

For Translation Purposes Only

FINANCIAL REPORT FOR THE SIXTEENTH FISCAL PERIOD ENDED JULY 31, 2014

September 12, 2014

Name of issuer :	Mori Hills REIT Investment Corporation
Stock exchange listing :	Tokyo Stock Exchange
Securities code :	3234
Website :	http://www.mori-hills-reit.co.jp/en
Representative of the investment corporation :	Hideyuki Isobe, Executive Director
Name of asset manager :	Mori Building Investment Management Co., Ltd.
Representative of the asset manager :	Hideyuki Isobe, President & CEO
Contact :	Yoshimi Nishibeppu, General Manager of Administration Department TEL: +81-3-6234-3234
Scheduled date for filing of securities report :	October 29, 2014
Scheduled date for dividends payment :	October 15, 2014
Supplementary materials for financial results :	Otherwise prepared
Analyst meeting :	Scheduled

1. PERFORMANCE FOR THE SIXTEENTH FISCAL PERIOD ENDED JULY 31, 2014 (February 1, 2014 – July 31, 2014)

(1) Business Results

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

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
Sixteenth Fiscal Period	¥5,788	3.2%	¥3,832	1.1%	¥2,980	6.5%	¥2,979	6.5%
Fifteenth Fiscal Period	¥5,610	11.0%	¥3,790	10.5%	¥2,798	15.0%	¥2,797	15.0%

	Net Income per Unit	Net Income to Total Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
Sixteenth Fiscal Period	¥2,151	2.3%	1.1%	51.5%
Fifteenth Fiscal Period	¥2,052	2.3%	1.1%	49.9%

(Note) A 5-for-1 split of investment units has been made 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 was effective as of the beginning of the fifteenth fiscal period ended January 31, 2014.

(2) Dividends

	Dividends per Unit (excluding dividends in excess of earnings)	Total Dividends (excluding dividends in excess of earnings)	Dividends in Excess of Earnings per Unit	Total Dividends in Excess of Earnings	Dividend Payout Ratio	Dividend Ratio to Net Assets
Sixteenth Fiscal Period	¥2,151	¥2,978 million	¥0	¥0 million	99.9%	2.3%
Fifteenth Fiscal Period	¥10,099	¥2,797 million	¥0	¥0 million	100.0%	2.2%

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

(Note 2) Dividend Payout Ratio is calculated by using the formula below and is rounded down to one decimal place.
Dividend Payout Ratio = [Total Dividends ÷ Net Income] × 100

(3) Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Unit
Sixteenth Fiscal Period	¥263,310 million	¥127,415 million	48.4%	¥92,001
Fifteenth Fiscal Period	¥262,881 million	¥127,233 million	48.4%	¥91,870

(Note) A 5-for-1 split of investment units has been made 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 was effective as of the beginning of the fifteenth fiscal period ended January 31, 2014.

(4) Cash Flows

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of the Period
Sixteenth Fiscal Period	¥4,216 million	(¥100 million)	(¥2,827 million)	¥13,984 million
Fifteenth Fiscal Period	¥3,639 million	(¥21,069 million)	¥18,340 million	¥12,696 million

2. FORECAST OF RESULTS FOR THE SEVENTEENTH FISCAL PERIOD ENDING JANUARY 31, 2015 (August 1, 2014 – January 31, 2015) AND THE EIGHTEENTH FISCAL PERIOD ENDING JULY 31, 2015 (February 1, 2015 – July 31, 2015)

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

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
	Amount	Percentage Change	Amount	Percentage Change	Amount	Percentage Change	Amount	Percentage Change
Seventeenth Fiscal Period	¥6,511	12.5%	¥4,413	15.2%	¥3,580	20.1%	¥3,579	20.2%
Eighteenth Fiscal Period	¥6,500	(0.2%)	¥4,417	0.1%	¥3,674	2.6%	¥3,673	2.6%

	Dividends per Unit (excluding dividend in excess of earnings)	Dividend in Excess of Earnings per Unit
Seventeenth Fiscal Period	¥2,280	¥0
Eighteenth Fiscal Period	¥2,340	¥0

(Reference) Estimated net income per unit for the seventeenth fiscal period: ¥2,280
Estimated net income per unit for the eighteenth fiscal period: ¥2,340

3. OTHER

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

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

(2) Number of Units Issued and Outstanding

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

Sixteenth fiscal period:	1,384,925 units	Fifteenth fiscal period:	276,985 units
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- (b) Number of own units at end of the period

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

*Presentation of the status of implementation of audit procedures

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

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

The forecast of results and other forward-looking statements contained in this document are based on information currently available to and certain assumptions deemed reasonable by Mori Hills REIT Investment Corporation (the “Company”). Accordingly, actual results, etc. may differ materially due to a variety of factors. Furthermore, these forecasts shall not be construed as a guarantee of dividend amounts. For the assumptions underlying the forecasts of results, please refer to “Assumptions of Forecasts of Results for the Seventeenth Fiscal Period Ending January 31, 2015 (August 1, 2014 – January 31, 2015) and the Eighteenth Fiscal Period Ending July 31, 2015 (February 1, 2015 – July 31, 2015)” presented on pages 11 to 13.

1. AFFILIATED CORPORATIONS OF THE INVESTMENT CORPORATION

Disclosure is omitted because there are no significant changes from the “Structure of the Investment Corporation” in the most recent securities report (submitted on April 28, 2014).

2. MANAGEMENT POLICY AND MANAGEMENT STATUS

(1) Management Policy

Disclosure is omitted because there are no significant changes from the “Investment Policy,” “Investment Targets” and “Distribution Policy” in the most recent securities report (submitted on April 28, 2014).

(2) Management Status

(a) Overview of the Fiscal Period

a) Brief Background of the Investment Corporation

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

In the fiscal period under review (sixteenth fiscal period: February 1, 2014 to July 31, 2014), the Company implemented a 5-for-1 split of investment units on January 31, 2014 as the record date and February 1, 2014 as the effective date. As of the end of the sixteenth fiscal period, the total number of investment units issued and outstanding was 1,384,925.

b) Investment Environment and Business Performance

(i) Investment Environment

In the sixteenth fiscal period, the Japanese economy maintained a trend of modest economic recovery supported by various Japanese government and Bank of Japan policies. With corporate earnings improving, capital investment increased modestly and public investment also hovered at a high level. In addition, with the employment environment steadily improving, private consumption and housing investment remained steady and the impact of the drop-off after last-minute demand before the consumption tax rate increase showed signs of gradually easing.

Within this economic environment, the rental office building market saw ongoing improvement in the supply-demand balance, centering on large blue-chip properties. This improvement was largely due to the new supply of large-scale office buildings in central Tokyo having gone through its initial lease-up phase, along with emerging demand for expansion and relocation driven by the underlying trend of economic and employment expansion. In the luxury rental housing market, improvement in business sentiment since the second half of 2013 fueled an increase in new advertised rent levels and an increase in new supply, and these, among other factors, led to a temporary increase in vacancy rates, even as effective rent levels remained steady. In the real estate trading market, transaction volume and transaction amounts were both at a high level as the continued favorable fund procurement environment and expectations of improvement in rental market conditions led to not only J-REITs, but also general business companies and private REITs, etc. , to repeatedly acquire properties.

(ii) Business Performance

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

The Company’s real estate portfolio, as of the end of the sixteenth fiscal period, was comprised of 9 properties (Note 1) under management with a total leasable area of 119,117.30 m². The Company has already invested 252,716 million yen (based on the acquisition price) into this portfolio. The occupancy rate at the end of the sixteenth fiscal period (Note 2) was 99.5%.

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

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

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

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

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

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

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

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

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

leasehold right and easement of the sites (approximately 12.9% of total exclusive floor area) on April 1, 2013.

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

c) Overview of Fund Procurement

During the sixteenth fiscal period, the Company took out long-term loans payable in the amount of 13,022 million yen and issued investment corporation bonds in the amount of 5,000 million yen for the refinancing of existing long-term loans payable in the amount of 13,022 million yen and redemption of investment corporation bonds in the amount of 5,000 million yen.

As a result, as of the end of the sixteenth fiscal period, a) the balance of loans payable stands at 101,200 million yen (all of these are long-term loans payable (of which, the current portion of long-term loans payable is 31,700 million yen)), b) the balance of investment corporation bonds stands at 25,000 million yen (of which, the current portion of investment corporation bonds is 8,000 million yen), and c) 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 floating interest rates into fixed interest rates in order to hedge against the risk of upward fluctuations in interest rates. Such measures have been taken for 38,978 million yen of the 99,500 million yen in long-term loans payable that have such floating interest rates (the ratio of fixed rate debt against total interest-bearing debt as of the end of the sixteenth fiscal period is 52.0%). With respect to future loans payable, the Company will strive to minimize refinancing risks by diversifying repayment dates for such loans payable.

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

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

d) Overview of Business Results and Distributions

The asset management activities described above resulted in the Company recording in the sixteenth fiscal period 5,788 million yen in operating revenue, 3,832 million yen in operating income, 2,980 million yen in ordinary income and 2,979 million yen in net income.

With regard to dividends, to ensure that income distributions would be deductible for tax purposes based on application of Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended), the Company decided to pay out the entire amount of unappropriated retained earnings, excluding fractions of the dividend per unit that are less than 1 yen, and declared a dividend per unit of 2,151 yen.

Furthermore, the Company made 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 for its investment units 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.

(b) Outlook for the Next Fiscal Period

a) Future Management Policy

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

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

In addition, the Company will seek to maximize investor value through continuously conducting dividend-oriented management, by pursuing further enhancement of portfolio NOI and revenue 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 with competitive advantages in terms of quality, scale, and other specifications that are expected to continue into the future and that are situated in "Premium Areas" (Tokyo's five central wards (Minato Ward, Chiyoda Ward, Chuo Ward, Shinjuku Ward and Shibuya Ward) and their vicinity; the same applies hereafter), where the Mori Building Group (Mori Building Co., Ltd., Mori Building Co., Ltd.'s consolidated subsidiaries and equity-method affiliates of Mori Building Co., Ltd., that conduct business in Japan; the same applies hereafter) can fully demonstrate its brand/marketing strength and facilities management capabilities, etc.

b) Significant Subsequent Events

Issuance of New Investment Units

The issuance of new investment units was resolved at the Company's Board of Directors Meetings held on July 9, 2014 and July 23, 2014. Furthermore, the cash contribution to new investment units through public offering was completed on August 1, 2014 and the cash contribution to new investment units through third-party allotment was completed on August 27, 2014.

As a result, unitholders' capital is 150,418,135,170 yen, with the number of investment units issued and outstanding is 1,570,040 units as of August 27, 2014.

(i) Issuance of New Investment Units through Japanese Offering and International Offering (however, in the United States, only to qualified institutional buyers in accordance with Rule 144A of the U.S. Securities Act of 1933)

Number of new investment units issued	:	Japanese Primary Offering	88,150 units
	:	International Offering	88,150 units
Issue price (offer price)	:	146,016 yen per unit	
Total amount of issue price (offer price)	:	25,742,620,800 yen	
Amount contributed in (issued value)	:	140,924 yen per unit	
Total amount contributed in (issued value)	:	24,844,901,200 yen	
Contribution date	:	August 1, 2014	
Initial date of dividends calculation	:	August 1, 2014	

(ii) Issuance of New Investment Units through Third-Party Allotment

Number of new investment units issued	:	8,815 units
Amount contributed in (issued value)	:	140,924 yen per unit
Total amount contributed in (issued value)	:	1,242,245,060 yen
Contribution date	:	August 27, 2014
Initial date of dividends calculation	:	August 1, 2014
Allottee	:	Mizuho Securities Co., Ltd.

(iii) Use of Funds

The funds provided through issuance of new investment units through public offering (Japanese Primary Offering and International Offering) and through third-party allotment were used as a part of the funds for the acquisition of assets (a part of Roppongi Hills Mori Tower and a part of ARK Hills South Tower) and acquisition-related costs. The remaining funds will be kept as cash on hand, and will be used for part of future acquisition of specified assets.

(Reference Information)

(i) Acquisition of Assets

The Company acquired a part of Roppongi Hills Mori Tower and a part of ARK Hills South Tower on August 1, 2014.

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

Overview of Acquisitions

Property name	Roppongi Hills Mori Tower	ARK Hills South Tower
Assets acquired	Trust beneficial interests (Note 1)	Trust beneficial interests (Note 2)
Acquisition price	9,890 million yen (Note 3)	19,150 million yen (Note 3)
Appraisal value	11,400 million yen	20,300 million yen
Sales agreement date	July 9, 2014	
Acquisition date	August 1, 2014	
Seller	Mori Building Co., Ltd.	
Acquisition financing	Funds procured through the issuance of new investment units, borrowings	

(Note 1) The Company plans to acquire the trust beneficial interests in compartmentalized ownership of the 20th floor as well as co-ownership interest in ownership of the site.

(Note 2) The property is trust beneficial interest in a trust that holds title to 25% co-ownership interest of the building and the site.

(Note 3) The indicated acquisition price does not include acquisition-related costs, consumption taxes and other expenses.

(ii) Borrowing of Funds

i) Funds for Acquisition of Assets

To be used as part of the funds for property acquisitions (a part of Roppongi Hills Mori Tower and a part of ARK Hills South Tower), the Company borrowed the funds described below.

i. Short-term loans payable (maturity of 4 months)

Lenders	:	Mizuho Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited
Borrowing amount	:	2,000 million yen
Interest rate	:	Base Interest Rate (1-month JBA Japanese Yen TIBOR) + 0.15%
Drawdown date	:	August 1, 2014
Principal repayment date	:	November 30, 2014 (Note)
Method of repayment	:	To be repaid in full on the principal repayment date
Collateral	:	Unsecured/Unguaranteed

ii. Long-term loans payable (maturity of 5 years and 10 months)

Lenders	:	Mizuho Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited and Resona Bank, Limited.
Borrowing amount	:	5,000 million yen
Interest rate	:	Base Interest Rate (1-month JBA Japanese Yen TIBOR) + 0.30%
Drawdown date	:	August 1, 2014
Principal repayment date	:	May 31, 2020 (Note)
Method of repayment	:	To be repaid in full on the principal repayment date
Collateral	:	Unsecured/Unguaranteed

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

ii) Funds for Refinancing

To be used as refinancing of 2,000 million yen and 2,500 million yen in long-term loans payable due August 29, 2014, the Company borrowed described below.

i. Long-term loans payable (maturity of 5 years)

Lender	:	Aozora Bank, Ltd.
Borrowing amount	:	2,000 million yen
Interest rate	:	Base Interest Rate (1-month JBA Japanese Yen TIBOR) + 0.25%
Drawdown date	:	August 29, 2014
Principal repayment date	:	August 31, 2019 (Note)
Method of repayment	:	To be repaid in full on the principal repayment date
Collateral	:	Unsecured/Unguaranteed

ii. Long-term loans payable (maturity of 5 years)

Lender	:	Resona Bank, Limited.
Borrowing amount	:	2,500 million yen
Interest rate	:	Base Interest Rate (1-month JBA Japanese Yen TIBOR) + 0.25%
Drawdown date	:	August 29, 2014
Principal repayment date	:	August 31, 2019 (Note)
Method of repayment	:	To be repaid in full on the principal repayment date
Collateral	:	Unsecured/Unguaranteed

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

c) Outlook of Business Results

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

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

Operating revenue	¥6,511 million
Operating income	¥4,413 million
Ordinary income	¥3,580 million
Net income	¥3,579 million
Dividend per unit	¥2,280
Dividend in excess of earnings per unit	¥0

Eighteenth Fiscal Period Ending July 31, 2015 (February 1, 2015 – July 31, 2015)

Operating revenue	¥6,500 million
Operating income	¥4,417 million
Ordinary income	¥3,674 million
Net income	¥3,673 million
Dividend per unit	¥2,340
Dividend in excess of earnings per unit	¥0

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

Assumptions of Forecasts of Results for the Seventeenth Fiscal Period Ending January 31, 2015
 (August 1, 2014 – January 31, 2015) and the Eighteenth Fiscal Period Ending July 31, 2015
 (February 1, 2015 – July 31, 2015)

Item	Assumptions
Accounting Period	Seventeenth fiscal period: August 1, 2014 – January 31, 2015 (184 days) Eighteenth fiscal period: February 1, 2015 – July 31, 2015 (181 days)
Portfolio Assets	<ul style="list-style-type: none"> • Other than the addition of a part of Roppongi Hills Mori Tower and a part of ARK Hills South Tower, which were acquired on August 1, 2014 (the “Acquired Assets”), to the 9 properties held as of the end of the fiscal period ended July 31, 2014, the Company assumes there will be no change in the portfolio assets (e.g., no acquisition of new properties nor transfers of existing properties) until the end of the fiscal period ending July 31, 2015. • However, in actual practice, the forecast may differ due to changes in the portfolio assets and other factors.
Operating Revenue	<ul style="list-style-type: none"> • Rent revenue of real estate is estimated based on lease agreements, etc., taking into account the market environment, the trends of individual tenants and other factors. • The Company assumes that there will be no delinquencies or non-payment of rents by tenants.
Operating Expenses	<ul style="list-style-type: none"> • For expenses related to the real estate leasing business, which are major operating expenses, 1,795 million yen is expected for the fiscal period ending January 31, 2015 and 1,799 million yen is expected for the fiscal period ending July 31, 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"> (i) For property taxes and city planning taxes, etc., 385 million yen (for six months) and 420 million yen (for six months) are expected for the fiscal period ending January 31, 2015 and the fiscal period ending July 31, 2015, respectively. Furthermore, property taxes and city planning taxes, etc. associated with acquisition of the Acquired Assets will be settled with the seller on a pro rata basis. The Company shall include the settled amount paid to the seller in the acquisition cost of real estate and, thus, shall not recognize the amount as operating expenses for the fiscal period ending January 31, 2015. The Company shall include part of the amount in the acquisition cost of real estate and, thus, 27 million yen (for three months) is expected to be recognized as operating expenses for the fiscal period ending July 31, 2015. (ii) For building maintenance and repairs, the Company recorded the estimated required amount for the respective periods (21 million yen for the fiscal period ending January 31, 2015, 26 million yen for the fiscal period ending July 31, 2015). However, please note that the actual expenses for maintenance and repairs in the respective periods may differ materially from estimated amounts due to various reasons. For example, an unforeseeable event may cause serious damage to buildings and emergency repairs may be required as a consequence. Also, maintenance and repairs are expenses that are not accrued on a regular basis and the amount may vary significantly from one period to the next. (iii) Depreciation and amortization, which are calculated using the straight-line method with future additional capital expenditures taken into account, are expected to be 895 million yen in the fiscal period ending January 31, 2015 and 861 million yen in the fiscal period ending July 31, 2015.

Item	Assumptions
Operating Expenses	<p>(iv) For property management fees, 268 million yen is expected for the fiscal period ending January 31, 2015 and 273 million yen is expected for the fiscal period ending July 31, 2015.</p> <ul style="list-style-type: none"> For the operating expenses other than expenses related to the real estate leasing business (asset management fee, asset custody fee, administrative service fees, etc.), 302 million yen is expected for the fiscal period ending January 31, 2015 and 283 million yen is expected for the fiscal period ending July 31, 2015.
Non-Operating Expenses	<ul style="list-style-type: none"> The Company expects to incur 435 million yen for the fiscal period ending January 31, 2015 and 386 million yen for the fiscal period ending July 31, 2015 in interest expenses, 139 million yen for the fiscal period ending January 31, 2015 and 121 million yen for the fiscal period ending July 31, 2015 in interest expenses on investment corporation bonds, and 212 million yen for the fiscal period ending January 31, 2015 and 189 million yen for the fiscal period ending July 31, 2015 in borrowing expenses. The Company expects to incur 29 million yen for the fiscal period ending January 31, 2015 and 29 million yen for the fiscal period ending July 31, 2015 in amortization of expenses, such as those associated with issuance of new investment units for which contribution was completed in August 2014.
Interest-Bearing Debt	<ul style="list-style-type: none"> The Company's balance of interest-bearing debt as of the end of the fiscal period ended July 31, 2014 is 126,200 million yen. The Company took out new loans payable in the amount of 7,000 million yen in August 2014 as part of the funds for acquiring the Acquired Assets, etc. As a result, the balance of interest-bearing debt as of the date of this document is 133,200 million yen. The balance of loans payable as of the end of the fiscal period ended July 31, 2014 is 101,200 million yen. The Company assumes that, of that amount, the 31,700 million yen balance of loans payable due for repayment by the end of the fiscal period ending July 31, 2015 will be refinanced in the entire amount. In addition, for the short-term loans payable in the amount of 2,000 million yen (due for repayment on November 30, 2014) of the new loans payable above, too, the Company assumes that it will procure funds of the same amount. The balance of investment corporation bonds as of the end of the fiscal period ended July 31, 2014 is 25,000 million yen. The Company assumes that, of that amount, the 8,000 million yen balance of investment corporation bonds due for redemption by the end of the fiscal period ending July 31, 2015 will be redeemed through issuance of investment corporation bonds of the same amount.
Issuance of Investment Units	<ul style="list-style-type: none"> The number of investment units issued and outstanding as of the date of this document is 1,570,040 units. The Company assumes that there will be no additional issuance of investment units until the end of the fiscal period ending July 31, 2015.
Dividends per Unit (excluding dividends in excess of earnings)	<ul style="list-style-type: none"> Dividends per unit are calculated based on the assumption that the Company will make distributions in accordance with the distribution policy set forth in its Articles of Incorporation. Dividends per unit may vary due to various factors, including changes in the portfolio assets, changes in rent income due to tenant replacement, unexpected repairs, changes in interest rates, or additional issuance of new investment units.

Item	Assumptions
Dividends in Excess of Earnings per Unit	<ul style="list-style-type: none">• At present, the Company has no plan to make any cash distributions in excess of earnings (dividends in excess of earnings per unit).
Other	<ul style="list-style-type: none">• The Company assumes that there will be no amendments to legislation, taxation, accounting standards, listing regulations, the Investment Trusts Association's rule, etc. that would affect the above forecasts.• The Company assumes that there will be no unforeseen material changes in general economic conditions, the real estate market, etc.

3. FINANCIAL STATEMENTS

(1) Balance sheet

(Unit: thousands of yen)

	As of	
	January 31, 2014	July 31, 2014
Assets		
Current assets		
Cash and deposits	3,531,963	4,767,774
Cash and deposits in trust	9,164,640	9,217,094
Operating accounts receivable	43,321	24,449
Prepaid expenses	424,558	368,726
Deferred tax assets	15	22
Consumption taxes receivable	67,754	—
Other	15	—
Total current assets	13,232,269	14,378,067
Noncurrent assets		
Property, plant and equipment		
Land	22,074,160	22,074,160
Buildings in trust	51,625,833	51,690,121
Accumulated depreciation	(6,138,615)	(6,934,864)
Buildings in trust, net	45,487,218	44,755,257
Structures in trust	519,318	533,551
Accumulated depreciation	(152,661)	(171,921)
Structures in trust, net	366,657	361,630
Machinery and equipment in trust	584,421	585,420
Accumulated depreciation	(74,462)	(88,848)
Machinery and equipment in trust, net	509,959	496,572
Tools, furniture and fixtures in trust	84,102	100,164
Accumulated depreciation	(33,094)	(39,598)
Tools, furniture and fixtures in trust, net	51,008	60,566
Land in trust	149,879,429	149,879,429
Construction in progress in trust	5,882	8,024
Total property, plant and equipment	218,374,316	217,635,641
Intangible assets		
Leasehold rights in trust	30,650,962	30,650,962
Other intangible assets in trust	1,031	1,289
Other	996	4,302
Total intangible assets	30,652,990	30,656,554
Investments and other assets		
Lease and guarantee deposits	10,000	10,000
Long-term prepaid expenses	551,297	553,654
Total investments and other assets	561,297	563,654
Total noncurrent assets	249,588,604	248,855,850
Deferred assets		
Investment corporation bonds issuance cost	60,873	76,143
Total deferred assets	60,873	76,143
Total assets	262,881,748	263,310,061

(Unit: thousands of yen)

	As of	
	January 31, 2014	July 31, 2014
Liabilities		
Current liabilities		
Operating accounts payable	84,175	101,652
Current portion of investment corporation bonds	8,000,000	8,000,000
Current portion of long-term loans payable	30,022,000	31,700,000
Accounts payable – other	27,155	28,432
Accrued expenses	324,855	323,185
Income taxes payable	700	846
Accrued consumption taxes	–	200,785
Advances received	877,919	899,644
Deposits received	88,203	78,575
Total current liabilities	39,425,010	41,333,123
Noncurrent liabilities		
Investment corporation bonds	17,000,000	17,000,000
Long-term loans payable	71,178,000	69,500,000
Lease and guarantee deposits in trust	8,045,199	8,061,446
Total noncurrent liabilities	96,223,199	94,561,446
Total liabilities	135,648,210	135,894,570
Net assets		
Unitholders' equity		
Unitholders' capital	124,330,988	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	2,797,305	2,979,257
Total surplus	2,902,549	3,084,501
Total unitholders' equity	127,233,537	127,415,490
Total net assets	127,233,537	127,415,490
Total liabilities and net assets	262,881,748	263,310,061

(2) Statement of income and retained earnings

(Unit: thousands of yen)

	For the six months ended	
	January 31, 2014	July 31, 2014
Operating revenue		
Rent revenue of real estate	* 1,* 2 5,489,850	* 1,* 2 5,670,408
Other rent revenue of real estate	* 1,* 2 120,184	* 1,* 2 117,707
Total operating revenue	5,610,034	5,788,116
Operating expenses		
Expenses of real estate rent	* 1,* 2 1,529,666	* 1,* 2 1,641,610
Asset management fee	210,042	216,982
Directors' compensation	5,400	5,400
Asset custody fee	6,017	6,572
Administrative service fees	15,309	15,405
Other operating expenses	53,558	69,680
Total operating expenses	1,819,992	1,955,650
Operating income	3,790,042	3,832,466
Non-operating income		
Interest income	1,186	1,287
Exclusion gain of unpaid dividend	7,847	1,596
Interest on refund	1,256	74
Other	7	—
Total non-operating income	10,297	2,958
Non-operating expenses		
Interest expenses	542,095	470,283
Interest expenses on investment corporation bonds	162,100	145,793
Amortization of investment corporation bonds issuance cost	16,235	15,202
Borrowing expenses	248,417	220,154
Investment unit issuance cost	31,128	—
Other	2,206	3,664
Total non-operating expenses	1,002,182	855,099
Ordinary income	2,798,156	2,980,324
Income before income taxes	2,798,156	2,980,324
Income taxes-current	926	1,107
Income taxes-deferred	2	(7)
Total income taxes	928	1,100
Net income	2,797,228	2,979,224
Retained earnings brought forward	76	33
Unappropriated retained earnings	2,797,305	2,979,257

(3) Statement of changes in net assets
For the six months ended January 31, 2014

(Unit: thousands of yen)

	Unitholders' capital	Surplus			Total unitholders' equity	Total net assets
		Voluntary retained earnings	Unappropriated retained earnings	Total surplus		
Balance at August 1, 2013	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 January 31, 2014	124,330,988	105,244	2,797,305	2,902,549	127,233,537	127,233,537

For the six months ended July 31, 2014

(Unit: thousands of yen)

	Unitholders' capital	Surplus			Total unitholders' equity	Total net assets
		Voluntary retained earnings	Unappropriated retained earnings	Total surplus		
Balance at February 1, 2014	124,330,988	105,244	2,797,305	2,902,549	127,233,537	127,233,537
Change during the period						
Dividends from surplus			(2,797,271)	(2,797,271)	(2,797,271)	(2,797,271)
Net income			2,979,224	2,979,224	2,979,224	2,979,224
Total changes of items during the period	—	—	181,952	181,952	181,952	181,952
Balance at July 31, 2014	124,330,988	105,244	2,979,257	3,084,501	127,415,490	127,415,490

(4) Statement of cash distributions

(Unit: yen)

	For the six months ended January 31, 2014	For the six months ended July 31, 2014
I . Unappropriated retained earnings	2,797,305,040	2,979,257,797
II . Amount of dividends	2,797,271,515	2,978,973,675
Amount of dividends per unit	10,099	2,151
III . Retained earnings carried forward	33,525	284,122
Method of calculating the amount of dividends	Pursuant to the terms of the distribution policy set forth in Article 37 (1) of the Company's Articles of Incorporation, the amount of dividends shall be in excess of an amount equivalent to 90% of the Company's earnings available for dividends as defined in Article 67-15 of the Special Taxation Measures Law, but not in excess of the amount of earnings. Based on such policy, the Company has declared the total dividends to be 2,797,271,515 yen, which is the largest integral multiple of the number of investment units issued and outstanding (276,985 units), and not in excess of unappropriated retained earnings. In addition, the Company decided to pay out dividends of earnings in an amount not in excess of unappropriated retained earnings as stipulated in Article 37 (2) of the Company's Articles of Incorporation.	Pursuant to the terms of the distribution policy set forth in Article 37 (1) of the Company's Articles of Incorporation, the amount of dividends shall be in excess of an amount equivalent to 90% of the Company's earnings available for dividends as defined in Article 67-15 of the Special Taxation Measures Law, but not in excess of the amount of earnings. Based on such policy, the Company has declared the total dividends to be 2,978,973,675 yen, which is the largest integral multiple of the number of investment units issued and outstanding (1,384,925 units), and not in excess of unappropriated retained earnings. In addition, the Company decided to pay out dividends of earnings in an amount not in excess of unappropriated retained earnings as stipulated in Article 37 (2) of the Company's Articles of Incorporation.

(5) Statement of cash flows

(Unit: thousands of yen)

	For the six months ended	
	January 31, 2014	July 31, 2014
Net cash provided by (used in) operating activities		
Income before income taxes	2,798,156	2,980,324
Depreciation and amortization	811,127	837,243
Amortization of investment corporation bonds issuance cost	16,235	15,202
Investment unit issuance cost	31,128	—
Interest income	(1,186)	(1,287)
Exclusion gain of unpaid dividend	(7,847)	(1,596)
Interest expenses	704,195	616,077
Decrease (increase) in operating accounts receivable	30,751	18,872
Decrease (increase) in consumption taxes receivable	48,230	67,754
Increase (decrease) in operating accounts payable	4,592	15,353
Increase (decrease) in accounts payable – other	1,263	11,921
Increase (decrease) in accrued expenses	26,889	14,804
Increase (decrease) in accrued consumption taxes	(22,692)	200,785
Increase (decrease) in advances received	87,653	21,725
Increase (decrease) in deposits received	(7,792)	(1,792)
Decrease (increase) in prepaid expenses	(769)	55,831
Decrease (increase) in long-term prepaid expenses	(165,238)	(2,356)
Other, net	7,374	30
Subtotal	4,362,072	4,848,895
Interest income received	1,186	1,287
Interest expenses paid	(722,898)	(632,552)
Income taxes paid	(1,027)	(961)
Net cash provided by (used in) operating activities	3,639,332	4,216,668
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	(22,065,808)	(108,542)
Purchase of intangible assets in trust	—	(446)
Repayments of lease and guarantee deposits in trust	(24,894)	(14,502)
Proceeds from lease and guarantee deposits in trust	1,020,814	22,914
Net cash provided by (used in) investing activities	(21,069,888)	(100,576)
Net cash provided by (used in) financing activities		
Repayments of short-term loans payable	(1,000,000)	—
Proceeds from long-term loans payable	25,500,000	13,022,000
Repayments of long-term loans payable	(15,062,500)	(13,022,000)
Proceeds from issuance of investment corporation bonds	—	4,969,527
Redemption of investment corporation bonds	—	(5,000,000)
Proceeds from issuance of investment units	11,333,422	—
Cash dividends paid	(2,430,394)	(2,797,354)
Net cash provided by (used in) financing activities	18,340,528	(2,827,827)
Net increase (decrease) in cash and cash equivalents	909,972	1,288,264
Cash and cash equivalents at beginning of the period	11,786,631	12,696,604
Cash and cash equivalents at end of the period	* 1 12,696,604	* 1 13,984,868

(6) Notes to assumption of going concern

Not applicable.

(7) Summary of significant accounting policies

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

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

Buildings	3~66 years
Structures	3~45 years
Machinery and equipment	8~31 years
Tools, furniture and fixtures	3~15 years

(b) Intangible assets (including assets in trust)

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

(c) Long-term prepaid expenses

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

(d) Investment corporation bonds issuance cost

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

(e) Accounting for property taxes

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

Registered owners of properties in Japan as of January 1 are responsible for paying property taxes for the calendar year based on assessments by local governments. Therefore, registered owners who sold properties to the Company were liable for property taxes for the calendar year, including the period from the date of the acquisition by the Company until the end of the year. The Company reimbursed sellers of properties for the equivalent amount of property taxes and included the amount in the acquisition cost of real estate. The amounts equivalent to property taxes and included in the cost of acquisition of real estate are 19,446 thousand yen and none, as of January 31, 2014 and July 31, 2014, respectively.

(f) Hedge accounting approach

a) Hedge accounting approach

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

b) Hedging instruments and hedged items

Hedging instruments: Interest rate swap transactions

Hedged items: Borrowing interest rates

c) Hedging policy

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

d) Method for assessing the effectiveness of hedging

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

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

(g) Cash and cash equivalents

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

(h) Accounting for trust beneficial interest in real estate

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

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

a) Cash and deposits in trust

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

c) Lease and guarantee deposits in trust

(i) Consumption taxes

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

(8) Notes to financial Statements

(Omission of disclosure)

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

1. Breakdown of property-related revenue and expenses

*1 Breakdown of property operating income

(Unit: thousands of yen)

		For the six months ended			
		January 31, 2014		July 31, 2014	
A.	Property operating revenue				
	Rent revenue of real estate				
	Rent and common area revenue	5,486,055		5,666,880	
	Other rent revenue	3,794	5,489,850	3,528	5,670,408
	Other rent revenue of real estate				
	Parking revenue	18,858		16,293	
	Utilities and other revenue	100,995		100,355	
	Cancellation penalty	330	120,184	1,057	117,707
	Total property operating revenue		5,610,034		5,788,116
B.	Property operating expenses				
	Expenses of real estate rent				
	Property management fees	169,071		199,275	
	Property taxes	309,970		351,879	
	Utilities	93,347		85,490	
	Maintenance and repairs	15,208		27,632	
	Insurance premium	11,557		11,621	
	Custodian fees	6,955		6,368	
	Depreciation and amortization	810,627		836,678	
	Rent expenses	103,750		103,794	
	Other lease business expenses	9,177	1,529,666	18,868	1,641,610
	Total property operating expenses		1,529,666		1,641,610
C.	Property operating income [A - B]		4,080,368		4,146,505

*2 Transactions with major unitholders

(Unit: thousands of yen)

	For the six months ended	
	January 31, 2014	July 31, 2014
From operating transactions		
Rent revenue of real estate	4,036,470	4,226,578
Other rent revenue of real estate	2,353	2,173
Expenses of real estate rent	101,008	97,802

2. Cash and cash equivalents

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

(Unit: thousands of yen)

	For the six months ended	
	January 31, 2014	July 31, 2014
Cash and deposits	3,531,963	4,767,774
Cash and deposits in trust	9,164,640	9,217,094
Cash and cash equivalents	12,696,604	13,984,868

3. Leases

Operating lease transactions (as lessor)

Future minimum rental revenues under existing non-cancelable lease agreements

(Unit: thousands of yen)

	For the six months ended	
	January 31, 2014	July 31, 2014
Due within 1 year	2,406,219	2,356,843
Due after 1 year	19,196,586	18,582,186
Total	21,602,806	20,939,030

4. Financial instruments

(1) Policy for financial instruments

(a) Policy for holding financial instruments

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

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

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

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

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

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

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

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

(2) Fair value of financial instruments

The following are the carrying amount, fair value and the difference between them of financial instruments as of January 31, 2014.

	(Unit: thousands of yen)		
	Carrying amount	Fair value	Difference
(a) Cash and deposits	3,531,963	3,531,963	—
(b) Cash and deposits in trust	9,164,640	9,164,640	—
Total	12,696,604	12,696,604	—
(c) Current portion of investment corporation bonds	8,000,000	8,038,100	38,100
(d) Current portion of long-term loans payable	30,022,000	30,022,000	—
(e) Investment corporation bonds	17,000,000	17,259,900	259,900
(f) Long-term loans payable	71,178,000	71,251,051	73,051
Total	126,200,000	126,571,051	371,051
Derivative transactions	—	—	—

The following are the carrying amount, fair value and the difference between them of financial instruments as of July 31, 2014.

	(Unit: thousands of yen)		
	Carrying amount	Fair value	Difference
(a) Cash and deposits	4,767,774	4,767,774	—
(b) Cash and deposits in trust	9,217,094	9,217,094	—
Total	13,984,868	13,984,868	—
(c) Current portion of investment corporation bonds	8,000,000	8,083,500	83,500
(d) Current portion of long-term loans payable	31,700,000	31,714,775	14,775
(e) Investment corporation bonds	17,000,000	17,204,600	204,600
(f) Long-term loans payable	69,500,000	69,711,395	211,395
Total	126,200,000	126,714,270	514,270
Derivative transactions	—	—	—

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

Assets

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

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

Liabilities

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

The fair value of these is based on market prices.

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

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

Derivative transactions

Please refer to “Derivative transactions” below.

(Note 2) Redemption of monetary claims scheduled to be due after the balance sheet date (as of January 31, 2014)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	3,531,963	—	—	—	—	—
Cash and deposits in trust	9,164,640	—	—	—	—	—
Total	12,696,604	—	—	—	—	—

Redemption of monetary claims scheduled to be due after the balance sheet date (as of July 31, 2014)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	4,767,774	—	—	—	—	—
Cash and deposits in trust	9,217,094	—	—	—	—	—
Total	13,984,868	—	—	—	—	—

(Note 3) Investment corporation bonds and long-term loans payable scheduled to be due after the balance sheet date (as of January 31, 2014)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Investment corporation bonds	8,000,000	10,000,000	—	2,000,000	3,000,000	2,000,000
Long-term loans payable	30,022,000	30,200,000	3,500,000	4,578,000	20,500,000	12,400,000
Total	38,022,000	40,200,000	3,500,000	6,578,000	23,500,000	14,400,000

Investment corporation bonds and long-term loans payable scheduled to be due after the balance sheet date (as of July 31, 2014)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Investment corporation bonds	8,000,000	5,000,000	—	5,000,000	3,000,000	4,000,000
Long-term loans payable	31,700,000	17,000,000	3,978,000	12,600,000	22,500,000	13,422,000
Total	39,700,000	22,000,000	3,978,000	17,600,000	25,500,000	17,422,000

5. Derivative transactions

(1) Transactions for which hedge accounting is not applied

As of January 31, 2014

Not applicable.

As of July 31, 2014

Not applicable.

(2) Transactions for which hedge accounting is applied

As of January 31, 2014

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

(Unit: thousands of yen)

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount		Fair value	Method of calculating the fair value
				Due after 1 year		
Special treatment for interest rate swaps	Interest rate swap transactions Floating receivable; Fixed payable	Long-term loans payable	38,978,000	38,978,000	*	—

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

As of July 31, 2014

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

(Unit: thousands of yen)

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount		Fair value	Method of calculating the fair value
				Due after 1 year		
Special treatment for interest rate swaps	Interest rate swap transactions Floating receivable; Fixed payable	Long-term loans payable	38,978,000	33,978,000	*	—

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

6. Related party transactions

(1) Parent company and major corporate unitholders

For the six months ended January 31, 2014

Type	Name	Location	Capital stock or investments in capital (thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship with related party	Description of transaction	Amount of transaction (thousands of yen) (Note 1)	Account item	Balance at end of the period (thousands of yen)
Other related company	Mori Building Co., Ltd.	Minato-ku, Tokyo	67,000,000	Real estate business	17.7% directly held by related party	Leasing and management of real estate	Acquisition of property (Note 2) (Note 6)	21,900,000	—	—
							Leasing of properties (Note 3) (Note 7)	4,038,824	Operating accounts receivable	738
									Advances received	734,989
									Lease and guarantee deposits in trust	6,663,711
							Payment of property operation and management fees (Note 8)	107,687 (Note 4)	Prepaid expenses	2,461
							Deposit of lease and guarantee (Note 5) (Note 9)	53,886	Operating accounts payable	23,528
Lease and guarantee deposits in trust	53,886									

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

(Note 2) A portion of Roppongi Hills Mori Tower

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

(Note 4) The amount includes construction fees (5,743 thousand yen) and construction management fees (936 thousand yen) that are not charged to expenses but recognized as assets.

(Note 5) Roppongi View Tower

[Transaction terms and conditions and related policies]

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

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

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

(Note 9) The Company engages in transactions by conducting adequate procedures in line with the Related Parties Transaction Guidelines stipulated by the Company's Asset Manager and compliance regulations, after having comprehensively considered the market situation and other factors.

For the six months ended July 31, 2014

Type	Name	Location	Capital stock or investments in capital (thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship with related party	Description of transaction	Amount of transaction (thousands of yen) (Note 1)	Account item	Balance at end of the period (thousands of yen)
Other related company	Mori Building Co., Ltd.	Minato-ku, Tokyo	67,000,000	Real estate business	17.7% directly held by related party	Leasing and management of real estate	Leasing of properties (Note 2) (Note 5)	4,228,751	Operating accounts receivable	869
									Advances received	739,005
									Lease and guarantee deposits in trust	6,663,711
							Payment of property operation and management fees (Note 6)	102,013 (Note 3)	Prepaid expenses	2,531
									Operating accounts payable	27,717
Deposit of lease and guarantee (Note 4) (Note 7)	—	Lease and guarantee deposits in trust	53,886							

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

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

(Note 3) The amount includes construction fees (2,777 thousand yen) and construction management fees (1,433 thousand yen) that are not charged to expenses but recognized as assets.

(Note 4) Roppongi View Tower

[Transaction terms and conditions and related policies]

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

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

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

(2) Subsidiaries and affiliates

For the six months ended January 31, 2014

Not applicable.

For the six months ended July 31, 2014

Not applicable.

(3) Subsidiaries of parent company

For the six months ended January 31, 2014

Type	Name	Location	Capital stock or investments in capital (thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship with related party	Description of transaction	Amount of transaction (thousands of yen) (Note 1)	Account item	Balance at end of the period (thousands of yen)
Subsidiary of other related company	Mori Building Investment Management Co., Ltd.	Minato-ku, Tokyo	200,000	Real estate, trust beneficiary right and other financial asset management operations	None	Outsourcing of asset management Concurrent post of directors	Payment of management fees (Note 2) (Note 4)	231,942 (Note 3)	Accrued expenses	220,544

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

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

(Note 3) The amount of management fees includes 21,900 thousand yen in acquisition fees pertaining to real estate acquisition included in the book value of real estate.

[Transaction terms and conditions and related policies]

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

For the six months ended July 31, 2014

Type	Name	Location	Capital stock or investments in capital (thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship with related party	Description of transaction	Amount of transaction (thousands of yen) (Note 1)	Account item	Balance at end of the period (thousands of yen)
Subsidiary of other related company	Mori Building Investment Management Co., Ltd.	Minato-ku, Tokyo	200,000	Real estate, trust beneficiary right and other financial asset management operations	None	Outsourcing of asset management Concurrent post of directors	Payment of management fees (Note 2) (Note 3)	216,982	Accrued expenses	234,340

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

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

[Transaction terms and conditions and related policies]

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

(4) Directors and major individual unitholders

For the six months ended January 31, 2014

Type	Name	Location	Capital stock or investments in capital (thousands of yen)	Description of business or position	Percentage of voting rights held in (by) related party	Relationship with related party	Description of transaction	Amount of transaction (thousands of yen) (Note 1)	Account item	Balance at end of the period (thousands of yen)
Directors and their close relatives	Hideyuki Isobe	—	—	Executive Director of the Company, and President & CEO of Mori Building Investment Management Co., Ltd.	None	Executive Director of the Company, and President & CEO of Mori Building Investment Management Co., Ltd.	Payment of management fees to Mori Building Investment Management Co., Ltd. (Note 2) (Note 4)	231,942 (Note 3)	Accrued expenses	220,544

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

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

(Note 3) The amount of management fees includes 21,900 thousand yen in acquisition fees pertaining to real estate acquisition included in the book value of real estate.

[Transaction terms and conditions and related policies]

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

For the six months ended July 31, 2014

Type	Name	Location	Capital stock or investments in capital (thousands of yen)	Description of business or position	Percentage of voting rights held in (by) related party	Relationship with related party	Description of transaction	Amount of transaction (thousands of yen) (Note 1)	Account item	Balance at end of the period (thousands of yen)
Directors and their close relatives	Hideyuki Isobe	—	—	Executive Director of the Company, and President & CEO of Mori Building Investment Management Co., Ltd.	None	Executive Director of the Company, and President & CEO of Mori Building Investment Management Co., Ltd.	Payment of management fees to Mori Building Investment Management Co., Ltd. (Note 2) (Note 3)	216,982	Accrued expenses	234,340

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

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

[Transaction terms and conditions and related policies]

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

7. Income taxes

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

(Unit: thousands of yen)

	As of	
	January 31, 2014	July 31, 2014
Deferred tax assets		
Current assets		
Accrued enterprise tax excluded from expenses	15	22
Total deferred tax assets [current]	15	22
Net deferred tax assets [current]	15	22

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

	As of	
	January 31, 2014	July 31, 2014
Statutory tax rate	36.59%	36.59%
[Adjustments]		
Deductible cash distributions	(36.58%)	(36.57%)
Others	0.02%	0.02%
Effective tax rate	0.03%	0.04%

8. Investment and rental properties

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

(Unit: thousands of yen)

	For the six months ended	
	January 31, 2014	July 31, 2014
Carrying amount		
Balance at beginning of the period	227,798,865	249,026,311
Amount of increase (decrease) during the period	21,227,445	(738,417)
Balance at end of the period	249,026,311	248,287,893
Fair value at end of the period	242,200,000	243,890,000

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

(Note 2) Of the increase (decrease) during the period ended January 31, 2014, the increase is primarily attributable to the acquisition of one property (Roppongi Hills Mori Tower (19th · 22nd floors) (21,973,409 thousand yen), while the decrease is primarily attributable to depreciation and amortization.

Of the decrease during the period ended July 31, 2014, the decrease is primarily attributable to depreciation and amortization.

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

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

9. Segment and related information

[Segment information]

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

[Related information]

For the six months ended January 31, 2014

(1) Information about each product and service

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

(2) Information about each geographical area

(a) Operating revenue

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

(b) Property, plant and equipment

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

(3) Information about each major tenant

(Unit: thousands of yen)		
Name of tenant	Operating revenue	Related segment
Mori Building Co., Ltd.	4,038,824	Real estate leasing business
Mori Building Ryutsu System Co., Ltd.	625,200	Real estate leasing business

For the six months ended July 31, 2014

(1) Information about each product and service

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

(2) Information about each geographical area

(a) Operating revenue

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

(b) Property, plant and equipment

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

(3) Information about each major tenant

(Unit: thousands of yen)		
Name of tenant	Operating revenue	Related segment
Mori Building Co., Ltd.	4,228,751	Real estate leasing business
Mori Building Ryutsu System Co., Ltd.	614,400	Real estate leasing business

10. Per unit Information

(Unit: yen)

	For the six months ended	
	January 31, 2014	July 31, 2014
Net assets per unit	91,870	92,001
Net income per unit	2,052	2,151

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

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

(Note 2) The Company implemented a 5-for-1 split of investment units on January 31, 2014 as the record date and February 1, 2014 as the effective date. Net assets per unit and Net income per unit are calculated under the assumption that the split were implemented on August 1, 2013.

(Note 3) The following is the basis for calculating net income per unit.

	For the six months ended	
	January 31, 2014	July 31, 2014
Net income (thousands of yen)	2,797,228	2,979,224
Amounts not attributable to common unitholders (thousands of yen)	—	—
Net income attributable to common investment units (thousands of yen)	2,797,228	2,979,224
Average number of investment units during the period (units)	1,363,451	1,384,925

11. Subsequent events

Issuance of New Investment Units

The issuance of new investment units was resolved at the Company's Board of Directors Meetings held on July 9, 2014 and July 23, 2014. Furthermore, the cash contribution to new investment units through public offering was completed on August 1, 2014 and the cash contribution to new investment units through third-party allotment was completed on August 27, 2014.

As a result, unitholders' capital is 150,418,135,170 yen, with the number of investment units issued and outstanding is 1,570,040 units as of August 27, 2014.

(1) Issuance of New Investment Units through Japanese Offering and International Offering

(however, in the United States, only to qualified institutional buyers in accordance with Rule 144A of the U.S. Securities Act of 1933)

Number of new investment units issued	:	Japanese Primary Offering	88,150 units
	:	International Offering	88,150 units
Issue price (offer price)	:	146,016 yen per unit	
Total amount of issue price (offer price)	:	25,742,620,800 yen	
Amount contributed in (issued value)	:	140,924 yen per unit	
Total amount contributed in (issued value)	:	24,844,901,200 yen	
Contribution date	:	August 1, 2014	
Initial date of dividends calculation	:	August 1, 2014	

(2) Issuance of New Investment Units through Third-Party Allotment

Number of new investment units issued	:	8,815 units
Amount contributed in (issued value)	:	140,924 yen per unit
Total amount contributed in (issued value)	:	1,242,245,060 yen
Contribution date	:	August 27, 2014
Initial date of dividends calculation	:	August 1, 2014
Allottee	:	Mizuho Securities Co., Ltd.

(3) Use of Funds

The funds provided through issuance of new investment units through public offering (Japanese Primary Offering and International Offering) and through third-party allotment were used as a part of the funds for the acquisition of assets (a part of Roppongi Hills Mori Tower and a part of ARK Hills South Tower) and acquisition-related costs. The remaining funds will be kept as cash on hand, and will be used for part of future acquisition of specified assets.

(9) Changes in unit issued and outstanding

The Company implemented a 5-for-1 split of investment units on January 31, 2014 as the record date and February 1, 2014 as the effective date. The outline of changes in unitholders' capital for the previous five years was as follows:

Date	Type of issue	Number of units issued and outstanding		Unitholders' capital (Millions of yen)		Note
		Increase	Balance	Increase	Balance	
March 23, 2010	Public offering in Japan	67,000	226,200	13,562	100,934	(Note 1)
April 23, 2010	Third-party allotment in Japan	5,320	231,520	1,076	102,010	(Note 2)
March 4, 2013	Public offering in Japan	22,000	253,520	10,433	112,444	(Note 3)
April 3, 2013	Third-party allotment in Japan	1,100	254,620	521	112,966	(Note 4)
September 4, 2013	Public offering in Japan	21,300	275,920	10,823	123,789	(Note 5)
October 2, 2013	Third-party allotment in Japan	1,065	276,985	541	124,330	(Note 6)
February 1, 2014	Split of investment units	1,107,940	1,384,925	—	124,330	(Note 7)

(Note 1) New investment units were issued at a price of 202,427 yen per unit through a public offering in Japan in order to raise funds for acquiring new real property.

(Note 2) New investment units were issued at a price of 202,427 yen per unit through a third-party allotment in Japan in order to raise funds for loan repayment and other purposes.

(Note 3) New investment units were issued at a price of 474,264 yen per unit through a public offering in Japan in order to raise funds for acquiring new real property.

(Note 4) New investment units were issued at a price of 474,264 yen per unit through a third-party allotment in Japan in order to raise funds for acquiring new real property.

(Note 5) New investment units were issued at a price of 508,140 yen per unit through a public offering in Japan in order to raise funds for acquiring new real property.

(Note 6) New investment units were issued at a price of 508,140 yen per unit through a third-party allotment in Japan in order to raise funds for acquiring new real property.

(Note 7) The Company implemented a 5-for-1 split of investment units on January 31, 2014 as the record date and February 1, 2014 as the effective date.

4. CHANGES IN OFFICERS

(1) Directors of the Company

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

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

(2) Directors of the Company's Asset Manager

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

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

5. REFERENCE INFORMATION

(1) Investment Status

(as of July 31, 2014)

Type of asset	Main type of use	Region	Total amount held (millions of yen) (Note 1)	Percentage of total assets (%)
Real estate	Office Buildings	Tokyo's five central wards and their vicinity	—	—
		Tokyo metropolitan area	—	—
		Principal regional cities	—	—
	Residential Properties	Tokyo's five central wards and their vicinity	—	—
		Tokyo metropolitan area	—	—
		Principal regional cities	—	—
	Retail and Other Facilities	Tokyo's five central wards and their vicinity	22,074	8.4
		Tokyo metropolitan area	22,074	8.4
		Principal regional cities	—	—
Subtotal			22,074	8.4
Real estate in trust	Office Buildings	Tokyo's five central wards and their vicinity	218,446	83.0
		Tokyo metropolitan area	218,446	83.0
		Principal regional cities	—	—
	Residential Properties	Tokyo's five central wards and their vicinity	7,767	2.9
		Tokyo metropolitan area	7,767	2.9
		Principal regional cities	—	—
	Retail and Other Facilities	Tokyo's five central wards and their vicinity	—	—
		Tokyo metropolitan area	—	—
		Principal regional cities	—	—
Subtotal			226,213	85.9
Deposits and other assets (Note 2)			15,022	5.7
Total assets			263,310	100.0

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

(Note 2) Deposits and other assets include deposits within the assets in trust in the amount of 9,217 million yen. Trust beneficiary interest in assets which primarily comprise of real estate, etc., does not include deposits within the assets in trust.

(as of July 31, 2014)

	Carrying amount (millions of yen)	Percentage of total assets (%)
Total liabilities	135,894	51.6
Total net assets	127,415	48.4
Total assets	263,310	100.0

(2) Investment Assets

(a) Major Issue of Investment Securities

Not applicable.

(b) Investment Real Estate Properties

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

(c) Major Other Investment Assets

The Company holds the following real estate and trust beneficiary interest in real estate listed in the tables in a) below as of July 31, 2014. Mori Building Co., Ltd. led the development of all of the following real estate and real estate in trust.

a) Overview of Real Estate and Real Estate in Trust

The following are the real estate and real estate in trust held by the Company as of July 31, 2014.

(i) Overview of Assets by Type of Use

Type of asset	Main type of use	Property number (Note 1)	Property name	Location	Construction date (YYYY/MM) (Note 2)	Structure/ Total number of floors (Note 2)	Land area (m ²) (Note 3)	Gross floor area (m ²) (Note 3)	Form of ownership (Note 4)		Appraisal value at the end of fiscal period (millions of yen) (Note 5)	Book value (millions of yen)	Acquisition price (millions of yen)	Percentage of total portfolio acquisition price (%) (Note 6)	
									Land	Bldg					
Real estate in trust	Office Buildings	O-0 Premium	Roppongi Hills Mori Tower	Roppongi, Minato-ku	2003/04	S/SRC B6F/54F	57,177.66	442,150.70	C (Note 7)	CO	53,900	46,828	47,390	18.8	
		O-1 Premium	ARK Mori Building	Akasaka, Minato-ku	1986/03	RC/SRC/S B4F/37F	39,602.42	177,486.95	C (Note 7)	CO	59,000	61,676	62,480	24.7	
		O-4 Premium	Koraku Mori Building	Koraku, Bunkyo-ku	2000/03	SRC/S B6F/19F	6,611.58	46,154.65	L	CO	22,200	25,501	27,200	10.8	
		O-6 Premium	Akasaka Tameike Tower	Akasaka, Minato-ku	2000/09	S/SRC/RC B2F/25F	5,694.16	46,971.43	C (Note 8)	CO	30,200	42,587	43,930	17.4	
		O-7 Premium	Atago Green Hills	MORI Tower (office building)	Atago, Minato-ku	2001/07	S/SRC B2F/42F	13,014.36 (Note 9)	85,266.30	*	*	45,800	41,851	42,090	16.7
				Forest Tower (residential building)	Atago, Minato-ku	2001/10	S/SRC B4F/43F		60,815.71						
			Plaza (retail building)	Toranomon, Minato-ku	2001/07	RC B1F/2F	2,083.60								
	Subtotal											211,100	218,446	223,090	88.3
	Real estate	Retail and Other Facilities	R-1 Premium	Moto-Azabu Hills (Note 12)	Moto-Azabu, Minato-ku	2002/05 2002/09 (Note 13)	S/SRC/RC B4F/29F (Note 13)	12,199.65	54,006.76	C (Note 7)	CO	1,800	1,642	1,706	0.7
			R-3 Premium	Roppongi First Plaza	Roppongi, Minato-ku	1993/10	RC B1F/20F	4,357.88 (Note 14)	22,906.74 (Note 14)	C (Note 14)	CO (Note 15)	1,560	2,251	2,100	0.8
R-4			Roppongi View Tower	Roppongi, Minato-ku	1993/10	RC B1F/20F	C (Note 14)			CO (Note 15)	2,330	3,873	4,000	1.6	
Subtotal											5,690	7,767	7,806	3.1	
Real estate	Retail and Other Facilities	S-1 Premium	Laforet Harajuku (Land)	Jingumae, Shibuya-ku	—	—	2,565.06	—	O	—	27,100	22,074	21,820	8.6	
		Subtotal											27,100	22,074	21,820
Total											243,890	248,287	252,716	100.0	

- (Note 1) "Property number" is the number assigned to real estate and real estate in trust held by the Company classified into the following main types of use. The alphabet on the left represents the main type of use, where "O" represents an office building, "R" represents a residential property and "S" represents a retail and other facility. In addition, Premium Properties are denoted by "Premium." The same applies hereafter.
- (Note 2) "Construction date," "Structure/Total number of floors," "Land area" and "Gross floor area" are as described in the property registry. As for "Structure/Total number of floors," the following abbreviations are used.
RC: Reinforced concrete; SRC: Steel frame and reinforced concrete; S: Steel frame;
B: Number of basement floor; F: Number of floor above ground level
- (Note 3) "Land area" and "Gross floor area" indicate the area of the entire site and the total area floor of the entire building based on the description of the property registry, regardless of the form of ownership.
- (Note 4) "Form of ownership" is the type of rights, where "O" represents ownership rights, "C" represents a co-ownership interest in ownership rights, "CO" represents compartmentalized ownership of exclusive portion of a building, and "L" represents leasehold rights.
- (Note 5) "Appraisal value at the end of fiscal period" is the appraisal value as of July 31, 2014 as described in the real estate appraisal report prepared by Japan Real Estate Institute.
- (Note 6) "Percentage of total portfolio acquisition price" is calculated as a percentage of the aggregate acquisition price of the Company's portfolio.
- (Note 7) Co-ownership interest as a portion of the land use rights.
- (Note 8) The land of Akasaka Tameike Tower is composed of the land owned by a third party (parcel number 1705-1) and the land jointly owned by five owners including the trustee (parcel number 1701-1). The trustee's co-ownership interest ratio of the land (parcel number 1701-1) is approximately 98.6% and the area corresponding to the co-ownership interest ratio is 3,211.94m². The same applies hereafter.
- (Note 9) "Land area" for Atago Green Hills is the area of the entire land over which land use rights for the building have been established pursuant to the rules of the Atago Green Hills Management Meeting.
- (Note 10) The land of Atago Green Hills is composed of the land owned by third parties and the land jointly owned by the trustee and Mori Building Co., Ltd. and leasehold rights and easement jointly owned by the trustee and Mori Building Co., Ltd. The land corresponding to each building is determined pursuant to the rules of the Atago Green Hills Management Meeting.
- (Note 11) The buildings of Atago Green Hills are composed of parts owned by third parties through compartmentalized ownership and other parts jointly owned by the trustee and Mori Building Co., Ltd. through direct ownership and compartmentalized ownership.
- (Note 12) This refers to the portion of the property in trust which does not include the assets in trust disposed on October 31, 2008, September 15, 2010 and March 18, 2011. The same applies hereafter.
- (Note 13) Although Moto-Azabu Hills is described in the property registry as one building, under the Building Standards Act, it consists of three buildings, Forest Tower (SRC; 29F and B3), Forest Terrace East (RC; 6F and B1) and Forest Terrace West (RC; 5F and B1), which were constructed in May 2002, May 2002 and September 2002, respectively.
- (Note 14) As Roppongi First Plaza and Roppongi View Tower are on the same site and are described in the property registry as one building owned through compartmentalized ownership, the land area and the gross floor area for these properties are added together. The land corresponding to each building has been determined pursuant to its management rules and is owned in the land use rights ratio.
- (Note 15) Roppongi First Plaza and Roppongi View Tower are described in the property registry as one building owned through compartmentalized ownership. 42 residential units out of the total of 90 residential units in Roppongi First Plaza are owned through compartmentalized ownership. 92 residential units out of the total of 202 residential units in Roppongi Veiv Tower are owned through compartmentalized ownership.

(ii) Overview of Lease Conditions (as of July 31, 2014)

Property number	Property name	Type of lease (Note 1)	Total leasable area (m ²) (Note 2)	Total leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual contracted rent (millions of yen) (Note 5)	Security deposits (millions of yen) (Note 6)
O-0	Roppongi Hills Mori Tower	Fixed-rent master lease	17,602.92	17,602.92	100.0	1	2,348	1,957
O-1	ARK Mori Building	Fixed-rent master lease	24,588.43	24,588.43	100.0	1	2,543	2,104
O-4	Koraku Mori Building	Pass-through master lease	16,197.45	16,197.45	100.0	18	1,249	1,233
O-6	Akasaka Tameike Tower	Fixed-rent master lease	19,698.54	19,698.54	100.0	1	1,333	946
O-7	Atago Green Hills	Fixed-rent master lease	29,667.58	29,667.58	100.0	1	2,223	1,482
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	2,822.67	95.5	40	142	52
R-4	Roppongi View Tower	Pass-through master lease	4,515.25	4,111.46	91.1	84	171	53
S-1	Laforet Harajuku (Land)	Business-use fixed-term land lease	2,565.06	2,565.06	100.0	1	1,228	—
Total			119,117.30	118,579.41	99.5	154	11,367	7,877

(Note 1) We treat as a fixed-rent master lease when we grant the authority to lease the property to other co-owner and receive a fixed amount in consideration. The same applies hereafter.

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

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

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

(Note 5) "Annual contracted rent" for each property is calculated by multiplying the monthly rent provided in the relevant lease agreement, etc. with the end-tenant (which shall be the monthly rent after a free rent period if a free rent period has been established at the beginning of the lease period, or the amount charged to the end-tenants during the period from July 1, 2014 to July 31, 2014 if a percentage rent is adopted) by 12. In the case of Koraku Mori Building and Atago Green Hills, this indicates 80% and 74% (i.e., the ownership ratio), respectively, of the amount so calculated.

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

(iii) Overview of Lease to Major Tenants

The following table provides certain information regarding a key tenant, which leases 10% or more of the total leased area for the properties in the Company's portfolio as of July 31, 2014 and brief summary of the lease conditions to such tenant.

Tenant name	Business type	Property name	Annual contracted rent (millions of yen)	Security Deposits (millions of yen)	Leased area (m ²) (Note 1)	Percentage of total leased area (%) (Note 2)	Lease expiration date (YYYY/MM/DD)	Lease renewal	Notes
Mori Building Co., Ltd.	Real estate business	Roppongi Hills Mori Tower	2,348	1,957	17,602.92	14.8	2021/07/31	Auto-renewed every 5 years	23/24 floors
							2018/09/30	Auto-renewed every 5 years	19/22 floors
		ARK Mori Building	2,543	2,104	24,588.43	20.7	2021/01/31	Auto-renewed every 5 years	13 floor
							2021/01/31	Auto-renewed every 5 years	12/22 floors
							2021/01/31	Auto-renewed every 5 years	23/25 floors
							2021/01/31	Auto-renewed every 5 years	4/15/24 floors
							2023/03/31	Auto-renewed every 5 years	1 floor/Basement 1 through 4/ The area used as district heating and cooling
		Koraku Mori Building	1,249	1,233	16,197.45	13.7	2023/03/03	Fixed-term lease	—
		Akasaka Tameike Tower	1,333	946	19,698.54	16.6	2026/03/31	Auto-renewed every 5 years	Office and Retail portion (including certain parking/storage space)
							2021/03/31	Auto-renewed every 5 years	Residential portion (including certain parking space)
		Atago Green Hills	2,223	1,482	29,667.58	25.0	2022/04/30	Auto-renewed every 5 years	—
		Moto-Azabu Hills	125	47	1,325.30	1.1	2026/03/31	Fixed-term lease	—
Roppongi First Plaza	142	52	2,822.67	2.4	2023/03/03	Fixed-term lease	—		
Roppongi View Tower	171	53	4,111.46	3.5	2023/03/03	Fixed-term lease	—		
Total			10,139	7,877	116,014.35	97.8	—	—	—

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

(Note 2) "Percentage of total leased area" indicates the ratio of the total leased area of each property to the aggregate total leased area for all properties held by the Company as of July 31, 2014. The same applies hereafter.

(iv) Five Largest Tenants

The following table shows the Company's five largest tenants by leased area for the Company's properties as of July 31, 2014.

Name of end tenant	Property name	Leased area (m ²) (Note 1)	Percentage of total portfolio (%) (Note 2)
Mori Building Co., Ltd.	Roppongi Hills Mori Tower ARK Mori Building Koraku Mori Building Akasaka Tameike Tower Atago Green Hills	91,849.69	77.5
Showa Leasing Co., Ltd.	Koraku Mori Building	2,683.90	2.3
Mori Building Ryutsu System Co., Ltd.	Laforet Harajuku (Land)	2,565.06	2.2
ITOCHU Techno-Solutions Corporation	Koraku Mori Building	2,116.88	1.8
Japan Worker's Credit Fund Association	Koraku Mori Building	1,851.87	1.6
Total for top 5 end tenants		101,067.40	85.2

(Note 1) "Leased area" is equal to the aggregate leased area attributable to each end-tenant as described in the relevant lease agreements, etc. with the end-tenants. In the case of leased area for such end-tenants of Koraku Mori Building and Atago Green Hills, this indicates 80% and 74% (i.e., the ownership ratio), respectively, of the leased area described in the relevant lease agreements, which is rounded off to two decimal places. The leased area does not include the area of storage space, flat parking lots, and machinery, etc.

(Note 2) "Percentage of total portfolio" indicates the ratio of the leased area attributable to each end-tenant to the aggregate total leased area for all properties held by the Company as of July 31, 2014. The same applies hereafter.

(v) Overview of Lease to Interested Parties

The following table provides an overview of lease to the end-tenants who are interested parties for the properties held by the Company as of July 31, 2014.

Name of end tenant	Name of occupied property	Leased area (m ²) (Note 1)	Percentage of total portfolio (%)	Annual contracted rent (thousands of yen) (Note 2)	Lease expiration date (YYYY/MM/DD)	Lease renewal	Type of lease	Notes
Mori Building Co., Ltd.	Roppongi Hills Mori Tower	17,602.92	14.8	2,348,622	2021/07/31	Auto-renewed every 5 years	Fixed-rent master lease	23/24 floors
					2018/09/30	Auto-renewed every 5 years	Fixed-rent master lease	19/22 floors
	ARK Mori Building	24,588.43	20.7	2,543,386	2021/01/31	Auto-renewed every 5 years	Fixed-rent master lease	13 floor
					2021/01/31	Auto-renewed every 5 years	Fixed-rent master lease	12/22 floors
					2021/01/31	Auto-renewed every 5 years	Fixed-rent master lease	23/25 floors
					2021/01/31	Auto-renewed every 5 years	Fixed-rent master lease	4/15/24 floors
					2023/03/31	Auto-renewed every 5 years	Fixed-rent master lease	1 floor/Basement 1 through 4/ The area used as district heating and cooling
					2016/03/31	—	Memorandum on self use	—
	Akasaka Tameike Tower	19,698.54	16.6	1,333,500	2026/03/31	Auto-renewed every 5 years	Fixed-rent master lease	Office and Retail portion (including certain parking/storage space)
					2021/03/31	Auto-renewed every 5 years	Fixed-rent master lease	Residential portion (including certain parking space)
Atago Green Hills	29,667.58	25.0	2,223,530	2022/04/30	Auto-renewed every 5 years	Fixed-rent master lease	—	
Mori Building Ryutsu System Co., Ltd.	Laforet Harajuku (Land)	2,565.06	2.2	1,228,800	2030/09/14	—	Business-use fixed-term land lease	—
Total		94,414.75	79.6	9,682,721	—			

(Note 1) “Leased area” is equivalent to floor area of lease space set out in the lease agreement, etc. with the end-tenants. In the case of Koraku Mori Building and Atago Green Hills, this indicates 80% and 74% (i.e., the ownership ratio), respectively, of the foregoing leased area, which is rounded off to two decimal places. The leased area does not include the area of storage space, flat parking lots, and machinery, etc.

(Note 2) “Annual contracted rent” for each property is calculated by multiplying the monthly rent provided in the relevant lease agreement, etc. with the end-tenants (which shall be the monthly rent after a free rent period if a free rent period has been established at the beginning of the lease period, or the amount charged to the end-tenants during the period from July 1, 2014 to July 31, 2014 if a percentage rent is adopted) by 12. In the case of Koraku Mori Building and Atago Green Hills, this indicates 80% and 74% (i.e., the ownership ratio), respectively, of the amount so calculated.

(vi) Overview of Properties

The following table provides an overview of the properties for which annual contracted rent accounts for 10% or more of the total annual contracted rent for properties held by the Company as of July 31, 2014.

Property number	Property name	Annual contracted rent (millions of yen)	Percentage of annual contracted rent (%) (Note 1)	Total leasable area (m ²)	Total leased area (m ²)	Occupancy rate (%) (Note 2)	Number of tenants
O-1	ARK Mori Building	2,543	22.4	24,588.43	24,588.43	100.0	1
O-0	Roppongi Hills Mori Tower	2,348	20.7	17,602.92	17,602.92	100.0	1
O-7	Atago Green Hills	2,223	19.6	29,667.58	29,667.58	100.0	1
O-6	Akasaka Tameike Tower	1,333	11.7	19,698.54	19,698.54	100.0	1
O-4	Koraku Mori Building	1,249	11.0	16,197.45	16,197.45	100.0	18
S-1	Laforet Harajuku (Land)	1,228	10.8	2,565.06	2,565.06	100.0	1
Total		10,927	96.1	110,319.98	110,319.98	100.0	23

(Note 1) This indicates the ratio of the annual contracted rent for each property to the aggregate total annual contracted rent for all properties held by the Company as of July 31, 2014.

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

(vii) Overview of Matters Concerning Design, Etc.

The following table provides the designers, structural designers, contractors, building verification agencies and structural examination agencies for properties held by the Company as of July 31, 2014.

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

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

(viii) Overview of Engineering Reports

The Company engages an engineering firm to investigate the status of the building (including earthquake risk analysis) and obtains an engineering report from the firm for each property. The following table shows the status of properties held by the Company as of July 31, 2014. “Estimated amount of emergency repair expenses” is the emergency repair expenses estimated by the engineering firm. “Estimated amount of long-term repair expenses” is the annual average amount of repair and renovation expenses over a period of 15 years estimated by the engineering firm.

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

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

Property number	Property name		Preparation date (YYYY/MM)	Estimated amount of emergency repair expenses (thousands of yen)	Estimated amount of long-term repair expenses (thousands of yen) (Note 1) (Note 2) (Note 3)	PML (%) (Note 4)	Engineering firm
O-0	Roppongi Hills Mori Tower		2014/05	—	11,545	0.29	Tokyo Bldg-Tech Center Co., Ltd.
O-1	ARK Mori Building		2012/12	—	127,769	0.38	Tokyo Bldg-Tech Center Co., Ltd.
O-4	Koraku Mori Building		2011/12	—	57,533	0.42	Tokio Marine & Nichido Risk Consulting Co., Ltd.
O-6	Akasaka Tameike Tower	Office and Retail portion (including certain parking/storage space)	2013/11	—	30,273	2.15	Tokyo Bldg-Tech Center Co., Ltd.
		Residential portion (including certain parking space)	2011/02	—	27,631		
O-7	Atago Green Hills	MORI Tower (office building)	2012/02	—	101,932	1.66	Takenaka Corporation
		Forest Tower (residential building)		—	86,456	0.99	
		Plaza (retail building)		—	2,594	9.84	
R-1	Moto-Azabu Hills	Forest Tower	2011/12	—	2,223	1.16	Tokio Marine & Nichido Risk Consulting Co., Ltd.
		Forest Terrace East				1.72	
R-3	Roppongi First Plaza		2011/12	—	9,316	3.53	Tokio Marine & Nichido Risk Consulting Co., Ltd.
R-4	Roppongi View Tower		2011/12	—	6,279	3.53	Tokio Marine & Nichido Risk Consulting Co., Ltd.
S-1	Laforet Harajuku (Land) (Note 5)		—	—	—	—	—
Total				—	463,551	0.71	—

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

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

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

(Note 4) This indicates the figure described in the portfolio earthquake PML report dated July 9, 2013 issued by Tokyo Bldg-Tech Center Co., Ltd.

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

(ix) Status of Capital Expenditures

i) Status of Implementation of Capital Expenditures

The following table shows the major construction work falling under the category of capital expenditures that were conducted during the sixteenth fiscal period. Capital expenditures during the sixteenth fiscal period amounted to 96 million yen for the entire portfolio and, combined with the 27 million yen in maintenance and repairs and 0.5 million yen in construction management fees charged to expenses for the sixteenth fiscal period, construction work in a total of 124 million yen was implemented.

Name of real estate, etc. (Location)	Purpose	Period (YYYY/MM)	Amount of capital expenditures (millions of yen)
Roppongi Hills Mori Tower (Minato-ku, Tokyo)	Replacement of relay circuit for central air-conditioning system	From:2014/01 To:2014/02	3
	Standard floors air-conditioning equipment control parts upgrading work	From:2013/07 To:2014/02	7
	Parts replacement for state-of-the-art seismic system	From:2014/02 To:2014/03	5
	Replacement of inverter for air-conditioning system on the standard floor	From:2013/12 To:2014/03	2
	Parts replacement for movable roof tent at arena	From:2014/01 To:2014/03	1
ARK Mori Building (Minato-ku, Tokyo)	Truss tent replacement at the ARK Karajan Plaza	From: 2014/01 To: 2014/02	11
	Common antenna television system upgrading work	From:2013/12 To:2014/02	1
	LED installation for down-lights for the vaulted ceiling in the lobby	From:2013/12 To:2014/02	1
	2F west side windbreak-wall upgrading work	From:2013/08 To:2014/02	2
Koraku Mori Building (Bunkyo-ku, Tokyo)	VAV for air-conditioning system upgrading work	From:2013/08 To:2014/07	2
	Air-conditioning system for elevator car upgrading work	From:2014/03 To:2014/05	3
	Exterior wall repair work	From:2014/05 To:2014/07	4
	3F perimeter air-conditioning equipment upgrading work	From:2014/04 To:2014/05	5
	Air-conditioning system upgrading work for elevator machine room	From:2014/07 To:2014/07	2
Akasaka Tameike Tower (Minato-ku, Tokyo)	Exterior light replacement work	From: 2014/01 To: 2014/02	2
	Electronic lock contactless key system upgrading work	From: 2014/02 To: 2014/03	5
Atago Green Hills (Minato-ku, Tokyo)	Office building higher floor outdoor air odor treatment work for air-conditioning system	From:2014/02 To:2014/02	1
	Residential building telephone switchboard replacement work	From:2014/01 To:2014/01	7
	Residential building disposer room exhaust pipe upgrading work	From:2014/01 To:2014/02	2
Moto-Azabu Hills (Minato-ku, Tokyo)	Residential unit home appliances upgrading work	From: 2014/02 To: 2014/07	2
Roppongi First Plaza (Minato-ku, Tokyo)	Residential unit remodeling work	From: 2014/02 To: 2014/07	6
Roppongi View Tower (Minato-ku, Tokyo)	Residential air-conditioning equipment installation	From: 2014/02 To: 2014/07	2
Other			9
Entire portfolio			96

(Note) The projects shown above are those for which capital expenditure exceeds 1 million yen per project.

ii) Schedule of Capital Expenditures

The following table shows the amounts of capital expenditures conducted after the end of the sixteenth fiscal period and the expected amounts of capital expenditures associated with the major renovation construction work, etc. planned as of the date of this document for properties held by the Company as of July 31, 2014. A portion of the total “(Expected) Amount of capital expenditures” detailed below may be treated as expenses for accounting purposes depending on the form of construction work.

Name of real estate, etc. (Location)	Purpose	(Scheduled) Period (YYYY/MM)	(Expected) Amount of capital expenditures (millions of yen)		
			Total amount	Amount paid during the sixteenth fiscal period	Total amount already paid
Roppongi Hills Mori Tower (Minato-ku, Tokyo)	ITV system upgrading work	From: 2015/02 To: 2016/02	15	—	—
	Standard floors air-conditioning equipment control parts upgrading work	From:2014/09 To:2015/03	9	—	—
ARK Mori Building (Minato-ku, Tokyo)	Power generating/transforming equipment upgrading work	From:2013/11 To:2016/06	190	—	5
	Gondola upgrading work	From:2015/02 To:2015/03	32	—	—
	Roof falling preventative measures	From:2015/01 To:2015/02	5	—	—
Koraku Mori Building (Bunkyo-ku, Tokyo)	2F retailing area air-conditioning system upgrading work	From: 2015/01 To: 2015/03	5	—	—
	Roof falling preventative measures	From:2015/04 To:2015/07	6	—	—
Akasaka Tameike Tower (Minato-ku, Tokyo)	Common antenna television system upgrading work	From: 2014/04 To: 2014/08	6	—	—
	Installation of motion sensor for guiding lights of emergency stairs	From:2014/10 To:2014/11	10	—	—
	Exterior lighting equipment upgrading work	From:2014/11 To:2015/02	9	—	—
	Modular replacement for switchboards	From:2014/10 To:2015/02	14	—	—
	Telephone switchboard replacement work	From:2014/12 To:2015/01	6	—	—
Atago Green Hills (Minato-ku, Tokyo)	Office building security control system upgrading work	From: 2015/01 To: 2015/01	7	—	—
	Residential building exterior wall repair work	From: 2014/10 To: 2017/09	39	—	—
Moto-Azabu Hills (Minato-ku, Tokyo)	Residential unit home appliances upgrading work	From:2014/08 To:2015/07	7	—	—
Roppongi First Plaza (Minato-ku, Tokyo)	HEATS heat exchanger upgrading work	From: 2014/10 To: 2014/11	5	—	—
	Residential unit remodeling work	From:2014/08 To:2015/07	39	—	—

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

b) Overview of Trust Beneficiary Interest

(as of July 31, 2014)

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

c) Status of Portfolio

(i) Investment Ratio by Property Quality

(as of July 31, 2014)

Quality category (Note)	Number of properties	Acquisition price (millions of yen)	Percentage of total portfolio acquisition price (%)
Premium Properties	8	248,716	98.4
Other Properties	1	4,000	1.6
Portfolio total	9	252,716	100.0

(Note) For the Premium Properties in the quality category, please refer to “2. Investment Policy; (1) Investment Policy; (B) Management Strategy; (a) Key Strategy; a. Development of Urban Portfolio with Premium Properties at the Core; i. Investments that Focus on Premium Properties” in the most recent securities report (submitted on April 28, 2014).

(ii) Investment Ratio by Main Type of Use

(as of July 31, 2014)

Main type of use	Number of properties	Acquisition price (millions of yen)	Percentage of total portfolio acquisition price (%)
Office buildings	5	223,090	88.3
Residential properties	3	7,806	3.1
Retail Facility	1	21,820	8.6
Portfolio total	9	252,716	100.0

(iii) Investment Ratio by Region

(as of July 31, 2014)

Region		Number of properties	Acquisition price (millions of yen)	Percentage of total portfolio acquisition price (%)
Tokyo metropolitan area	Tokyo's five central wards and their vicinity	9	252,716	100.0
	Minato Ward	7	203,696	80.6
	Bunkyo Ward	1	27,200	10.8
	Shibuya Ward	1	21,820	8.6
	Tokyo, Kanagawa, Chiba and Saitama Prefectures	9	252,716	100.0
Principal regional cities	Cities designated by Cabinet Order and their equivalent principal cities in Japan other than those located in Tokyo metropolitan area	—	—	—
Portfolio total		9	252,716	100.0

(iv) Investment Ratio by Property Age

(as of July 31, 2014)

Property age	Number of properties	Acquisition price (millions of yen)	Percentage of total portfolio acquisition price (%)
Less than 10 years	—	—	—
Equal to or more than 10 years but less than 15 years	5	162,316	70.3
Equal to or more than 15 years	3	68,580	29.7
Portfolio total	8	230,896	100.0

(Note) In aggregate calculation, Atago Green Hills is deemed to have been constructed on July 30, 2001 and Laforet Harajuku (Land) falls outside the calculations. The same applies to “(v) Investment Ratio by Property Size” below. The average age of the properties in the Company’s portfolio, calculated as the weighted average of the building age based on the acquisition price is 17.3 years which is rounded off to the nearest decimal place.

(v) Investment Ratio by Property Size

(as of July 31, 2014)

Property Size (Note)	Number of properties	Acquisition price (millions of yen)	Percentage of total portfolio acquisition price (%)
Equal to or more than 30,000m ²	6	224,796	97.4
Equal to or more than 10,000m ² but less than 30,000m ²	2	6,100	2.6
Less than 10,000m ²	—	—	—
Portfolio total	8	230,896	100.0

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

d) Status of Income and Expenditures

(Unit: thousands of yen)

Property number	O-0			O-1		
Property name	Roppongi Hills Mori Tower			ARK Mori Building		
Period	Fifteenth fiscal period ended January 2014 (Note 3)	Sixteenth fiscal period ended July 2014	Difference	Fifteenth fiscal period ended January 2014	Sixteenth fiscal period ended July 2014	Difference
Operation days	184 days	181 days	(3 days)	184 days	181 days	(3 days)
Occupancy rate	100.0%	100.0%	0.0PT	100.0%	100.0%	0.0PT
Number of tenants	1	1	0	1	1	0
Rent revenue of real estate	984,192	1,174,311	190,118	1,271,693	1,271,693	—
Other rent revenue of real estate	—	—	—	—	—	—
Total property operating revenue	984,192	1,174,311	190,118	1,271,693	1,271,693	—
Property management fees	57,040	84,982	27,941	6,000	6,000	—
Property taxes (Note 1)	41,977	64,385	22,408	70,424	72,258	1,834
Utilities	—	—	—	—	—	—
Maintenance and repairs	—	—	—	370	—	(370)
Insurance premium	1,394	1,624	229	1,817	1,788	(29)
Depreciation and amortization (1)	161,817	193,785	31,967	120,411	112,852	(7,559)
Other expenses (Note 2)	56	71	14	2,753	2,747	(6)
Total property operating expense	262,286	344,849	82,562	201,777	195,646	(6,130)
Property operating income (2)	721,905	829,461	107,556	1,069,915	1,076,046	6,130
NOI (3) ((1)+(2))	883,723	1,023,246	139,523	1,190,326	1,188,898	(1,428)
Capex (4)	—	22,468	22,468	1,102	19,916	18,814
NCF (3)-(4)	883,723	1,000,778	117,055	1,189,224	1,168,982	(20,242)

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

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

(Note 3) Properties acquired during the relevant period.

(Unit: thousands of yen)

Property number	O-4			O-6		
Property name	Koraku Mori Building			Akasaka Tameike Tower		
Period	Fifteenth fiscal period ended January 2014	Sixteenth fiscal period ended July 2014	Difference	Fifteenth fiscal period ended January 2014	Sixteenth fiscal period ended July 2014	Difference
Operation days	184 days	181 days	(3 days)	184 days	181 days	(3 days)
Occupancy rate	100.0%	100.0%	0.0PT	100.0%	100.0%	0.0PT
Number of tenants	18	18	0	1	1	0
Rent revenue of real estate	606,805	616,903	10,097	666,446	666,446	—
Other rent revenue of real estate	118,591	115,488	(3,102)	289	289	—
Total property operating revenue	725,396	732,392	6,995	666,735	666,735	—
Property management fees	62,460	64,089	1,629	3,000	3,000	—
Property taxes (Note 1)	31,434	31,390	(44)	42,574	42,560	(13)
Utilities	93,081	83,756	(9,325)	—	—	—
Maintenance and repairs	4,998	11,737	6,738	—	—	—
Insurance premium	1,773	1,744	(28)	2,073	2,039	(33)
Depreciation and amortization (1)	128,693	128,920	226	174,847	175,513	666
Other expenses (Note 2)	68,794	68,749	(45)	905	906	0
Total property operating expense	391,235	390,387	(848)	223,401	224,020	619
Property operating income (2)	334,160	342,004	7,843	443,334	442,715	(619)
NOI (3) ((1)+(2))	462,854	470,925	8,070	618,182	618,229	46
Capex (4)	841	19,177	18,335	12,896	8,051	(4,845)
NCF (3)-(4)	462,012	451,747	(10,264)	605,285	610,177	4,892

(Unit: thousands of yen)

Property number	O-7			R-1		
Property name	Atago Green Hills			Moto-Azabu Hills		
Period	Fifteenth fiscal period ended January 2014	Sixteenth fiscal period ended July 2014	Difference	Fifteenth fiscal period ended January 2014	Sixteenth fiscal period ended July 2014	Difference
Operation days	184 days	181 days	(3 days)	184 days	181 days	(3 days)
Occupancy rate	100.0%	100.0%	0.0PT	100.0%	100.0%	0.0PT
Number of tenants	1	1	0	7	7	0
Rent revenue of real estate	1,111,765	1,111,765	—	61,936	62,948	1,011
Other rent revenue of real estate	—	—	—	974	871	(102)
Total property operating revenue	1,111,765	1,111,765	—	62,910	63,819	909
Property management fees	2,664	2,664	—	9,070	9,904	833
Property taxes (Note 1)	43,277	57,091	13,813	2,057	2,069	12
Utilities	—	—	—	22	0	(21)
Maintenance and repairs	—	—	—	4,254	4,632	378
Insurance premium	3,775	3,714	(61)	127	125	(2)
Depreciation and amortization (1)	194,993	195,408	415	6,550	6,680	130
Other expenses (Note 2)	36,988	37,031	43	3,817	3,730	(86)
Total property operating expense	281,699	295,910	14,210	25,900	27,145	1,245
Property operating income (2)	830,065	815,855	(14,210)	37,010	36,674	(335)
NOI (3) ((1)+(2))	1,025,059	1,011,264	(13,795)	43,560	43,355	(205)
Capex (4)	1,946	13,536	11,589	3,153	3,146	(7)
NCF (3)-(4)	1,023,112	997,727	(25,385)	40,407	40,209	(198)

(Unit: thousands of yen)

Property number	R-3			R-4		
Property name	Roppongi First Plaza			Roppongi View Tower		
Period	Fifteenth fiscal period ended January 2014	Sixteenth fiscal period ended July 2014	Difference	Fifteenth fiscal period ended January 2014	Sixteenth fiscal period ended July 2014	Difference
Operation days	184 days	181 days	(3 days)	184 days	181 days	(3 days)
Occupancy rate	92.3%	95.5%	3.2PT	91.2%	91.1%	(0.1PT)
Number of tenants	39	40	1	83	84	1
Rent revenue of real estate	65,747	67,193	1,446	96,062	84,747	(11,315)
Other rent revenue of real estate	330	1,057	727	—	—	—
Total property operating revenue	66,077	68,251	2,173	96,062	84,747	(11,315)
Property management fees	13,399	13,742	342	15,436	14,892	(544)
Property taxes (Note 1)	6,989	7,016	27	10,781	13,912	3,131
Utilities	240	981	740	3	752	748
Maintenance and repairs	5,560	5,914	353	24	5,348	5,323
Insurance premium	258	254	(4)	335	329	(5)
Depreciation and amortization (1)	11,178	11,288	110	12,134	12,228	94
Other expenses (Note 2)	4,839	4,380	(459)	1,728	11,415	9,686
Total property operating expense	42,466	43,577	1,111	40,444	58,879	18,434
Property operating income (2)	23,611	24,673	1,062	55,618	25,867	(29,750)
NOI (3) ((1)+(2))	34,789	35,962	1,172	67,752	38,096	(29,656)
Capex (4)	33,447	6,790	(26,657)	5,826	3,048	(2,777)
NCF (3)-(4)	1,342	29,172	27,829	61,926	35,048	(26,878)

(Unit: thousands of yen)

Property number	S-1			Portfolio total		
Property name	Laforet Harajuku (Land)					
Period	Fifteenth fiscal period ended January 2014	Sixteenth fiscal period ended July 2014	Difference	Fifteenth fiscal period ended January 2014 (Note 3)	Sixteenth fiscal period ended July 2014	Difference
Operation days	184 days	181 days	(3 days)	184 days	181 days	(3 days)
Occupancy rate	100.0%	100.0%	0.0PT	99.5%	99.5%	0.0PT
Number of tenants	1	1	0	152	154	2
Rent revenue of real estate	625,200	614,400	(10,800)	5,489,850	5,670,408	180,558
Other rent revenue of real estate	—	—	—	120,184	117,707	(2,477)
Total property operating revenue	625,200	614,400	(10,800)	5,610,034	5,788,116	178,081
Property management fees	—	—	—	169,071	199,275	30,203
Property taxes (Note 1)	60,454	61,193	739	309,970	351,879	41,909
Utilities	—	—	—	93,347	85,490	(7,857)
Maintenance and repairs	—	—	—	15,208	27,632	12,424
Insurance premium	—	—	—	11,557	11,621	64
Depreciation and amortization (1)	—	—	—	810,627	836,678	26,051
Other expenses (Note 2)	—	—	—	119,883	129,031	9,148
Total property operating expense	60,454	61,193	739	1,529,666	1,641,610	111,943
Property operating income (2)	564,746	553,206	(11,539)	4,080,368	4,146,505	66,137
NOI (3) ((1)+(2))	564,746	553,206	(11,539)	4,890,995	4,983,184	92,188
Capex (4)	—	—	—	59,214	96,135	36,920
NCF (3)-(4)	564,746	553,206	(11,539)	4,831,780	4,887,049	55,268

Disclaimer:

This report is a translation of the Japanese language Financial Release (*Kessan-Tanshin*) dated September 12, 2014 of Mori Hills REIT Investment Corporation (the Company) prepared under the timely-disclosure requirements of the Tokyo Stock Exchange.

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