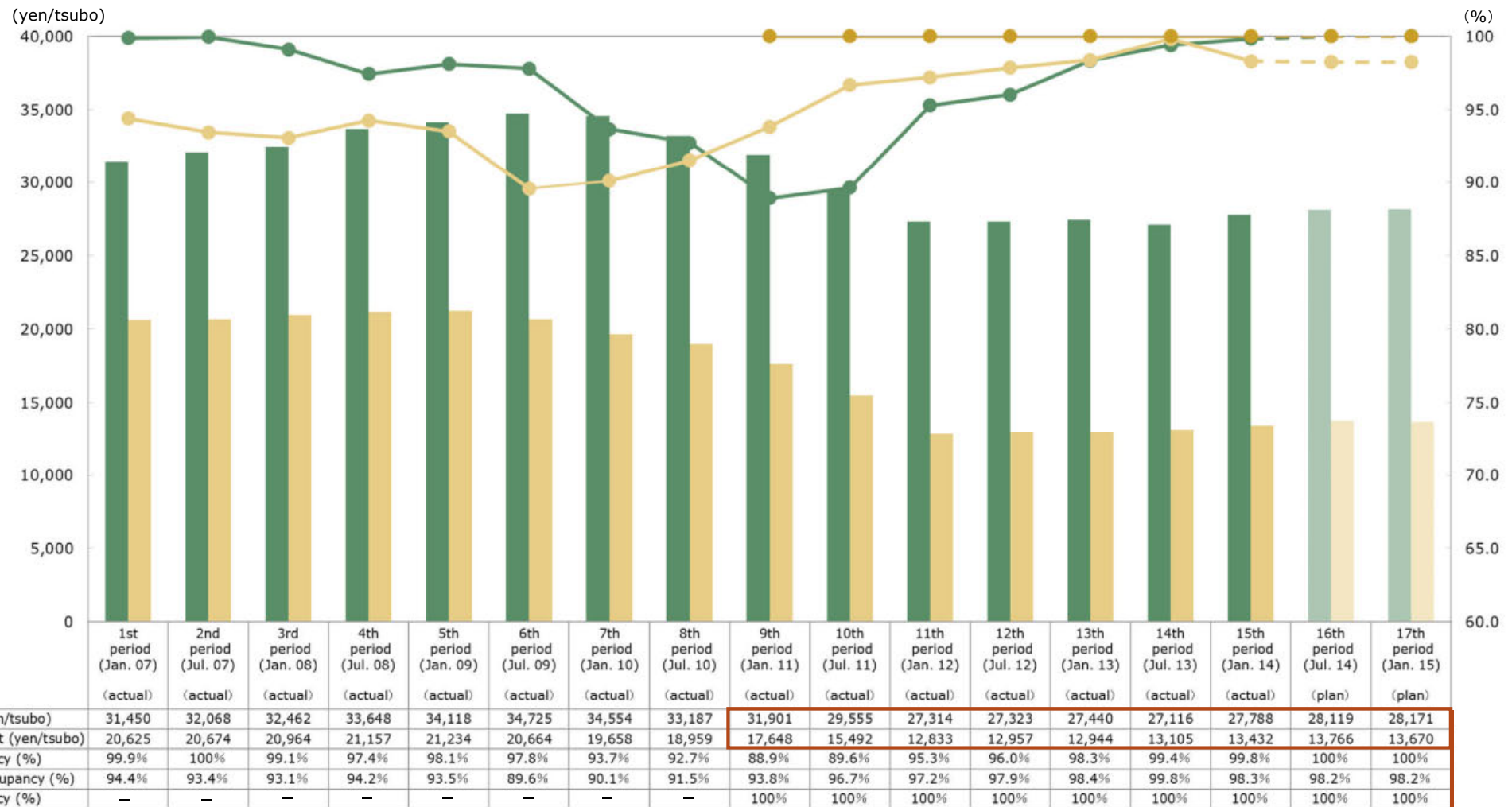
(million yen)
300,000



- (Note 1) MHR sold Moto-Azabu Hills (one residential unit) in the 5th period.
- (Note 2) MHR sold Toranomon 35 Mori Building and Moto-Azabu Hills (42 residential units) in the 9th period.
- (Note 3) MHR sold Moto-Azabu Hills (86 residential units) in the 10th period.
- (Note 4) MHR sold Roppongi Hills Gate Tower in the 11th period.
- (Note 5) MHR sold Roppongi First Building and ARK Forest Terrace in the 12th period.

3-4 Operation highlights

Changes in the rent and occupancy rates



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

- Due to change in composition of properties and lease methods starting in the 9th period, the rent data is less comparable
- Increase in the number of fixed-rent properties with master lease contract from the 9th period helped stabilize and increase rents and occupancy rates

3-5 Operation highlights

Breakdown of rent income and office leasing overview

Result of rent revision - Office

	Monthly rent prior to rent change	Monthly rent after rent change	Increase/decrease in monthly rent	Rate of revision
11th (ended Jan. 2012)	50.3mn yen	40.3mn yen	Δ10.0mn yen	Δ 20.0%
12th (ended Jul. 2012)	N/A	-	-	-
13th (ended Jan. 2013)	N/A	-	-	-
14th (ended Jul. 2013)	36.5mn yen	34.3mn yen	Δ2.1mn yen	Δ 6.0%
15th (ended Jan. 2014)	12.9mn yen	12.1mn yen	Δ0.7mn yen	Δ 6.0%
16th (ending Jul. 2014) or after	22.8mn yen	24.8mn yen	+1.9mn yen	+8.5%

Breakdown of monthly rent revenue and agreement renewal timing

(million yen)

Tenant	Type of lease contract	Total rent per month	Ratio	Agreement renewal timing				
				16th period	17th period	18th period	19th period	20th period-
Office tenant	Limited term	103.0	10.9%	-	16.2	21.2	17.6	47.8
	Traditional	590.9	62.3%	-	-	-	-	590.9
	Total	693.9	73.1%	-	16.2	21.2	17.6	638.8
Residential tenant	Limited term	31.0	3.3%	2.4	3.4	7.5	4.9	12.6
	Traditional	90.9	9.6%	2.1	2.2	-	0.4	86.0
	Total	121.9	12.9%	4.6	5.6	7.5	5.4	98.6
Retail tenant	Corporate land	102.4	10.8%	-	-	-	-	102.4
	Traditional	17.9	1.9%	-	-	-	-	17.9
	Total	120.3	12.7%	-	-	-	-	120.3
Sub total		936.3	98.6%	4.6	21.9	28.7	23.0	857.9
Retail, parking, and others		12.9	1.4%					
Total		949.2	100%					

(Note) Figures reflect the situation of tenants as of February 26, 2014 including move in/out and rent revision.

Difference in current office rent and market rent

(million yen)

	Comparison to market rents More than 10%	Comparison to market rents 10%~Δ10%	Comparison to market rents Less than Δ10%	Total
Total rent per month	-	648.6	45.3	693.9
Ratio	-	93.5%	6.5%	100%

(Note 1) Figures reflect the situation of tenants as of February 26, 2014 including move in/out and rent revision.

(Note 2) Market rents are determined by the asset manager based on the capitalized value used for appraisal of properties at the end of the 15th period as reported in the research report.

Tenant Contribution by Industry Type (Office)



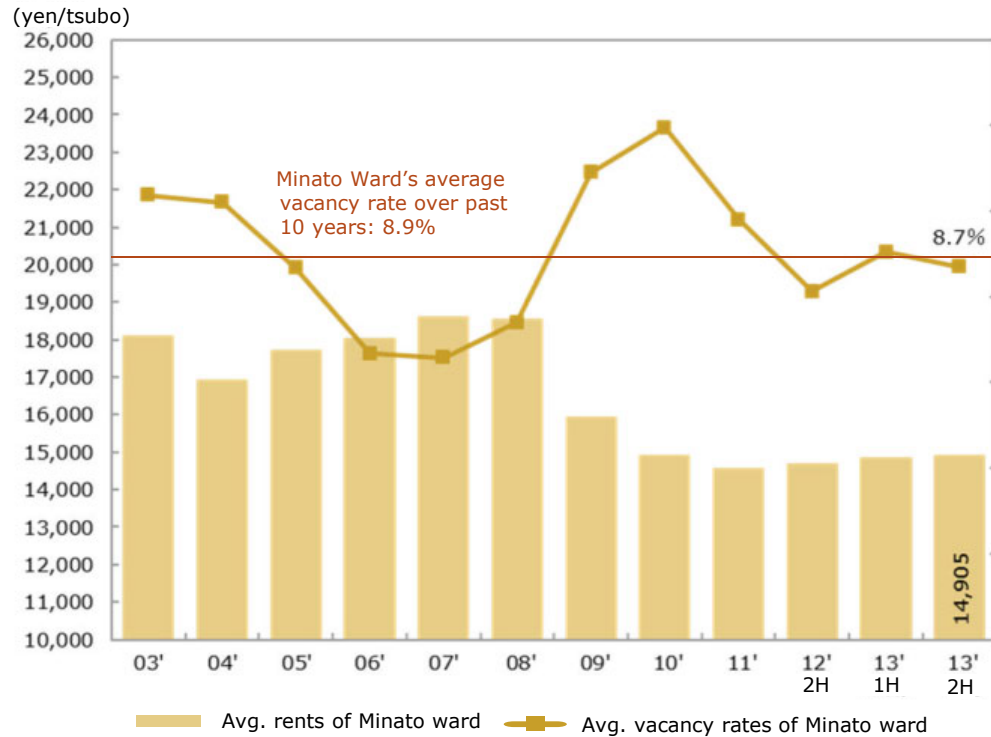
(Note 1) Ratios are based on monthly rents which reflect move in/out finalized as of February 26, 2014.

(Note 2) As for fixed rent master lease, ratios are based on monthly rents of tenants who are actually using the floor areas as of January 31, 2014. As for co-ownership properties, ratios are calculated by multiplying by co-ownership interest.

(Note 3) Business types are classified by the Asset Management Company.

3-6 Operation highlights Luxury residential market

Change in rents and vacancy rates of luxury housing



(Source) Created by the asset manager based on Ken Real Estate Investment Advisors' "Ken Residential Market Report" included in real estate appraisal reports by Japan Real Estate Institute regarding properties held by MHR.

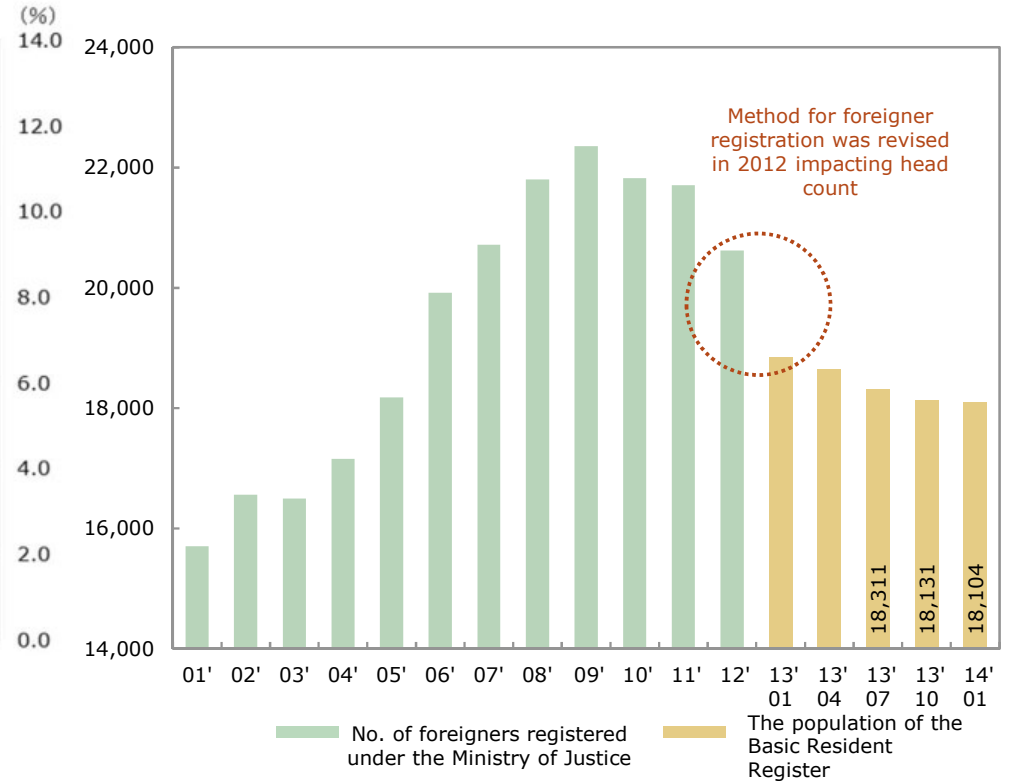
(Note 1) Includes data on rental housing with monthly rent of more than JPY 300,000 or exclusively owned area of more than 30 tsubo.

(Note 2) Average vacancy rate of Minato ward (annualized) indicates the average during the period from Jan. to Mar., from Apr. to Jun., from Jul. to Sep., and from Oct. to Dec. each year. Average contracted rent of Minato ward indicates annual average.

As for average rent and average vacancy rate of Minato ward on a quarter basis, the period from Jan. to Jun. is indicated as 1H, and the period from Jul. to Dec. as 2H. As for 1H, average of the period from Jan. to Mar. and that of the period from Apr. to Jun. is indicated, and as for 2H, average of the period from Jul. to Sep. and that of the period from Oct. to Dec. is indicated. Average rent of Minato ward is indicated annual average.

- The vacancy rate of the luxury housing rental market in Minato Ward has gravitated to around the average of the past 10 years, and rents are increasing.

Change in number of foreign residents in Minato ward



(Source) Created by the asset manager based on "Number of registered foreign residents" prepared by Statistics Division Bureau of General Affairs of Tokyo

(Note 1) "Population of foreigners" was the number of foreigners registered under the Ministry of Justice until July 2012. However, as the foreigner registration system was abolished based on revision of the law, the figure is the population of the Basic Resident Register from October 2012. Therefore, the data may not be consistent.

(Note 2) Population of foreigners as of January 1 of each year is used for the year-based figures.

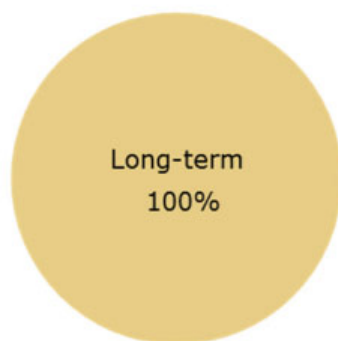
- Although the population of foreigners is on a declining trend, MHR's residential properties are maintaining occupancy rates by capitalizing on demand from Japanese.

3-7 Operation highlights

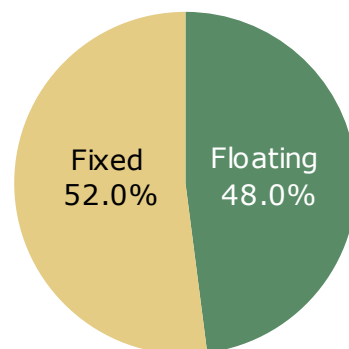
Financial overview (As of January 31, 2014)

Long and short-term debt ratio/Fixed rate ratio

Long and short-term
debt ratio
(End of 15th period)



Fixed rate ratio
(End of 15th period)



Major financial indicator

	End of 14th period (July 31, 2013)	End of 15th period (January 31, 2014)
Debt Balance	116,762mn yen	126,200mn yen
Short-term loan	1,000mn yen	—
Long-term loan	90,762mn yen	101,200mn yen
Investment corporation bonds	25,000mn yen	25,000mn yen
LTV (total assets basis) (Note 1)	48.5%	48.0%
LTV (appraisal value basis) (Note 2)	50.9%	49.3%
DSCR (Note 3)	5.5x	6.1x
Avg. remaining duration	1.95 years	2.40 years
Weighted avg. interest rate	1.21%	1.03%

Outstanding balances

Lenders	Balance	Ratio
Mizuho Bank, Ltd.	14,864mn yen	14.7%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	14,864mn yen	14.7%
Mitsubishi UFJ Trust and Banking Corporation	14,864mn yen	14.7%
Sumitomo Mitsui Banking Corporation	14,241mn yen	14.1%
Sumitomo Mitsui Trust Bank, Limited	12,067mn yen	11.9%
Aozora Bank, Ltd.	5,250mn yen	5.2%
Development Bank of Japan, Inc.	4,950mn yen	4.9%
The Norinchukin Bank	4,700mn yen	4.6%
The Bank of Fukuoka, Ltd.	4,500mn yen	4.4%
Resona Bank, Limited.	3,000mn yen	3.0%
Shinsei Bank, Ltd.	2,900mn yen	2.9%
The Hiroshima Bank, Ltd.	1,500mn yen	1.5%
Mizuho Trust & Banking Co., Ltd.	1,500mn yen	1.5%
The Oita Bank, Ltd.	1,000mn yen	1.0%
ORIX Bank Corporation	1,000mn yen	1.0%
Total borrowings	101,200mn yen	100%
Investment corporation bonds	25,000mn yen	
Total interest-bearing debt	126,200mn yen	

(Note 1) LTV(book value basis) is calculated as [Interest bearing debt/Total assets]

(Note 2) LTV(appraisal value basis) is calculated as [Interest-bearing debt/Appraisal value based total assets (Total assets + Total appraisal value – Total book value)]

(Note 3) DSCR is calculated as [Net income before interest expenses + Depreciation/Interest expenses]

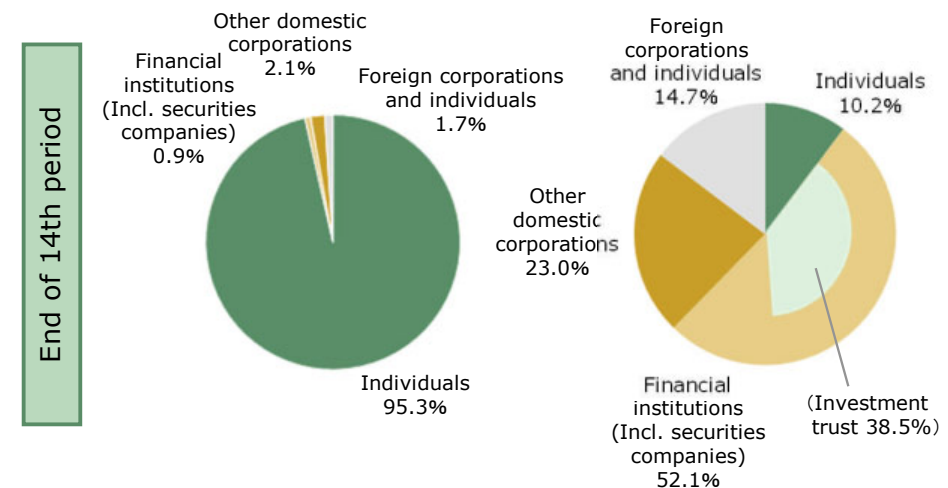
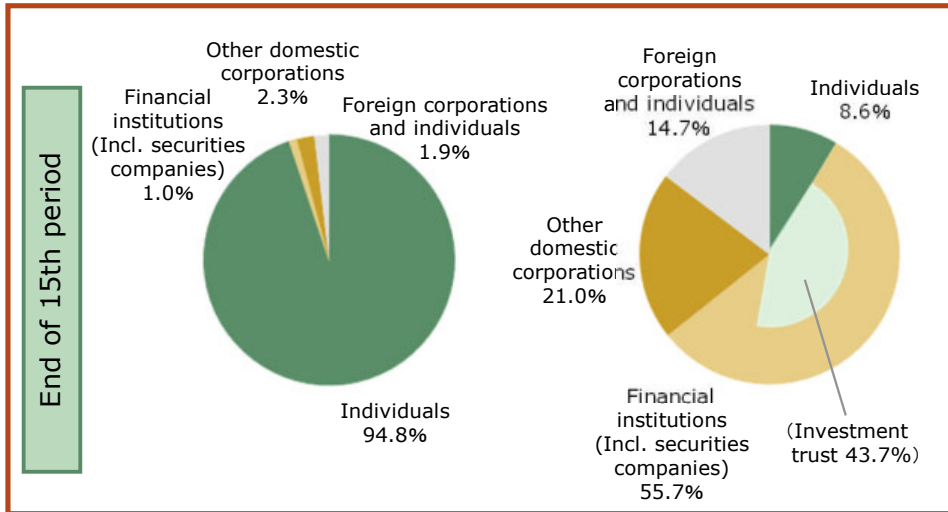
3-8 Operation highlights

Unitholders breakdown (As of January 31, 2014)

Unitholders breakdown

Number of unitholders

Number of investment units



Top 10 unitholders

Rank	Name	No. of units held	Ratio
1	Japan Trustee Service Bank (Trust account)	59,829	21.6%
2	Mori Building Co., Ltd.	48,918	17.7%
3	The Master Trust Bank of Japan, Ltd. (Trust account)	33,741	12.2%
4	Trust & Custody Service Bank of Japan, Ltd. (Securities investment trust account)	21,138	7.6%
5	The Nomura Trust & Banking (Trust account)	14,682	5.3%
6	Nomura Bank (Luxembourg) S.A.	5,523	2.0%
8	Shikoku Railway Company	3,324	1.2%
9	Trust & Custody Service Bank of Japan, Ltd. (Taxable money trust account)	3,220	1.2%
7	The Fuji Fire and Marine Insurance Co., Ltd.	2,664	1.0%
10	State Street Bank and Trust Company 505223	2,528	0.9%
Top 10 unitholders total		195,567	70.6%

4. Appendix

4-1 Sustainability Policy

Sustainability Policy

Mori Hills REIT Investment Corporation and Mori Building Investment Management Co., Ltd. will engage in real estate investment and management, taking into consideration "the environment," "Business Continuity Planning (BCP)" and "maintaining and enhancing asset value," based on the Mori Building Group's "Vertical Garden City" urban design philosophy as the ideal model.

The environment

- Promotion of cities and nature existing in harmony (creation of microcosms of nature through promotion of landscaping, etc.)
- Promotion of low carbon cities (introduction of various energy-efficient systems, etc.)
- Promotion of resource recycling (the 3Rs: reduce, reuse, and recycle)

BCP

- Enhancement of earthquake resistance, disaster supply storage facilities, emergency power sources and other tangible measures
- Enhancement of the property management structure in the event of a disaster and other intangible measures

Maintaining and enhancing asset value

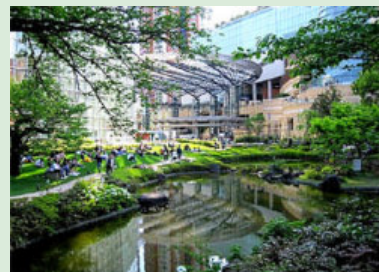
- Investment in high-quality real estate
- Implementation of appropriate asset value enhancement construction work

Common policies

- Compliance and maintenance of management system
- Implementation of sustainability education and awareness of building activities
- Disclosure of sustainability information

Roppongi Hills and ARK Hills certified as "urban oasis" in inaugural year

Roppongi Hills and ARK Hills were selected as certified greenery areas under the "urban oasis" certification system of Organization for Landscape and Urban Green Infrastructure, which evaluates openness, citizenhood and contribution to the environment, in the first fiscal year of the system.



<Environmental Policy >

1. Cities and nature existing in harmony

We create pleasant, verdant spaces where the chirping of birds and the singing of insects can be heard. We do this by leveraging the vertical plane in cities and creating microcosms of nature on the ground so people can commune with nature. Through these spaces we will foster environmental communities for people

2. Low carbon cities

We will create cities with excellent environmental performance by matching energy-efficient systems to compact cities in which diverse urban functions are combined into vertical infrastructure. We will continue efforts to lower carbon emissions from operation through comprehensive, quality management of communities

3. Resource recycling

We aim to build resource-recycling cities by promoting the 3Rs (reduce, reuse, and recycle)

4. Compliance and maintenance of an environmental management system

We will always keep our eyes on the trends in environment-related laws and regulations and adapt to any changes. Also, we will put in place and maintain an environmental management system in order to continuously improve our environmental enhancement activities

5. Environmental education and awareness building activities

We will implement environmental education and awareness building activities for employees in order to improve the effectiveness of our environmental enhancement activities. We will also use our facilities to conduct environmental awareness building activities aimed at facility users

6. Disclosure of environmental information

We will communicate with society by making efforts to disclose information, such as the environmental philosophy and policy, and information about environmental activities

4-2 Financial highlights

Indices	Previous period (14th period) From February 1, 2013 to July 31, 2013	Current period (15th period) From August 1, 2013 to January 31, 2014		
		Before split	After split	
Net income	2,432mn yen	2,797mn yen	2,797mn yen	
Depreciation and amortization	727mn yen	811mn yen	811mn yen	
CAPEX	27mn yen	59mn yen	59mn yen	
Total assets	240,681mn yen	262,881mn yen	262,881mn yen	
Total net assets	115,503mn yen	127,233mn yen	127,233mn yen	
Total net assets/unit (BPS)	453,632 yen	459,351 yen	91,870 yen	Total net assets/Total units outstanding
Unit price (as of end of period)	548,000 yen	679,500 yen	135,900 yen	
Total units outstanding	254,620 yen	276,985 yen	1,384,925 yen	
Total dividends	2,432mn yen	2,797mn yen	2,797mn yen	
Dividend/unit	9,552 yen	10,099 yen	2,019 yen	
Dividend yield	3.5%	2.9%	2.9%	Dividend per unit (annualized)/Unit price as of end of period
FFO	3,159mn yen	3,608mn yen	3,608mn yen	Net income + Depreciation and amortization
FFO/unit	12,408 yen	13,027 yen	2,605 yen	(Net income + Depreciation and amortization)/Total units outstanding
Annualized	25,022 yen	25,842 yen	5,168 yen	
FFO multiple	21.9x	26.3x	26.3x	Unit price as of end of period/FFO per unit (annualized)
PER	28.0x	33.4x	33.4x	Unit price as of end of period/Net income per unit (average during the periods, annualized)
PBR	1.2x	1.5x	1.5x	Unit price as of end of period/Net assets per unit
ROA	1.1%	1.1%	1.1%	Ordinary income/Average of total assets during the period
Annualized	2.1%	2.2%	2.2%	
ROE	2.2%	2.3%	2.3%	Net income/Average of total net assets during the period
Annualized	4.5%	4.6%	4.6%	
NAV	104,385mn yen	120,407mn yen	120,407mn yen	Total net assets + Total appraisal value - Total book value - Total liabilities
NAV/unit	409,963 yen	434,706 yen	86,941 yen	
NAV multiple	1.3x	1.6x	1.6x	Unit price as of end of period/NAV per unit
Interest-bearing debt	116,762mn yen	126,200mn yen	126,200mn yen	
LTV (book value basis)	48.5%	48.0%	48.0%	Interest-bearing debt/Total assets
LTV (appraisal value basis)	50.9%	49.3%	49.3%	Interest-bearing debt/(Total assets + Total appraisal value - Total book value)
Operating days	181 days	184 days	184 days	

(Note 1) 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.

(Note 2) Annualized values are calculated based on a period of 365 days.

4-3 Balance sheet

(thousand yen)

	Previous period (14th period) As of July 31, 2013	Current period (15th period) As of January 31, 2014
Assets		
Current assets	12,407,726	13,232,269
Cash and deposits	3,960,756	3,531,963
Cash and deposits in trust	7,825,875	9,164,640
Other	621,095	535,665
Noncurrent assets	228,196,420	249,588,604
Property, plant and equipment	197,146,693	218,374,316
Intangible assets	30,653,667	30,652,990
Investments and other assets	396,058	561,297
Deferred assets	77,108	60,873
Total assets	240,681,255	262,881,748

(thousand yen)

	Previous period (14th period) As of July 31, 2013	Current period (15th period) As of January 31, 2014
Liabilities		
Current liabilities	35,453,802	39,425,010
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
Other	1,369,302	1,403,010
Noncurrent liabilities	89,723,564	96,223,199
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 liabilities	125,177,367	135,648,210
Net assets		
Unitholders' equity	115,503,888	127,233,537
Unitholders' capital	112,966,437	124,330,988
Total surplus	2,537,451	2,902,549
Voluntary retained earnings	105,244	105,244
Unappropriated retained earnings	2,432,207	2,797,305
Total net assets	115,503,888	127,233,537
Total liabilities and net assets	240,681,255	262,881,748

4-4 Income statement

(thousand yen)

	Previous period (14th period) From February 1, 2013 to July 31, 2013	Current period (15th period) From August 1, 2013 to January 31, 2014	
Operating revenue	5,052,204	5,610,034	
Rent revenue of real estate	4,949,170	5,489,850	
Other rent revenue of real estate	103,034	120,184	Parking revenue 18,858
Operating expenses	1,621,408	1,819,992	Utilities and other revenue 100,995
Expenses of real estate rent	1,358,705	1,529,666	Cancellation penalty 330
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	
Operating income	3,430,796	3,790,042	
Non-operating income	4,539	10,297	
Interest income	840	1,186	
Exclusion gain of unpaid dividend	2,230	7,847	
Interest on refund	607	1,256	
Other	860	7	
Non-operating expenses	1,002,199	1,002,182	
Interest expenses	532,111	542,095	Property management fees 169,071
Interest expenses on investment corporation bonds	168,407	162,100	Property taxes 309,970
Amortization of investment corporation bonds issuance cost	17,558	16,235	Utilities 93,347
Borrowing expenses	243,582	248,417	Maintenance and repairs 15,208
Investment unit issuance cost	38,699	31,128	Insurance premium 11,557
Other	1,840	2,206	Custodian fees 6,955
Ordinary income	2,433,136	2,798,156	Depreciation and amortization 810,627
Income before income taxes	2,433,136	2,798,156	Rent expenses 103,750
Net income	2,432,164	2,797,228	Other lease business expenses 9,177
Unappropriated retained earnings	2,432,207	2,797,305	

4-5 Statement of cash flows/Retained earnings

Statement of cash flows

(thousand yen)

Account	Previous period (14th period) From February 1, 2013 to July 31, 2013	Current period (15th period) From August 1, 2013 to January 31, 2014
I Net cash provided by (used in) operating activities	3,198,785	3,639,332
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	3,903,014	4,362,072
Interest income received	840	1,186
Interest expenses paid	△ 704,090	△ 722,898
Income taxes paid	△ 979	△ 1,027

(thousand yen)

Account	Previous period (14th period) From February 1, 2013 to July 31, 2013	Current period (15th period) From August 1, 2013 to January 31, 2014
II Net cash provided by (used in) investing activities	△ 19,592,045	△ 21,069,888
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 deposited in trust	△ 92,181	△ 24,894
Proceeds from lease and guarantee deposited in trust	742,187	1,020,814
III Net cash provided by (used in) financing activities	18,700,516	18,340,528
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 units	10,916,798	11,333,422
Dividends paid	△ 2,122,893	△ 2,430,394
IV Net increase (decrease) in cash and cash equivalents	2,307,256	909,972
V Cash and cash equivalents at beginning of the period	9,479,375	11,786,631
VI Cash and cash equivalents at the end of the period	11,786,631	12,696,604

Retained earnings

(yen)

Item	Previous period (14th period) From February 1, 2013 to July 31, 2013	Current period (15th period) From 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

4-6 15th period results breakdown by property①

(thousand yen)

Property number	O-0			O-1			O-4			O-6		
Property name	Roppongi Hills Mori Tower			ARK Mori Building			Koraku Mori Building			Akasaka Tameike Tower		
Period	14th (Jul. 2013)	15th (Note 3) (Jan. 2014)	Difference	14th (Note 3) (Jul. 2013)	15th (Jan. 2014)	Difference	14th (Jul. 2013)	15th (Jan. 2014)	Difference	14th (Jul. 2013)	15th (Jan. 2014)	Difference
Operation days	181days	184days	3days	181days	184days	3days	181days	184days	3days	181days	184days	3days
Occupancy rate	100%	100%	0.0PT	100%	100%	0.0PT	97.6%	100%	2.4PT	100%	100%	0.0PT
Average Occupancy rate (during period)	100%	100%	0.0PT	100%	100%	0.0PT	97.3%	99.2%	1.9PT	100%	100%	0.0PT
Total end tenants	1	1	0	1	1	0	17	18	1	1	1	0
Acquisition price	47,390,000 (before acquisition 25,490,000)			62,480,000			27,200,000			43,930,000		
Rent revenue of real estate	603,955	984,192	380,237	1,235,770	1,271,693	35,923	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	603,955	984,192	380,237	1,235,770	1,271,693	35,923	687,986	725,396	37,410	666,735	666,735	-
Property management fees	1,200	57,040	55,840	5,600	6,000	400	66,156	62,460	△ 3,696	3,000	3,000	-
Property taxes (Note 1)	41,157	41,977	820	70,574	70,424	△ 149	31,499	31,434	△ 64	43,008	42,574	△ 433
Utilities	-	-	-	-	-	-	79,604	93,081	13,476	-	-	-
Maintenance and repairs	-	-	-	-	370	370	6,875	4,998	△ 1,876	-	-	-
Insurance premium	945	1,394	449	1,873	1,817	△ 56	1,910	1,773	△ 137	2,237	2,073	△ 163
Depreciation and amortization ①	99,022	161,817	62,795	123,776	120,411	△ 3,365	128,760	128,693	△ 66	174,612	174,847	235
Other lease business expenses (Note 2)	27	56	28	2,731	2,753	22	67,844	68,794	949	906	905	△ 0
Total property operating expense	142,352	262,286	119,933	204,556	201,777	△ 2,778	382,651	391,235	8,584	223,764	223,401	△ 363
Property operating income ②	461,602	721,905	260,303	1,031,214	1,069,915	38,701	305,334	334,160	28,826	442,971	443,334	363
NOI ③ ((①)+②)	560,624	883,723	323,098	1,154,990	1,190,326	35,336	434,094	462,854	28,759	617,583	618,182	598
Annualized NOI	1,130,541	2,070,200	939,659	2,372,571	2,361,246	△ 11,325	875,384	918,162	42,777	1,245,403	1,226,285	△ 19,118
Annualized NOI/ Acquisition price	4.4%	4.4%	△ 0.1PT	3.8%	3.8%	△ 0.0PT	3.2%	3.4%	0.2PT	2.8%	2.8%	0.0PT
Capex ④	3,075	-	△ 3,075	7,555	1,102	△ 6,453	3,345	841	△ 2,503	3,981	12,896	8,914
NCF ③-④	557,549	883,723	326,174	1,147,434	1,189,224	41,789	430,749	462,012	31,263	613,601	605,285	△ 8,316

(Note 1) We have adopted the method of including with expenses 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, with the exception of Property tax, City planning tax and Depreciable property tax levied on properties in the year of their acquisition, as they are included in acquisition costs.

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

(Note 3) Properties acquired or sold during the relevant period. "Annualized NOI/ Acquisition price" was calculated by taking into consideration the changes in acquisition price during the relevant period. "Annualized NOI" denotes the value which is based on the acquisition price as of end of relevant period.

4-7 15th period results breakdown by property②



(thousand yen)

Property number	O-7			R-1			R-3			R-4		
Property name	Atago Green Hills			Moto-Azabu Hills			Roppongi First Plaza			Roppongi View Tower		
Period	14th (Note 3) (Jul. 2013)	15th (Jan. 2014)	Difference	14th (Jul. 2013)	15th (Jan. 2014)	Difference	14th (Jul. 2013)	15th (Jan. 2014)	Difference	14th (Jul. 2013)	15th (Jan. 2014)	Difference
Operation days	181days	184days	3days	181days	184days	3days	181days	184days	3days	181days	184days	3days
Occupancy rate	100%	100%	0.0PT	100%	100%	0.0PT	95.4%	92.3%	△ 3.1PT	100%	91.2%	△ 8.8PT
Avg. Occupancy rate (during period)	100%	100%	0.0PT	100%	99.0%	△ 1.0PT	98.0%	91.9%	△ 6.1PT	100%	94.9%	△ 5.1PT
Total end tenants	1	1	0	7	7	0	40	39	△ 1	1	83	82
Acquisition price	42,090,000			1,706,440			2,100,000			4,000,000		
Rent revenue of real estate	966,534	1,111,765	145,230	63,039	61,936	△ 1,103	70,384	65,747	△ 4,637	109,426	96,062	△ 13,363
Other rent revenue of real estate	-	-	-	1,186	974	△ 212	384	330	△ 54	-	-	-
Total property operating revenue	966,534	1,111,765	145,230	64,226	62,910	△ 1,315	70,769	66,077	△ 4,692	109,426	96,062	△ 13,363
Property management fees	2,316	2,664	348	9,905	9,070	△ 834	11,836	13,399	1,562	3,738	15,436	11,698
Property taxes(Note 1)	21,419	43,277	21,857	2,063	2,057	△ 6	6,972	6,989	17	10,769	10,781	12
Utilities	-	-	-	-	22	22	144	240	96	-	3	3
Maintenance and repairs	-	-	-	2,760	4,254	1,494	29,461	5,560	△ 23,900	-	24	24
Insurance premium	3,447	3,775	327	137	127	△ 9	278	258	△ 20	361	335	△ 25
Depreciation and amortization ①	170,035	194,993	24,958	6,412	6,550	137	11,118	11,178	59	13,055	12,134	△ 920
Other lease business expenses (Note 2)	32,424	36,988	4,564	3,956	3,817	△ 139	4,559	4,839	279	499	1,728	1,229
Total property operating expense	229,642	281,699	52,056	25,235	25,900	665	64,371	42,466	△ 21,905	28,422	40,444	12,021
Property operating income ②	736,892	830,065	93,173	38,991	37,010	△ 1,980	6,397	23,611	17,213	81,003	55,618	△ 25,385
NOI ③ (①+②)	906,927	1,025,059	118,132	45,403	43,560	△ 1,843	17,516	34,789	17,273	94,058	67,752	△ 26,306
Annualized NOI	2,096,642	2,033,406	△ 63,236	91,560	86,410	△ 5,149	35,323	69,012	33,688	189,676	134,400	△ 55,276
Annualized NOI/ Acquisition price	5.0%	4.8%	△ 0.2PT	5.4%	5.1%	△ 0.3PT	1.7%	3.3%	1.6PT	4.7%	3.4%	△ 1.4PT
Capex ④	4,379	1,946	△ 2,432	347	3,153	2,806	4,927	33,447	28,520	-	5,826	5,826
NCF ③-④	902,547	1,023,112	120,565	45,056	40,407	△ 4,649	12,589	1,342	△ 11,246	94,058	61,926	△ 32,132

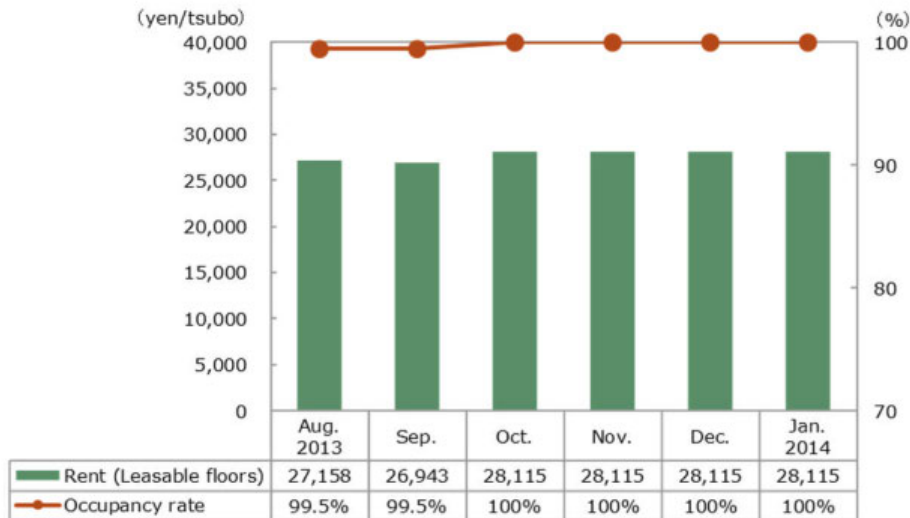
4-8 15th period results breakdown by property③

(thousand yen)

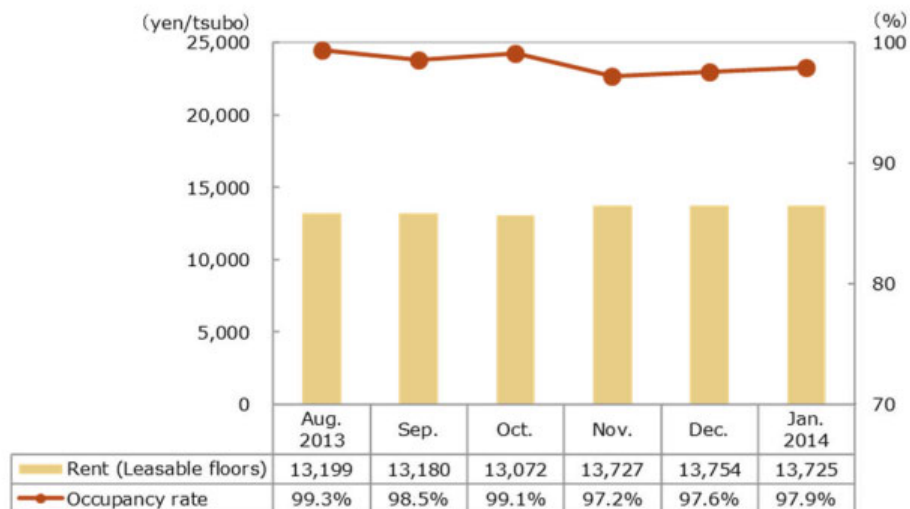
Property number	S-1			Total		
Property name	Laforet Harajuku (Land)					
Period	14th (Jul. 2013)	15th (Jan. 2014)	Difference	14th (Note 3) (Jul. 2013)	15th (Note 3) (Jan. 2014)	Difference
Operation days	181days	184days	3days	181days	184days	3days
Occupancy rate	100%	100%	0.0PT	99.5%	99.5%	0.0PT
Avg. Occupancy rate (during period)	100%	100%	0.0PT	99.5%	99.4%	△ 0.1PT
Total end 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 (Note 1)	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 lease business expenses (Note 2)	-	-	-	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
Annualized NOI	1,187,947	1,120,284	△ 67,663	9,172,936	9,989,228	816,292
Annualized NOI/ Acquisition price	5.4%	5.1%	△ 0.3PT	4.0%	4.0%	△ 0.0PT
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

4-9 Tenant status during the 15th period

Office: Rent and occupancy rate



Residential: Rent and occupancy rate



Top 5 tenants (as of January 31, 2014)

End tenants	Property name	Leased space (Note)	Ratio
Mori Building Co., Ltd.	Roppongi Hills Mori Tower ARK Mori Building Koraku Mori Building Akasaka Tameike Tower Atago Green Hills	91,849.69 m ²	77.5%
Syowa Leasing Co., Ltd.	Koraku Mori Building	2,683.90 m ²	2.3%
Mori Building Ryutsu System Co., Ltd.	Laforet Harajuku (Land)	2,565.06 m ²	2.2%
ITOCHU Techno-Solutions Corporation	Koraku Mori Building	2,116.88 m ²	1.8%
Japan Worker's Credit Fund Association	Koraku Mori Building	1,851.87 m ²	1.6%
Total of top 5 tenants		101,067.40 m ²	85.3%

(Note) Leased space is the lease area stated in the lease contract with the end tenant. Leased space for co-owned properties is calculated by multiplying by the relevant percentage of co-ownership interest.

4-10 Debt status (as of January 31, 2014)

	Lender	Balance (mn yen)	Rate of interest	Borrowing date	Maturity date	Remarks
Long-term	Aozora Bank, Ltd.	2,000	1.35%	Aug. 31, 2011	Aug. 31, 2014	Unsecured, non-guaranteed
	Resona Bank, Limited.	2,500	1.35%	Aug. 31, 2011	Aug. 31, 2014	Unsecured, non-guaranteed
	Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Bank, Ltd.	12,500	1.35%	Nov. 30, 2011	Nov. 30, 2014	Unsecured, non-guaranteed
	Mitsubishi UFJ Trust and Banking Corporation					
	Sumitomo Mitsui Banking Corporation					
	Sumitomo Mitsui Trust Bank, Limited					
	The Bank of Fukuoka, Ltd.	2,000	1.30%	Nov. 30, 2011	May 31, 2014	Unsecured, non-guaranteed
	The Norinchukin Bank	3,000	1.30%	Nov. 30, 2011	May 31, 2014	Unsecured, non-guaranteed
	Development Bank of Japan, Inc.	1,700	1.43%	Mar. 27, 2012	Mar. 27, 2015	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd.	8,022	0.95%	May 31, 2012	May 31, 2014	Unsecured, non-guaranteed
	Bank of Tokyo-Mitsubishi UFJ, Ltd.					
	Mitsubishi UFJ Trust and Banking Corporation					
	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd.	8,000	1.00%	May 31, 2012	May 31, 2015	Unsecured, non-guaranteed
	Bank of Tokyo-Mitsubishi UFJ, Ltd.					
	Mitsubishi UFJ Trust and Banking Corporation					
	Sumitomo Mitsui Trust Bank, Limited Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd.	5,000	1.23% (Note)	May 31, 2012	May 31, 2015	Unsecured, non-guaranteed
	Bank of Tokyo-Mitsubishi UFJ, Ltd.					
	Mitsubishi UFJ Trust and Banking Corporation					
	Sumitomo Mitsui Trust Bank, Limited					
	Mizuho Bank, Ltd. Bank of Tokyo-Mitsubishi UFJ, Ltd.	6,000	1.00%	Aug. 31, 2012	Aug. 31, 2015	Unsecured, non-guaranteed
	Mitsubishi UFJ Trust and Banking Corporation					
	Sumitomo Mitsui Banking Corporation					
	Aozora Bank, Ltd.	2,000	1.19% (Note)	Aug. 31, 2012	Aug. 31, 2016	Unsecured, non-guaranteed
	Shinsei Bank, Ltd. Mizuho Bank, Ltd.	9,500	1.04% (Note)	Nov. 30, 2012	Nov. 30, 2015	Unsecured, non-guaranteed
	Bank of Tokyo-Mitsubishi UFJ, Ltd.					
Mitsubishi UFJ Trust and Banking Corporation						
Sumitomo Mitsui Banking Corporation						
Sumitomo Mitsui Trust Bank, Limited Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd.	10,000	0.84% (Note)	Mar. 29, 2013	Mar. 31, 2018	Unsecured, non-guaranteed	
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. Mizuho Trust & Banking Co., Ltd.	1,000	0.60%	Mar. 29, 2013	Mar. 31, 2016	Unsecured, non-guaranteed	
ORIX Bank Corporation						

	Lender	Balance (mn yen)	Rate of interest	Borrowing date	Maturity date	Remarks	
Long-term	Hiroshima Bank, Ltd	500	0.60%	Mar. 29, 2013	Mar. 31, 2016	Unsecured, non-guaranteed	
	Sumitomo Mitsui Trust Bank, Limited	1,978	0.75% (Note)	May 31, 2013	May 31, 2017	Unsecured, non-guaranteed	
	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd.	10,500	0.78% (Note)	Sep. 30, 2013	Sep. 30, 2018	Unsecured, non-guaranteed	
	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, Ltd.	2,600	0.40%	Nov. 29, 2013	Nov. 30, 2017	Unsecured, non-guaranteed	
	Mizuho Trust & Banking Co., Ltd.						
	The Norinchukin Bank						
	The Hiroshima Bank, Ltd.	1,000	0.45%	Nov. 29, 2013	May 31, 2019	Unsecured, non-guaranteed	
	Oita Bank Co. Ltd.						
	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd.						
	Bank of Tokyo-Mitsubishi UFJ, Ltd.	11,400	0.50%	Nov. 29, 2013	Nov. 30, 2019	Unsecured, non-guaranteed	
	Mitsubishi UFJ Trust and Banking Corporation						
	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd.						
	Bank of Tokyo-Mitsubishi UFJ, Ltd.						
	Mitsubishi UFJ Trust and Banking Corporation						
	Sumitomo Mitsui Trust Bank, Limited						
	Development Bank of Japan, Inc.						
	The Norinchukin Bank The Bank of Fukuoka, Ltd. Shinsei Bank, Ltd.	Total	101,200	-	-	-	-

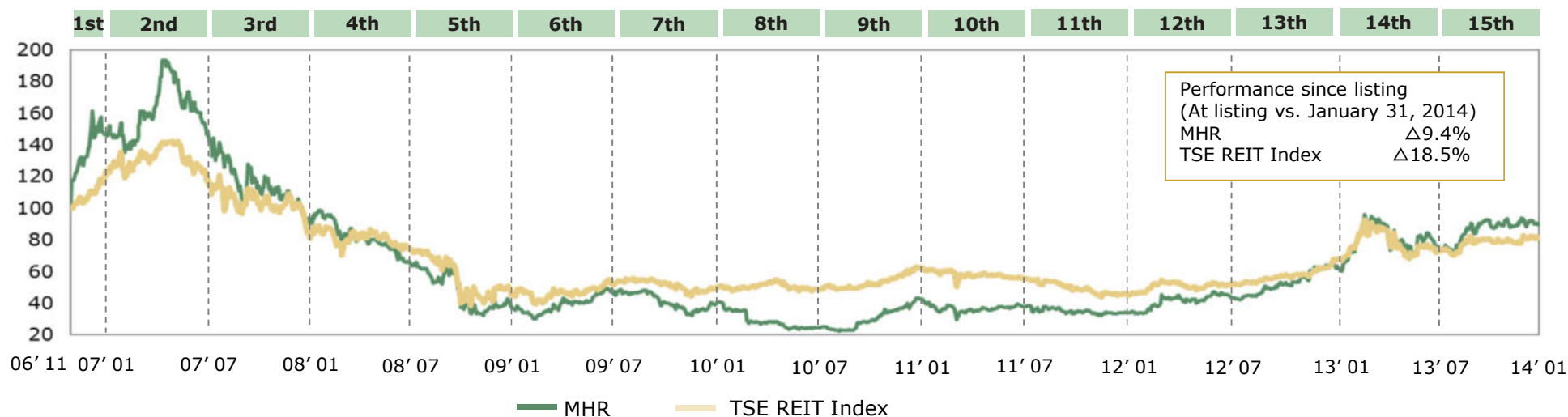
(Note) MHR has entered an interest swap agreement with a floating rate for a notional principal. The interest rates above are the actual fixed interest rates that will be paid.

Investment corporation bonds

	Bond	Amount (mn yen)	Rate of Interest	Payment date	Maturity date
Investment Corporation Bonds	2nd Series (Unsecured)	3,000	1.77%	Nov. 29, 2007	Nov. 28, 2014
	4th Series (Unsecured)	5,000	1.95%	May 27, 2010	May 27, 2015
	5th Series (Unsecured)	5,000	1.29%	Feb. 25, 2011	Feb. 25, 2014
	6th Series (Unsecured)	5,000	0.78%	Nov. 28, 2012	Nov. 27, 2015
	7th Series (Unsecured)	2,000	0.97%	Nov. 28, 2012	Nov. 28, 2017
	8th Series (Unsecured)	3,000	0.85%	May 24, 2013	May 24, 2018
	9th Series (Unsecured)	2,000	1.26%	May 24, 2013	May 22, 2020
	Total	25,000	-	-	-

4-11 Unit price performance

Relative price performance (Since IPO~January 31, 2014)



(Source) Bloomberg

(Note) Rebased to 100 as per IPO price

Since IPO ~ January 31, 2014

Period	Unit price
1st (January 2007)	1,100,000 yen
2nd (July 2007)	1,080,000 yen
3rd (January 2008)	716,000 yen
4th (July 2008)	465,000 yen
5th (January 2009)	265,000 yen

Period	Unit price
6th (July 2009)	352,000 yen
7th (January 2010)	264,900 yen
8th (July 2010)	177,300 yen
9th (January 2011)	281,000 yen
10th (July 2011)	258,100 yen

Period	Unit price
11th (January 2012)	252,200 yen
12th (July 2012)	330,500 yen
13th (January 2013)	485,000 yen
14th (July 2013)	548,000 yen
15th (January 2014)	135,900 yen

(Reference: before split of investment units)

IPO Price	750,000 yen
Opening price at listing	874,000 yen

High (in trade)	1,460,000 yen (May 8, 2007)
Low (in trade)	168,200 yen (August 12, 2010)

(Note) Implemented a 5-for-1 investment unit split on February 1, 2014 (effective date).

4-12 Investment criteria

Investments focusing on Premium Properties for development of urban-type portfolio

Investments focusing on Premium Properties

Among properties that are located in Tokyo's central 5 wards and in surrounding areas, our investments mainly focus on "Premium Properties" that are able to maintain their competitiveness going forward based on their quality, size and specification

Focus on Premium Properties

Premium properties

50% or more

〈Office buildings〉
〈Residential〉
〈Retail, etc.〉

Premium Properties

Type	Location	Scale
Office building	Central five wards in Tokyo and their vicinity	Gross floor area of 10,000㎡ or more per-building Standard rentable floor area of 1,000㎡ or more
Residential	Central five wards in Tokyo and their vicinity (Primarily in the "three-A" area)	Gross floor area of 2,000㎡ or more
Retail	〈Department stores, downtown shopping centers, large specialty stores & retail complexes, etc.〉	
	Flourishing areas of central five wards in Tokyo and their vicinity	Gross floor area of 10,000㎡ or more per-building
	〈Street front luxury brand shops, etc.〉	
	Exclusive, well-known retail destinations	Gross floor area of 1,000㎡ or more per-building

(Note 1) Tokyo's central 5 wards: Minato-ku, Chiyoda-ku, Chuo-ku, Shinjuku-ku and Shibuya-ku

(Note 2) Three-A areas: Akasaka/Roppongi area, Aoyama/Harajuku area and Azabu/Hiroo area

(Note 3) Portfolio weighting is based on acquisition price

(Note 4) Tokyo Metropolitan Area: Tokyo, Kanagawa, Chiba and Saitama

(Note 5) Major local cities: major local cities designated by government ordinance in non-Tokyo Metropolitan areas and other major local cities in Japan

Office building focus

Office building

50% or more

Tokyo central five wards focus

Central five wards in Tokyo and their vicinity

50% or more
(Tokyo area: 80% or more)

Earthquake-resistance

Investment focused on properties' earthquake resistance, the safety of the area, disaster countermeasures, etc.










4-13 Portfolio Map



(Source) Prepared by the Asset Management Company based on Mori Building's "Mori Building Handy Map Mori Building Map/Home Route Support Map 2014"

(Note) Properties are developed, owned, managed and planned for development by Mori Building Group.

4-14 Portfolio overview (as of January 31, 2014)

Type	Office building			Office building (partly residential)			Residential			Retail		
Premium	Premium	Premium	Premium	Premium	Premium			Premium	Premium	-	Premium	
Property name	Roppongi Hills Mori Tower	ARK Mori Building	Koraku Mori Building	Akasaka Tameike Tower	Atago Green Hills			Moto-Azabu Hills	Roppongi First Plaza	Roppongi View Tower	Laforet Harajuku (land)	
	O-0	O-1	O-4	O-6	MORI Tower	Forest Tower	Plaza	Forest Tower	Forest Terrace	R-3	R-4	S-1
Photo												
Location	Roppongi, Minato-ku, Tokyo	Akasaka, Minato-ku, Tokyo	Koraku, Bunkyo-ku, Tokyo	Akasaka, Minato-ku, Tokyo	Atago, Minato-ku, Tokyo		Toranomon, Minato-ku, Tokyo	Motoazabu, Minato-ku, Tokyo	Roppongi, Minato-ku, Tokyo		Jingumae, Sibuya-ku, Tokyo	
Completion	Apr.2003	Mar.1986 <small>(large-scale renovation in 2005)</small>	Mar.2000	Sep.2000	Jul.2001	Oct.2001	Jul.2001	May 2002	Oct.1993		-	
Building age	10years9months	27years10months	13years10months	13years4months	12years6months	12years3months	12years6months	11years8months	20years3months		-	
Number of stories	54 above ground, 6 below	37 above ground, 4 below	19 above ground, 6 below	25 above ground, 2 below	42 above ground, 2 below	43 above ground, 4 below	2 above ground, 1 below	29 above ground, 3 below	6 above ground, 1 below	20 above ground, 1 below		
Gross floor area	c.442,150m ²	c.177,486m ²	c.46,154m ²	c.46,971m ²	c.85,266m ²	c.60,815m ²	c.2,083m ²	c.54,006m ²		c.22,906m ²		
Owner-ship (Note 1)	Land	Co-ownership (approx.7.2%)	Co-ownership (approx.10.9%)	Leased land	Co-ownership (approx.56.4%)	Co-ownership (approx.28.8%)		Co-ownership (approx.3.9%)	Co-ownership (approx.47%)	Co-ownership (approx.46%)	Ownership (100%)	
	Building	Compartmentalized ownership (approx.5.6%)	Compartmentalized ownership (approx.17.9%)	Compartmentalized ownership (approx.57.9%)	Compartmentalized ownership (approx.65.5%)	Co-ownership (approx.32.9%)		Compartmentalized ownership (approx.3.2%)	Compartmentalized ownership (approx.46.4%)	Co-ownership (approx.46%)	-	
PML	0.29%	0.38%	0.42%	2.15%	1.66%	0.99%	9.84%	1.16%	1.72%	3.53%	3.53%	-
Earthquake-resistant feature (Note 2)	Seismic Damping	Seismic Damping	Seismic Damping	Seismic Damping	Seismic Damping	Seismic Damping	-	Seismic Isolators	Seismic Isolators	-	-	-
Acquisition price (mn yen)	47,390	62,480	27,200	43,930	42,090			1,706	2,100	4,000	21,820	
Occupancy rate (Note 3)	100%	100%	100%	100%	100%			100%	92.3%	91.2%	100%	

Average building age
16.8 years (Note3)

Portfolio PML
0.71%

Total acquisition price
252,716mn yen

(Note 1) "Type of ownership" denotes the type of rights held by MHR or the Trustee. "Ownership" stands for ownership, "Co-ownership" stands for the ownership of beneficiary interests, "Compartmentalized ownership" denotes ownership and right for exclusive use in or over parts of a building, and "Leased land" denotes Leasehold land. The land site of Atago Green Hills includes joint ownership in quasi-undivided interests of leasehold land and easement.

(Note 2) ARK Mori Building adopts "slitwall" as earthquake-resistant feature.

(Note 3) For calculation of the "Average building age" of Atago Green Hills, we have assumed that construction of the building was completed on Jul. 30, 2001.