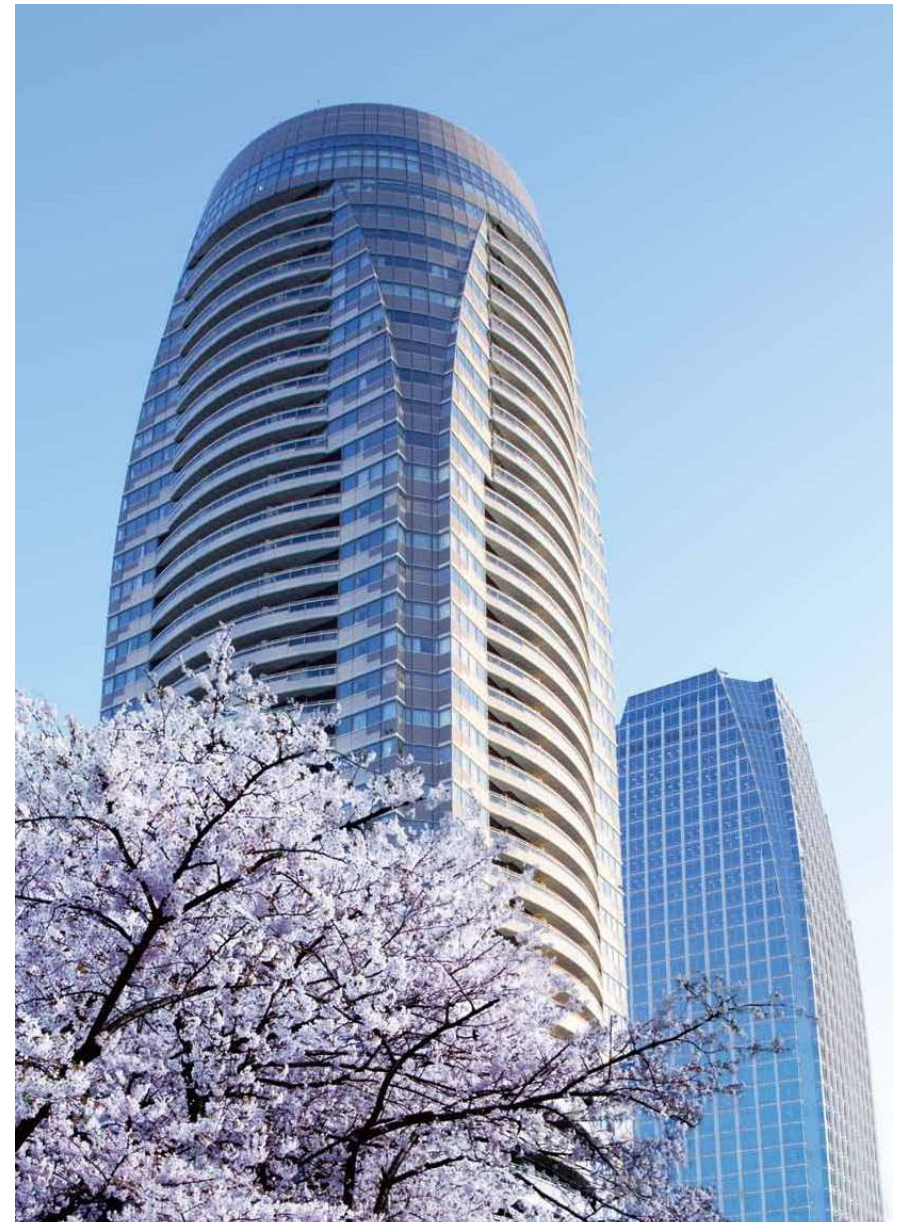




H I L L S R E I T

# MORI HILLS REIT INVESTMENT CORPORATION (CODE:3234)

Results of 13th Fiscal Period (Ended January 31, 2013)



MORI HILLS REIT INVESTMENT CORPORATION

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

Mori Building Investment Management Co., Ltd.

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

<b>1. Investment highlights</b>	<b>2</b>
<b>2. 13th period financial highlights</b>	<b>16</b>
<b>3. Operation highlights</b>	<b>20</b>
<b>4. Appendix</b>	<b>29</b>

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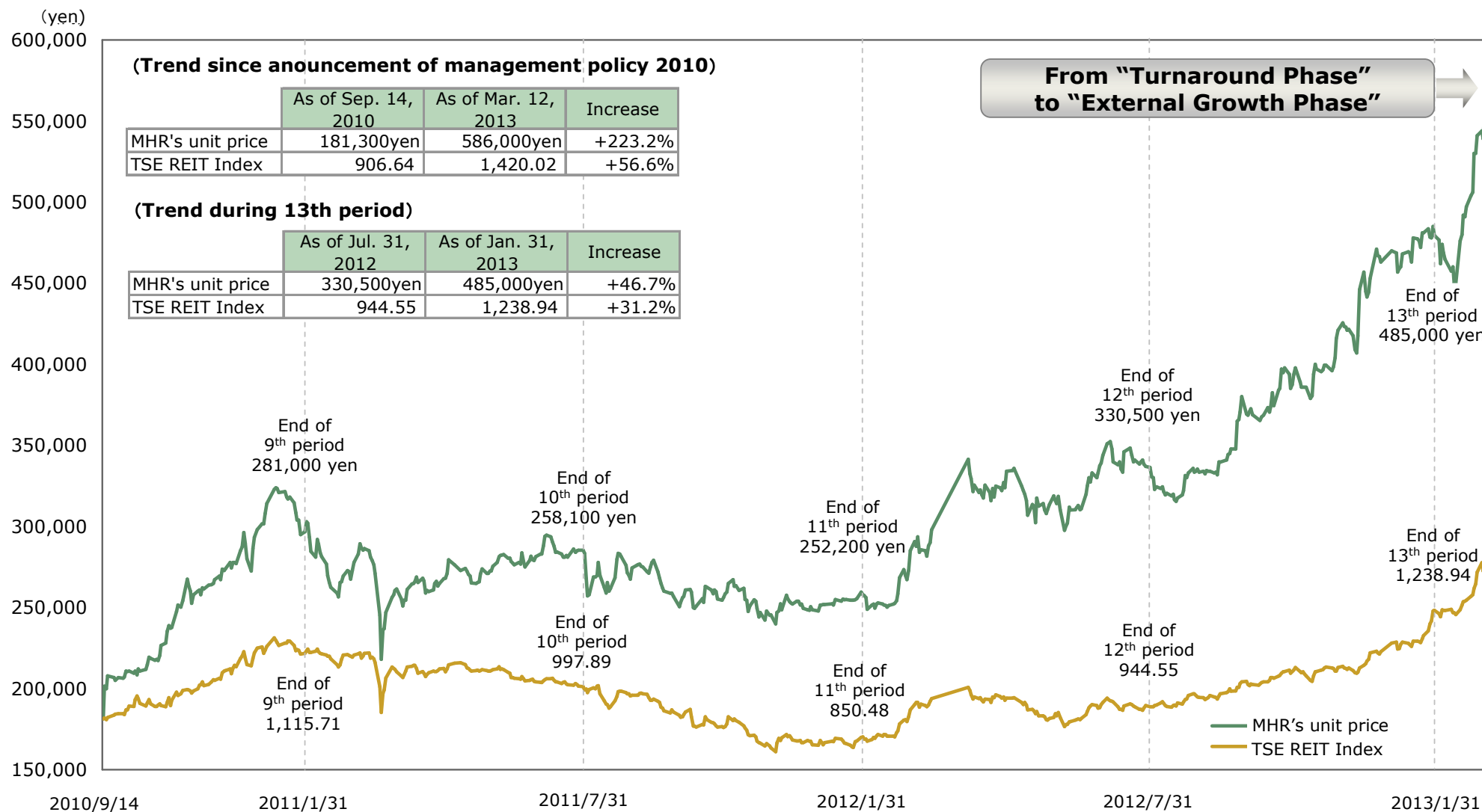
We will send invitations to future financial results briefings to those who participated in the financial results briefing for the thirteenth period based on the personal information they have shared with us; we guarantee that we make every effort to adequately manage and/or use and protect the information in accordance with the private policy posted on the official website of Mori Building Investment Management Co., Ltd.

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

# **1. Investment highlights**

# 1-1 Investment highlights Unit price performance

## Unit price performance



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

(Note 2) TSE REIT Index is based to the announcement date of the 8th period results (Sep. 14, 2010) and shows the relative performance vs. MHR's unit price performance.

# 1-2 Investment highlights

## New Management Policy 2013 and Summary of Public Offering



**We have completed the "Turnaround Phase" based on the Management Policy announced in September 2010. We will now transition to an "External Growth Phase." We will continue the basic policy of "Dividend-Driven Management" while aiming to maximize unitholders' value with the following policies:**

### New Management Policy 2013

**Basic policy** "Dividend-driven management"

**Policy ①** Strive for external growth

**Policy ②** Further strengthening of our financial position

**Policy ③** Continued increase of dividend per unit, NAV and market value

#### Strive for external growth

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

#### Further strengthening of our financial position

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

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

### Overview of Public Offering

<b>Total units outstanding</b>	231,520 units
<b>Number of units issued</b>	23,100 units (Including third-party allotment: 1,100 units)
<b>Issue price</b>	491,400 yen per unit
<b>Offered amount</b>	11,351,340,000 yen (maximum)
<b>Purchase price</b>	474,264 yen per unit
<b>Acquired amount</b>	10,955,498,400 yen (maximum)
<b>Use of funds</b>	Acquisition funds for Atago Green Hills and ARK Mori Building
<b>Issuance resolution day</b>	February 15, 2013
<b>Day of determining details</b>	February 25, 2013
<b>Payment date</b>	March 4, 2013 and April 3, 2013
<b>Underwriters</b>	Mizuho Securities and UBS Securities (joint lead managers) SMBC Nikko Securities and Mitsubishi UFJ Morgan Stanley Securities (collectively as "syndicate of underwriters")

# 1-3 Investment highlights Offering Highlights



Resume the expansion of asset size with acquisitions of assets through public offering resulting in increased DPU.

	13 <sup>th</sup> period (ended Jan. 2013)	Assets to be acquired			After acquisition of assets to be acquired (Forecast of 14 <sup>th</sup> period)
		Atago Green Hills	+	ARK Mori Building (DHC)	
Total assets (acquisition price basis)	211.8 billion yen	16.49 billion yen	+	3.51 billion yen	20.0 billion yen
NOI yield (Note 1)	3.8%	4.7%	+	5.8%	4.9%
Unrealized capital gain		+1.41 billion yen	+	+0.04 billion yen	+1.45 billion yen
					230.8 billion yen
					4.0%
LTV (appraisal value basis) (Note 2)	52.0%				51.3% (Note 4)
LTV (book value basis) (Note 3)	48.8%				48.7% (Note 4)
NAV per unit	392,170 yen				405,313円 (Note 4)
Dividend per unit	9,169 yen/unit				9,400 yen/unit (Forecast of 14 <sup>th</sup> period)
					10,000 yen/unit (Forecast of 15 <sup>th</sup> period)

(Note 1) Figures for the 13th period and forecast of 14th period are average NOI yields of the entire portfolio.

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

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

(Note 4) The figures are calculated by adding the total amount of proceeds through the primary offering and maximum proceeds through the third-party allotment of the public offering, acquisition of assets-to-be-acquired and new borrowings of 10 billion yen (scheduled) to the figures as of the end of the 13th period. In addition, NAV per unit is calculated based on 254,620 investment units outstanding on the assumption that the entire issuance of 1,100 investment units through a third-party allotment, which is scheduled to be paid in on April 3, 2013, is conducted.

# 1-4 Investment highlights Assets to be acquired on April 1, 2013

## Overview of properties we are acquiring

### Atago Green Hills



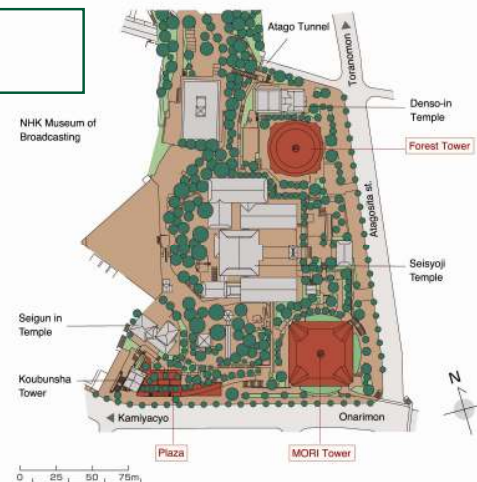
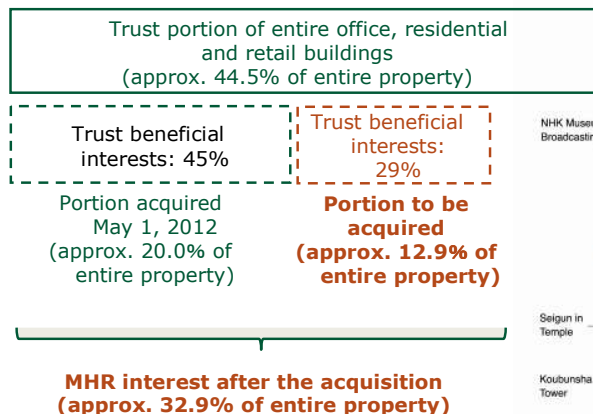
Property No.	O-7
Location	2-5-1 Atago, Minato-ku, Tokyo, etc.
Completion	July 2001 (Office·Retail)·October (Residential)
Gross floor area	148,165.61m <sup>2</sup> (total of 3 buildings)
Type of specified asset	Sectional ownership
Leasable floor area	11,626.48m <sup>2</sup> (portion to be acquired)

### ARK Mori Building (District Heating and Cooling)



Property No.	O-1
Location	1-12-32 Akasaka, Minato-ku, Tokyo
Completion	March 1986
Gross floor area	177,486.95m <sup>2</sup>
Type of specified asset	Sectional ownership
Leasable floor area	3,212.41m <sup>2</sup> (portion to be acquired)

### 〈MHR ownership stake in Atago〉



	Portion to be acquired (29% of quasi co-ownership of beneficial interests)	Resulting ownership (74% of quasi co-ownership of beneficial interests)
Occupancy area	approx. 13,475.59m <sup>2</sup> (approx. 12.9% of total property)	approx. 34,385.99m <sup>2</sup> (approx. 32.9% of total property)
Land area	approx. 1,467.32m <sup>2</sup> (approx. 11.3% of total property)	approx. 3,744.20m <sup>2</sup> (approx. 28.8% of total property)

### 〈DHC〉

ARK Hills Heating & Cooling Supply Co., Ltd. (District Heating and Cooling or DHC) conducts a heat supplying business as defined in the Heat Supply Business Act.

DHC has been granted rights to provide the heating and cooling service for ARK Hills and several adjacent buildings by meeting regulatory requirements concerning demand, scale, supply, business operator, etc.

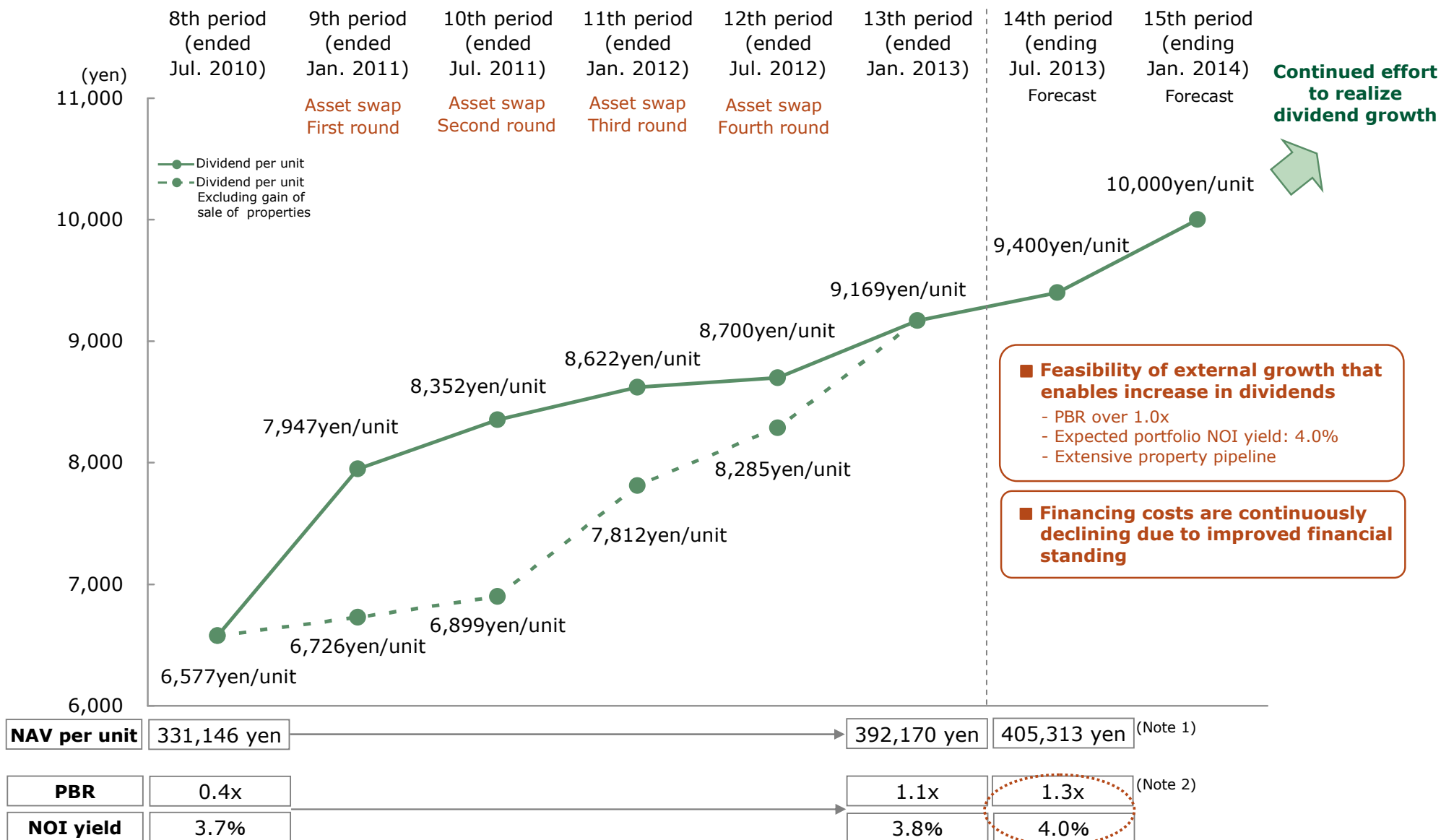


	Portion to be acquired (DHC)	Resulting ownership (8 floors + DHC)
Occupancy area	3,212.41m <sup>2</sup> (approx. 2.3%)	24,850.89m <sup>2</sup> (approx. 17.9%)
Land area	approx. 7.02m <sup>2</sup> (approx. 0.02%)	approx. 4,332.54m <sup>2</sup> (approx. 10.9%)

# 1-5 Investment highlights

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

### Change in dividend per unit



(Note 1) Please refer to (Note 4) on page 5.

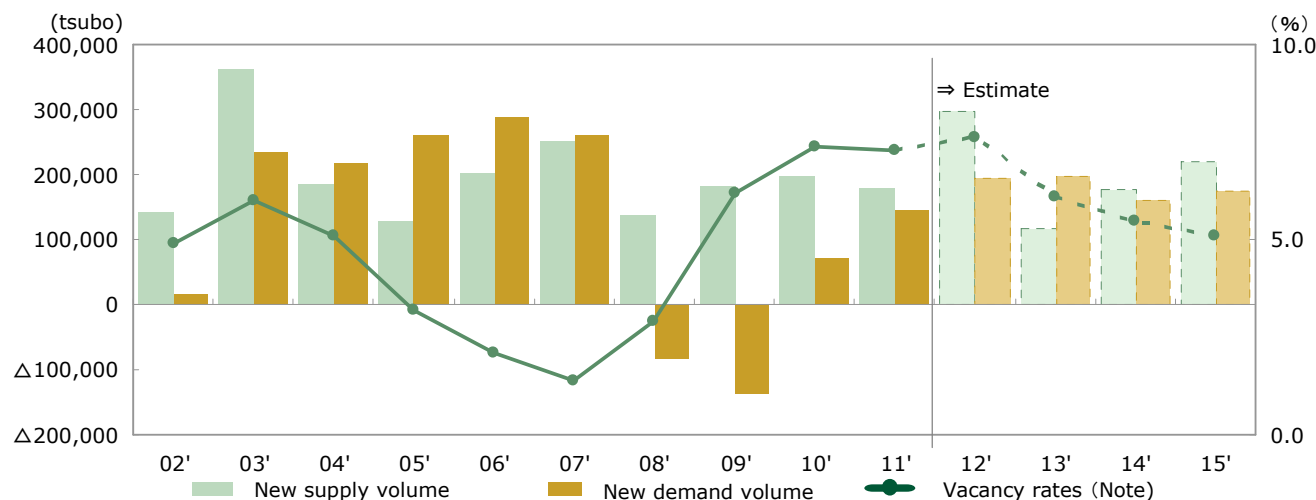
(Note 2) It is calculated based on "Unit price as of Mar. 12, 2013 ÷ Net assets per unit (divided sum of net assets of 13<sup>th</sup> period, the total amount of proceeds through the primary offering and maximum proceeds through the third-party allotment of the public offering by 254,620 investment units outstanding on the assumption that the entire issuance of 1,100 investment units through a third-party allotment, which is scheduled to be paid in on April 3, 2013, is conducted)."

# 1-6 Investment highlights

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



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



### Outlook for office rental market trend and MHR action plan

- Supply added during 2013 is expected to be relatively low in Central Tokyo which would contribute to an improvement in vacancy rates. New rents are expected to turn around gradually starting with high-grade properties, however, rental market improvements depend on future demand for floor area.
- MHR's intention is to expand the portfolio and decrease the ratio of fixed-rent master lease in the mid-long term.

(Source) Created by the asset manager based on the "Mid-term Office Market Forecast of Tokyo 23's wards in 2012 (Standard scenario)" of CBRE K.K.

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

### Overview of master lease properties (After the acquisitions of April 1, 2013)

	Tenant	Property	Monthly rent (mn yen)	Ratio of total monthly rent	Next rent revision	Expiration of the lease agreement	No. of end tenants (office) (Note 2)
Fixed rent master lease	Mori Building Co. Ltd.	Roppongi Hills Mori Tower (2 floors)	100.6	11.7%	Aug. 2016	Jul. 2021	1
		ARK Mori Building (8 floors + DHC)	211.9	24.7%	Feb./Apr./Aug. 2016 Apr. 2018	Jan. 2021 Mar. 2023	40
		Akasaka Tameike Tower (8 office floors+88 residential units)	111.1	12.9%	Apr./Aug. 2016	Mar. 2021 Mar. 2026	6
		Atago Green Hills (approx. 32.9% of entire property)	185.2	21.6%	May 2017	Apr. 2022	62
		Sub total	609.0	70.9%	-	-	
	Urban Renaissance Agency	Roppongi View Tower (co-ownership 46%)	18.2	2.1%	-	Oct. 2013	
Ground lease	Mori Bldg Ryutsu System Co. Ltd.	Laforet Harajuku (land)	107.8	12.5%	Oct. 2013	Sep. 2030	
Total			735.0	85.5%			

(Note 1) Figures in the charts show monthly rent by period/contract, which reflects the situation of tenants as of February 28, 2013 including move in/out and rent revision. It also reflects the planned acquisition in the 14th period.

(Note 2) It is the status as of January 31, 2013.

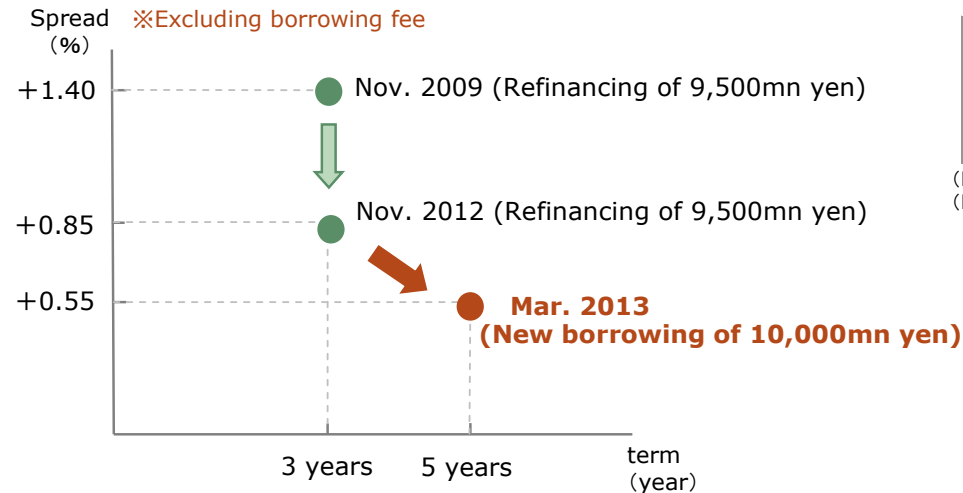
# 1-7 Investment highlights

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



Improved LTV enabled MHR to negotiate lower interest rates (contributing to increased dividends)

### Financing trend



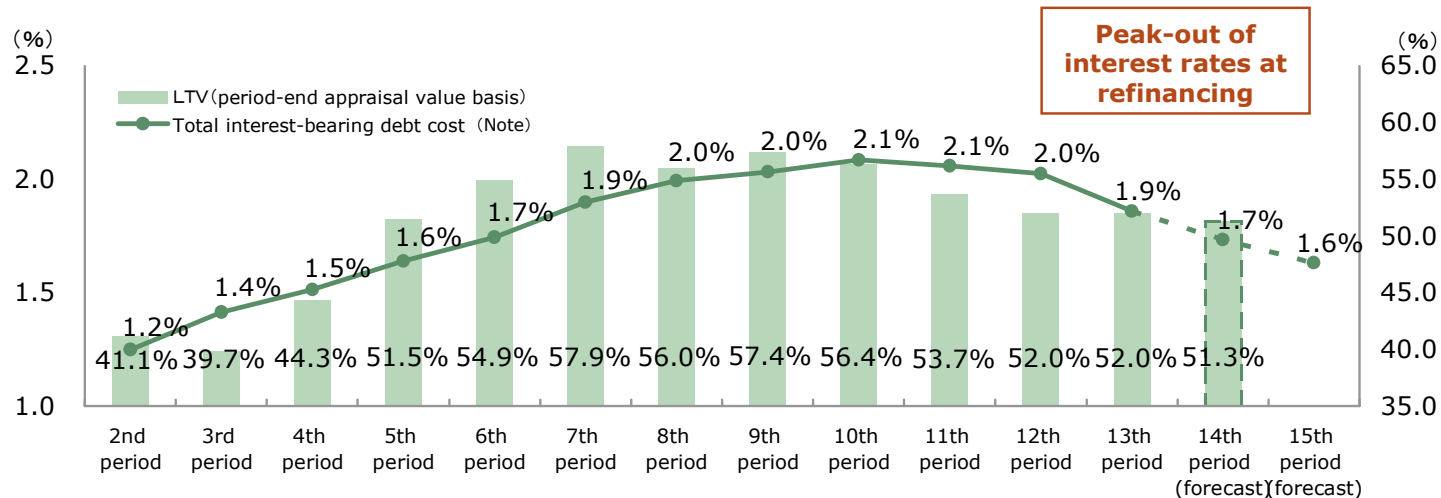
### Financing figures

	End of 12th period	End of 13th period
Debt Balance	106,887mn yen	106,825mn yen
LTV(total assets basis) (Note 1)	48.7%	48.8%
LTV(appraisal value basis) (Note 2)	52.0%	52.0%
Avg. remaining duration	1.56 years	1.81 years

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

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

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



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

# 1-8 Investment highlights

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



### DPU simulations

#### ■ Impact of lower interest rates due to improved LTV (assuming interest-bearing debt of 116.8 billion yen) (Note)

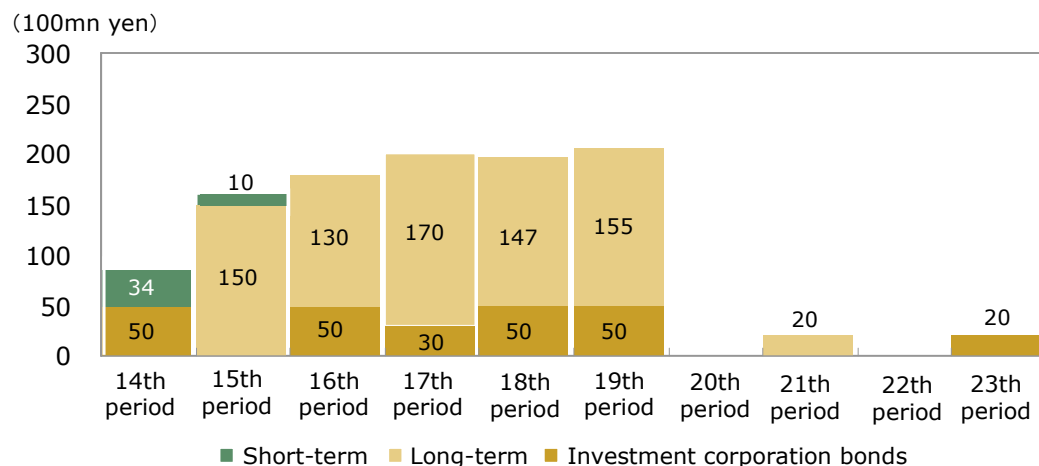
Decrease in interest rate									
△0.1%		△0.2%		△0.3%		△0.4%		△0.5%	
Distributable profit/period	DPU	Distributable profit/period	DPU	Distributable profit/period	DPU	Distributable profit/period	DPU	Distributable profit/period	DPU
+58mn	+¥229	+116mn	+¥458	+175mn	+¥688	+233mn	+¥917	+292mn	+¥1,147

(Note) This simulation shows the change in financial costs on MHR's earnings with a simplified calculation assuming the other conditions remained constant.

The actual results may differ from this simulation. It is calculated based on 254,620 investment units outstanding on the assumption that the entire issuance of 1,100 investment units through a third-party allotment, which is scheduled to be paid in on April 3, 2013, is conducted.

### Overview of maturity (as of Jan. 31, 2013)

### Rating



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

# 1-9 Investment highlights

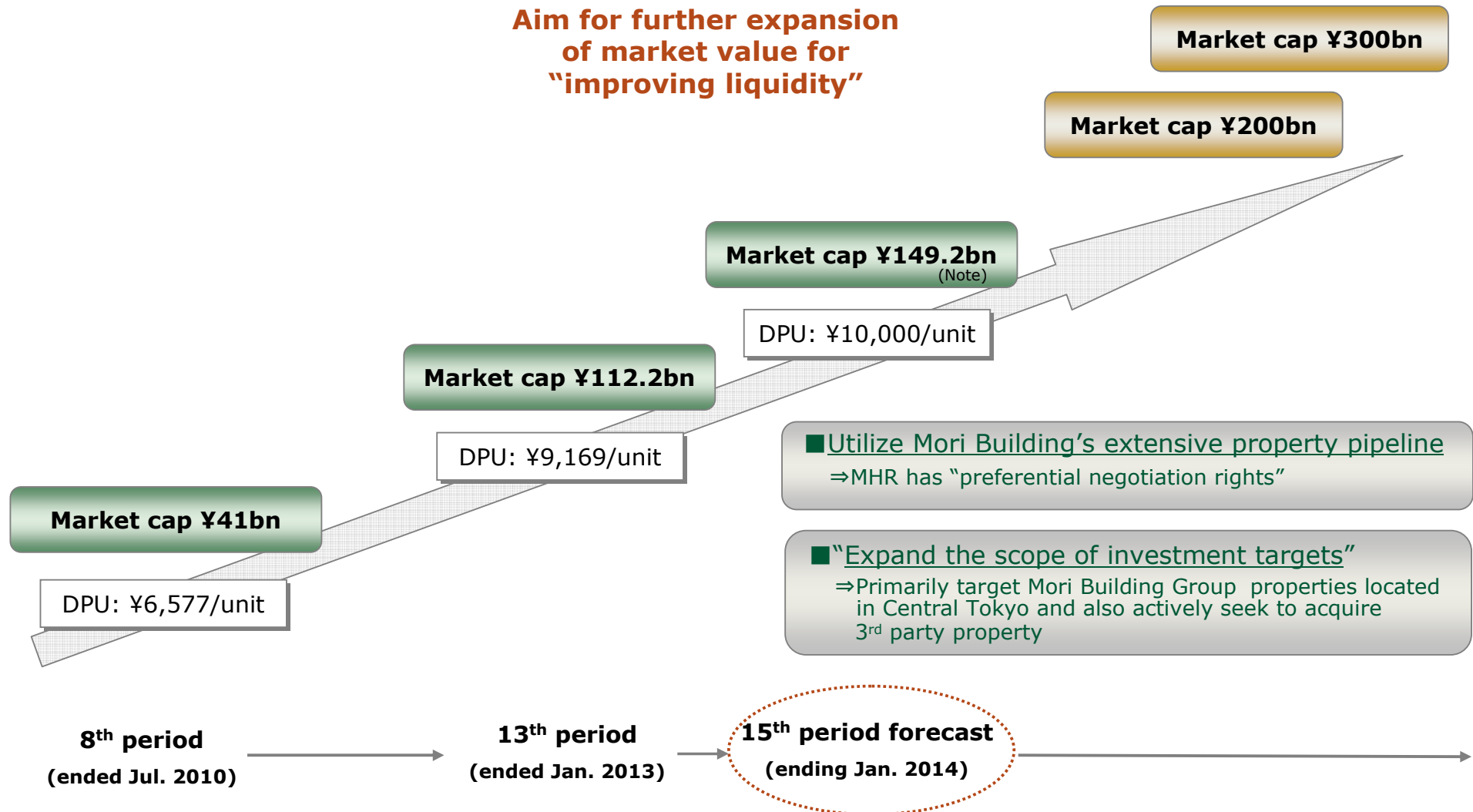
Advantage of Mori Hills REIT (2) Increasing trend in market value



**"Turnaround Phase" based on the Management Policy announced in September 2010**

**"External Growth Phase" based on the 2013 Management Policy**

**Aim for further expansion of market value for "improving liquidity"**



(Note) Market cap is based on MHR's unit price of Mar. 12, 2013. It is calculated based on 254,620 investment units outstanding on the assumption that the entire issuance of 1,100 investment units through a third-party allotment, which is scheduled to be paid in on April 3, 2013, is conducted.



# 1-11 Investment highlights

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



## Extensive property pipeline

### Properties owned by Mori Building Group

Office/Residential/Retail, etc.



**Roppongi Hills**

(Portion of property owned by MHR)

Office/Residential/Retail, etc.



**ARK Hills**

(Portion of property owned by MHR)

Office/Residential/Retail



**Atago Green Hills**

(Portion of property owned by MHR)

Residential



**Moto-Azabu Hills**

(Portion of property owned by MHR)

Retail



**Laforet Harajuku**

(Land owned by MHR)

Office/Residential/Retail



**Holland Hills**

Office/Retail



**Keyaki-zaka Terrace**

Office



**Shiba Mita Mori Building**

Office/Residential



**ARK Hills Front Tower**

Office/Residential/Retail



**Roppongi Hills Cross Point**

Office



**Toranomon 1-chome Mori Building**

Office



**Toranomon 37 Mori Building**

Residential



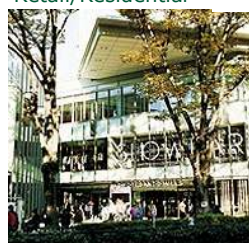
**Forest Terrace Shoto**

Residential



**Roppongi Sakura-zaka Residence**

Retail/Residential



**Omotesando Hills**

Retail



**VenusFort**

### Overseas properties



**Shanghai World Financial Center**



**Hang Seng Bank Tower**



**Senmao Dalian**

(Note) MHR does not have plans to acquire these properties above as of the date this document was created.

# 1-12 Investment highlights

## Advantage of Mori Hills REIT (3) High quality of properties owned



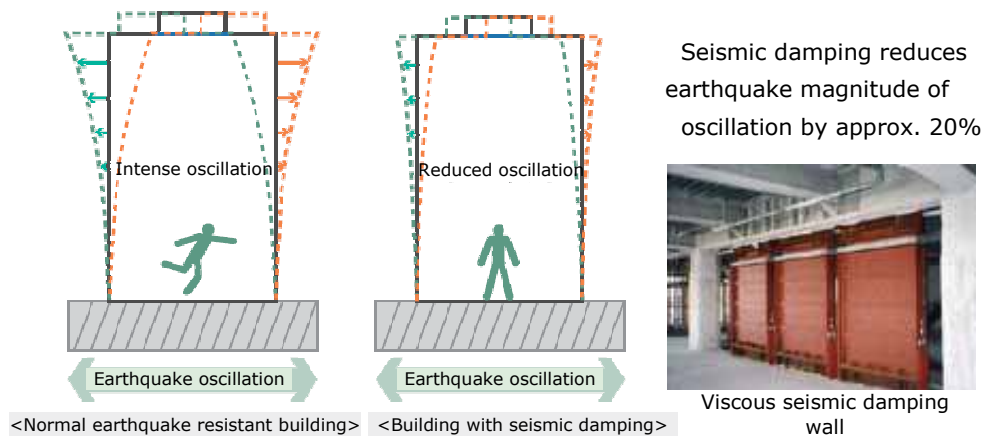
### MHR properties' PML and earthquake-resistant features (After the acquisition of April 1, 2013)

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

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

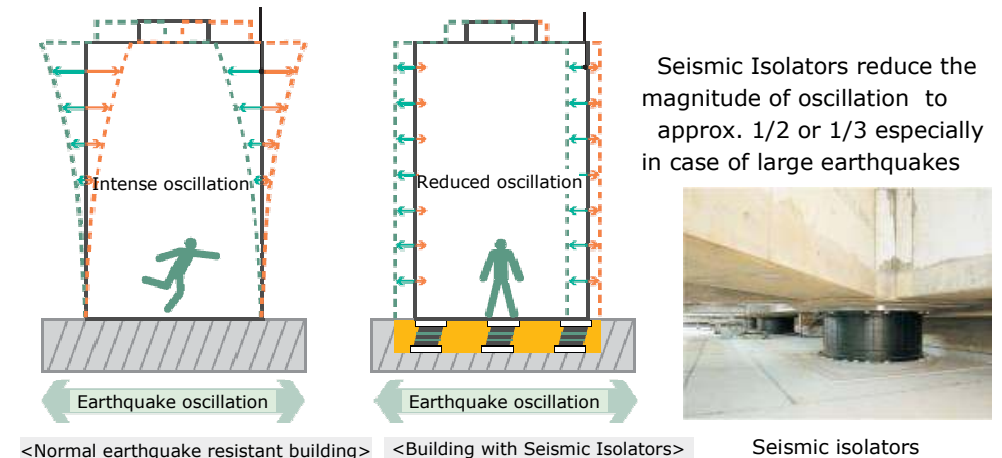
#### Seismic damping

Minimize the level of oscillation



#### Seismic isolators

Oscillate slowly and horizontally



# 1-13 Investment highlights

## Advantage of Mori Hills REIT (3) High quality of properties owned



### Three buildings were awarded certification as "Excellent Specified Global Warming Countermeasure Offices"

- Business facilities that have made "outstanding progress in the implementation of measures against global warming" were recognized by the Tokyo Metropolitan Government
- Offices so recognized are granted moderation in the reduction rates imposed in the "obligations to reduce total global-warming gas emissions for large-scale business facilities" based on the Ordinance on Environmental Protection
- As of February 28, 2013, 23 office buildings were recognized as Top Level Facilities and 32 office buildings were recognized as 2nd-Top-Level Facilities

#### Top Level Facility



Roppongi Hills  
Mori Tower

#### 2nd-Top-Level Facilities



ARK Mori Building



Atago Green Hills

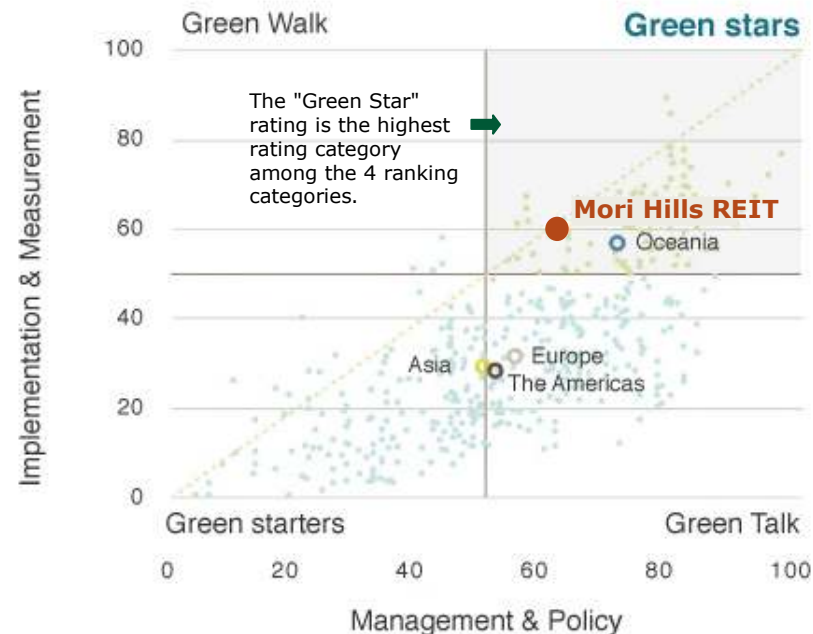
### Acquired GRESB Green Star Rating

MHR was awarded the Green Star rating in the 2012 Global Real Estate Sustainability Benchmark (GRESB) survey, and MHR also received the top score among participants whose main investment target is offices in Japan.



GRESB is a benchmark that measures the sustainability performance of real estate companies and real estate management institutions based on a questionnaire survey conducted by the GRESB foundation, composed primarily of European pension fund groups, and aims to improve shareholder value (economic performance) by increasing the transparency of the environmental and social aspects of the real estate sector.

### <GRESB Four-Quadrant Model Scores by Region>



(Source) Created by the asset manager based on the "2012 GRESB Report" of the Global Real Estate Sustainability Benchmark (GRESB)

## **2. 13th period financial highlights**

# 2-1 13th period financial highlights Financial summary



(million yen)

	Actual		Difference	
	12th period	13th period	13th - 12th period	
	182 days	184 days		
Operating revenue	4,797	4,676	△ 120	△ 2.5%
Rent revenue of real estate	4,467	4,568	100	2.3%
Rent and common area revenue	4,448	4,565	116	2.6%
Office	3,172	3,248	75	2.4%
Residential	601	627	25	4.2%
Retail	27	42	15	56.8%
Land	646	646	-	-
Other rent revenue	18	3	△ 15	△ 82.9%
Other rent revenue of real estate	128	107	△ 20	△ 16.2%
Gain on sales of real estate properties	201	-	△ 201	-
Operating expenses	1,614	1,551	△ 62	△ 3.9%
Expenses of real estate rent	1,294	1,257	△ 37	△ 2.9%
SG&A	319	294	△ 25	△ 7.9%
Operating income	3,183	3,125	△ 58	△ 1.8%
Non-operating income	18	3	△ 15	△ 83.4%
Non-operating expenses	1,081	1,004	△ 76	△ 7.1%
Interest expenses	808	741	△ 67	△ 8.4%
Other non-operating expenses	272	263	△ 9	△ 3.4%
Non-operating income/expenses	△ 1,063	△ 1,001	61	5.8%
Ordinary income	2,120	2,123	3	0.2%
Income before income taxes	2,120	2,123	3	0.2%
Total income taxes	0	0	0	6.5%
Net income	2,119	2,122	3	0.2%
Profit on real estate rental	3,301	3,419	117	3.6%
Depreciation and amortization	658	671	13	2.1%
NOI	3,959	4,091	131	3.3%
NOI yield	3.8%	3.8%	0.1PT	2.4%
Total acquisition price	210,816	210,816	-	-
Provision of reserve for reduction entry	105	-	△ 105	-
Total units outstanding (units)	231,520	231,520	-	-
Dividend/unit (yen)	8,700	9,169	469	5.4%

Acquisition of Atago Green Hills in 12<sup>th</sup> period  
(Difference in operating days) +227  
Sale of Roppongi First Building  
(Difference in operating days) △167  
Koraku Mori Building +15

Acquisition of Atago Green Hills in 12<sup>th</sup> period  
(Difference in operating days) +93  
Sale of ARK Forest Terrace in 12<sup>th</sup> period  
(Difference in operating days) △62  
Roppongi First Plaza △11

Acquisition of Atago Green Hills in 12<sup>th</sup> period  
(Difference in operating days) +16

Sale of Roppongi First Building in 12<sup>th</sup> period  
(Difference in operating days) △15

Sale of Roppongi First Building in 12<sup>th</sup> period  
(Difference in operating days) △24

Acquisition of Atago Green Hills in 12<sup>th</sup> period  
(Difference in operating days) +71  
Sale of Roppongi First Building in 12<sup>th</sup> period  
(Difference in operating days) △108  
Sale of ARK Forest Terrace in 12<sup>th</sup> period  
(Difference in operating days) △52

Property taxes, etc. +40  
(Properties acquired in 10<sup>th</sup> and 11<sup>th</sup> period +40)

Interest expenses △58  
Interest on investment corporation bonds △8

# 2-2 13th period financial highlights

## Comparison between forecast and results

(million yen)

	13th period			
	Forecasted	Actual	Actual - Forecasted	
	184 days	184 days		
Operating revenue	4,673	4,676	2	0.1%
Rent revenue of real estate	4,569	4,568	△ 0	△ 0.0%
Rent and common area revenue	4,566	4,565	△ 0	△ 0.0%
Office	3,248	3,248	-	-
Residential	628	627	△ 1	△ 0.2%
Retail	42	42	0	0.4%
Land	646	646	-	-
Other rent revenue	2	3	0	25.8%
Other rent revenue of real estate	104	107	3	3.1%
Gain on sales of real estate properties	-	-	-	-
Operating expenses	1,539	1,551	11	0.8%
Expenses of real estate rent	1,252	1,257	4	0.4%
SG&A	287	294	6	2.4%
Operating income	3,134	3,125	△ 8	△ 0.3%
Non-operating income	2	3	0	24.7%
Non-operating expenses	1,028	1,004	△ 23	△ 2.3%
Interest expenses	762	741	△ 21	△ 2.8%
Other non-operating expenses	265	263	△ 2	△ 0.8%
Non-operating income/expenses	△ 1,026	△ 1,001	24	2.4%
Ordinary income	2,107	2,123	15	0.8%
Income before income taxes	2,107	2,123	15	0.8%
Total income taxes	1	0	△ 0	△ 11.1%
Net income	2,106	2,122	16	0.8%
Profit on real estate rental	3,421	3,419	△ 1	△ 0.1%
Depreciation and amortization	671	671	△ 0	△ 0.1%
NOI	4,093	4,091	△ 2	△ 0.1%
NOI yield	3.9%	3.8%	△ 0.0PT	△ 0.1%
Total acquisition price	210,816	210,816	-	-
Total units outstanding (units)	231,520	231,520	-	-
Dividend/unit (yen)	9,100	9,169	69	0.8%

Utilities revenue, etc. +2

Leasing fee +3

Interest expenses △14  
Interest on investment corporation bonds △7

## 2-3 13th period financial highlights Projection

(million yen)

	Actual 13th period 184 days	Forecast 14th period 181 days	Difference 14th - 13th period	
Operating revenue	4,676	5,046	369	7.9%
Rent revenue of real estate	4,568	4,940	371	8.1%
Other rent revenue of real estate	107	105	△ 2	△ 1.9%
Gain on sales of real estate properties	-	-	-	-
Operating expenses	1,551	1,621	70	4.5%
Expenses of real estate rent	1,257	1,374	117	9.3%
SG&A	294	247	△ 46	△ 15.9%
Operating income	3,125	3,424	299	9.6%
Non-operating income	3	2	△ 0	△ 23.5%
Non-operating expenses	1,004	1,032	27	2.8%
Interest expenses	741	710	△ 30	△ 4.1%
Other non-operating expenses	263	321	58	22.2%
Non-operating income/expenses	△ 1,001	△ 1,030	△ 28	△ 2.8%
Ordinary income	2,123	2,394	270	12.7%
Income before income taxes	2,123	2,394	270	12.7%
Total income taxes	0	1	0	12.5%
Net income	2,122	2,393	270	12.7%
Profit on real estate rental	3,419	3,672	252	7.4%
Depreciation and amortization	671	727	55	8.3%
NOI	4,091	4,399	308	7.5%
NOI yield	3.8%	4.0%	0.1PT	2.7%
Total acquisition price	210,816	230,816	20,000	9.5%
Total units outstanding (units)	231,520	254,620	23,100	10.0%
Dividend/unit (yen)	9,169	9,400	231	2.5%

Acquisition of Atago Green Hills	+290
Acquisition of ARK Mori Building	+71
<hr/>	
Koraku Mori Building	+5
Roppongi First Plaza	+6
Moto-Azabu Hills	△3

Acquisition of Atago Green Hills	+61
Acquisition of ARK Mori Building	+7
<hr/>	
Property taxes, etc.	+25
(Properties acquired in 12 <sup>th</sup> period)	+21)
Repair expenses	+22

Interest expenses (existing borrowing)	△38
Interest expenses (new borrowing)	+27
Interest on investment corporation bonds	△19

Investment unit issuance expenses	+53
-----------------------------------	-----

(Note) Property taxes for properties acquired for each period have not been charged in respective years but included in acquisition costs. Property taxes for property acquired during the 12th period are charged in the 14th period for three months.

	Actual 14th period 181 days	Forecast 15th period 184 days	Difference 15th - 14th period	
Operating revenue	5,046	5,208	162	3.2%
Operating expenses	1,621	1,700	78	4.8%
Operating income	3,424	3,508	83	2.4%
Non-operating income	2	1	△ 0	△ 22.5%
Non-operating expenses	1,032	962	△ 69	△ 6.7%
Ordinary income	2,394	2,547	152	6.4%
Net income	2,393	2,546	152	6.4%
Total units outstanding (units)	254,620	254,620	-	-
Dividend/unit (yen)	9,400	10,000	600	6.4%

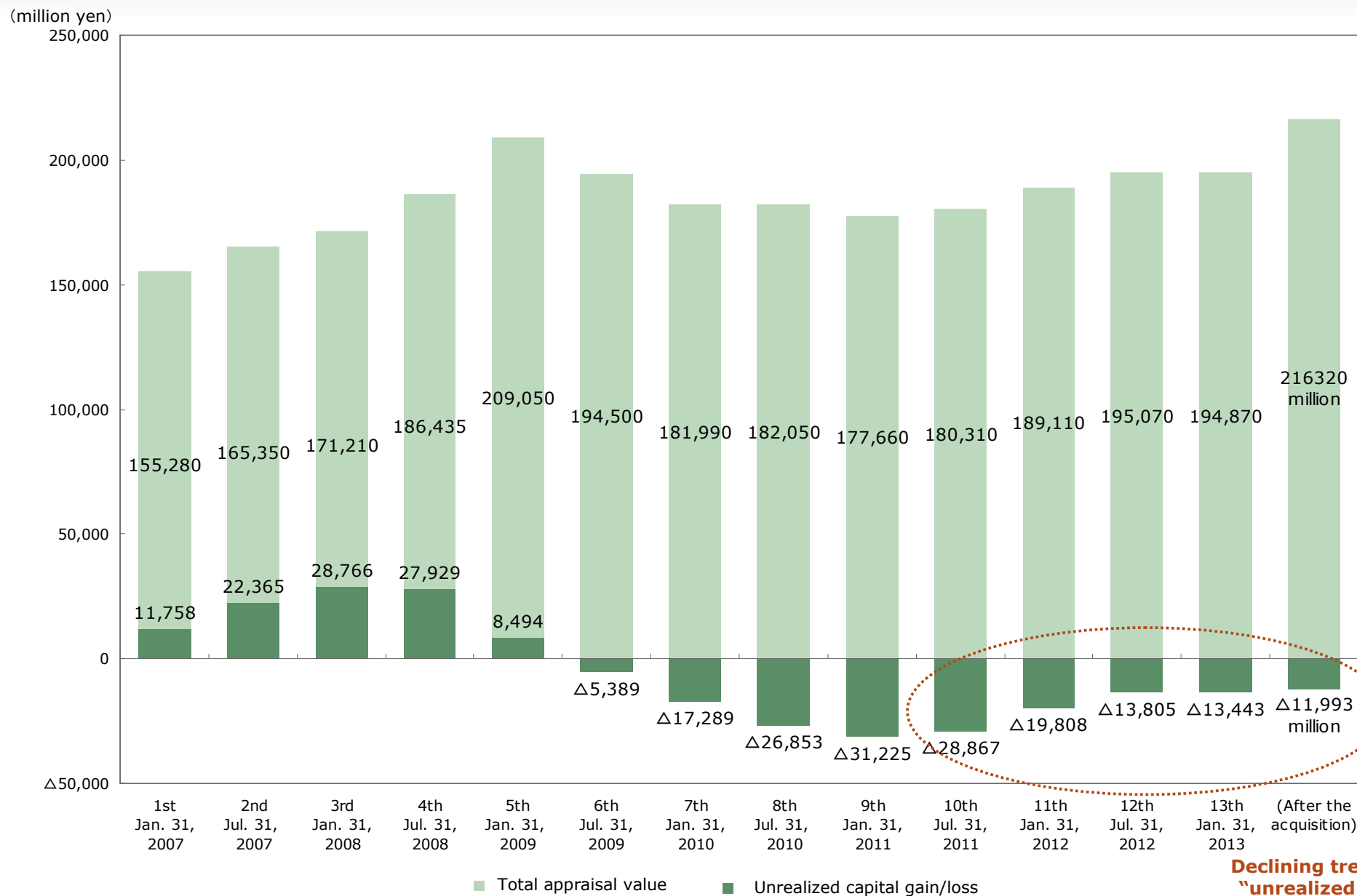
Acquisition of Atago Green Hills in 14 <sup>th</sup> period (Difference in operating days)	+145
Acquisition of ARK Mori Building in 14 <sup>th</sup> period (Difference in operating days)	+35

Acquisition of Atago Green Hills in 14 <sup>th</sup> period (Difference in operating days)	+30
<hr/>	
Property taxes, etc.	+25
(Properties acquired in 12 <sup>th</sup> period)	+21)
Repair expenses	△23

Interest expenses (existing borrowings)	△17
Interest expenses (new borrowings)	+12
Interest on investment corporation bonds	△6
Investment unit issuance expenses	△53

### **3. Operation highlights**

# 3-1 Operation highlights Change in total appraisal value



**Declining trend for "unrealized loss"**

## 3-2 Operation highlights Appraisal value

(million yen)

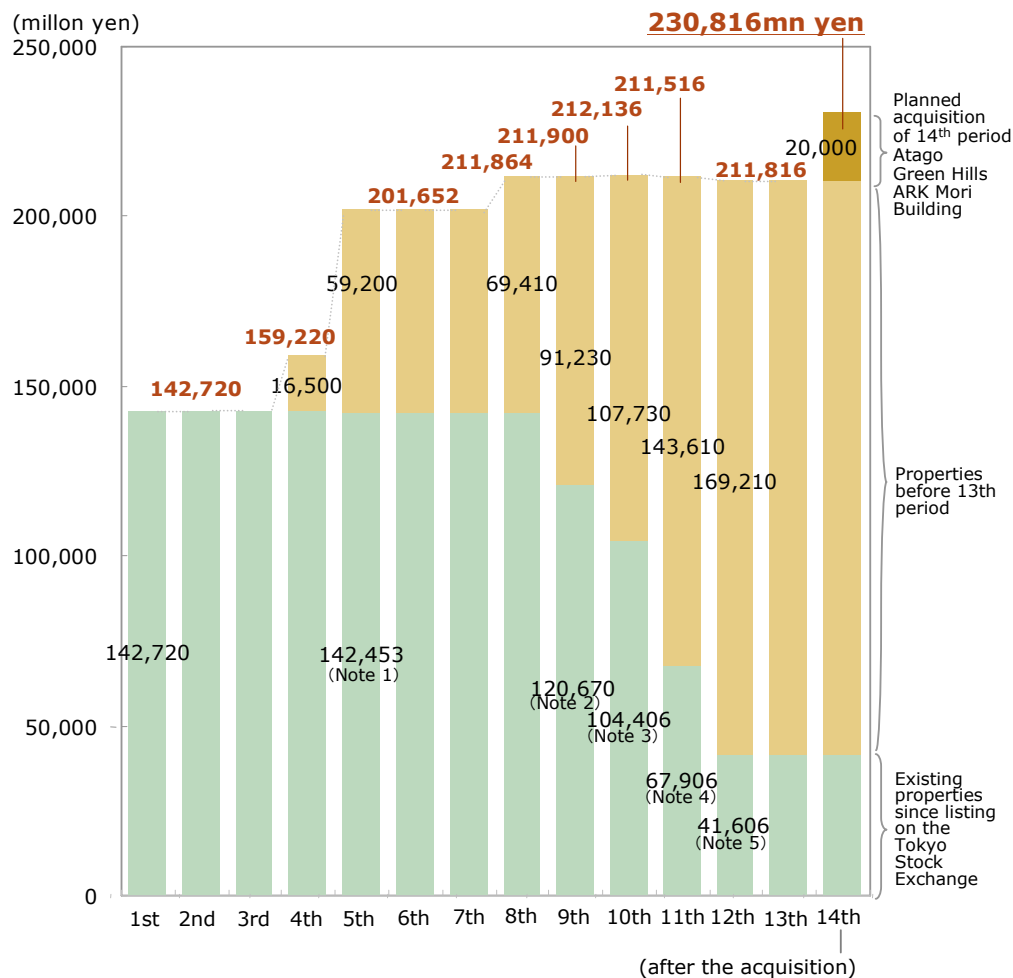
Main type	Property name	Property No.	Acquisition price	Book value	As of end of 12th period (Jul. 31, 2012)		As of end of 13th period (Jan. 31, 2013)				Difference (B) - (A)	Difference (B)/(A) - 1	Unrealized capital gain (B)-book value
					(A) Appraisal value	Yield (direct capitalization method)	(B) Appraisal value	Yield (direct capitalization method)	Discount (DCF)	Terminal yield (DCF)			
Office	Roppongi Hills Mori Tower	O-0	25,490	25,284	29,600	3.8%	29,600	3.8%	3.5%	4.0%	0	0.0%	4,315
	ARK Mori Building	O-1	58,970	58,472	55,400	3.8%	55,400	3.8%	3.5%	4.0%	0	0.0%	△ 3,072
	Koraku Mori Building	O-4	27,200	25,864	21,200	4.6%	21,000	4.6%	4.2%	4.9%	△ 200	△ 0.9%	△ 4,864
	Akasaka Tameike Tower	O-6	43,930	43,087	30,100	4.0%	30,100	4.0%	3.7%	4.2%	0	0.0%	△ 12,987
	Atago Green Hills	O-7	25,600	25,732	27,800	4.1%	27,800	4.1%	3.6%	4.3%	0	0.0%	2,067
	Sub total		181,190	178,441	164,100	-	163,900	-	-	-	△ 200	△ 0.1%	△ 14,541
Residential	Moto-Azabu Hills	R-1	1,706	1,655	1,730	4.6%	1,730	4.6%	4.2%	4.8%	0	0.0%	74
	Roppongi First Plaza	R-3	2,100	2,240	1,570	5.1%	1,510	5.1%	4.9%	5.3%	△ 60	△ 3.8%	△ 730
	Roppongi View Tower	R-4	4,000	3,901	2,970	5.2%	2,830	5.2%	5.0%	5.4%	△ 140	△ 4.7%	△ 1,071
	Sub total		7,806	7,797	6,270	-	6,070	-	-	-	△ 200	△ 3.2%	△ 1,727
Retail	Laforet Harajuku (land) (Note 2)	S-1	21,820	22,074	24,700	5.1%	24,900	-	5.1%	-	200	0.8%	2,825
	Sub total		21,820	22,074	24,700	-	24,900	-	-	-	200	0.8%	2,825
Total			210,816	208,313	195,070	-	194,870	-	-	-	△ 200	△ 0.1%	△ 13,443

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

(Note 2) For Laforet Harajuku (Land), value in the "Yield (direct capitalization method)" column for the 12th period shows the discount rate used in the DCF analysis.

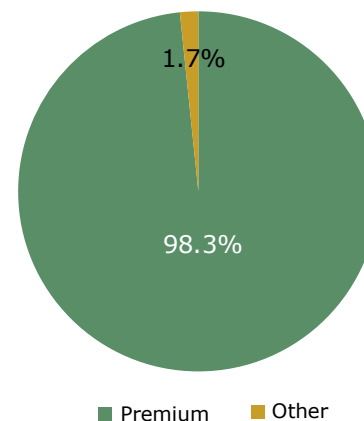
# 3-3 Operation highlights Portfolio overview

## Change in assets under management

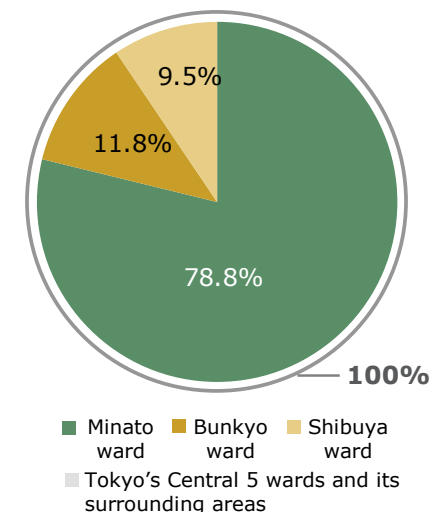


- (Note 1) MHR sold Moto-Azabu Hills (one residential unit) in the 5th period.  
 (Note 2) MHR sold Toranomon 35 Mori Building and Moto-Azabu Hills (42 residential units) in the 9th period.  
 (Note 3) MHR sold Moto-Azabu Hills (86 residential units) in the 10th period.  
 (Note 4) MHR sold Roppongi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

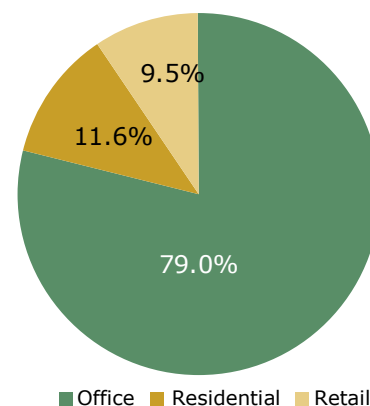
## Quality



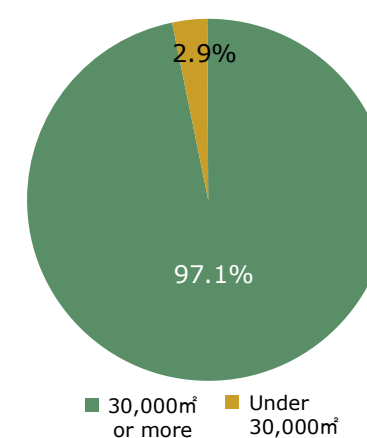
## Area



## Type



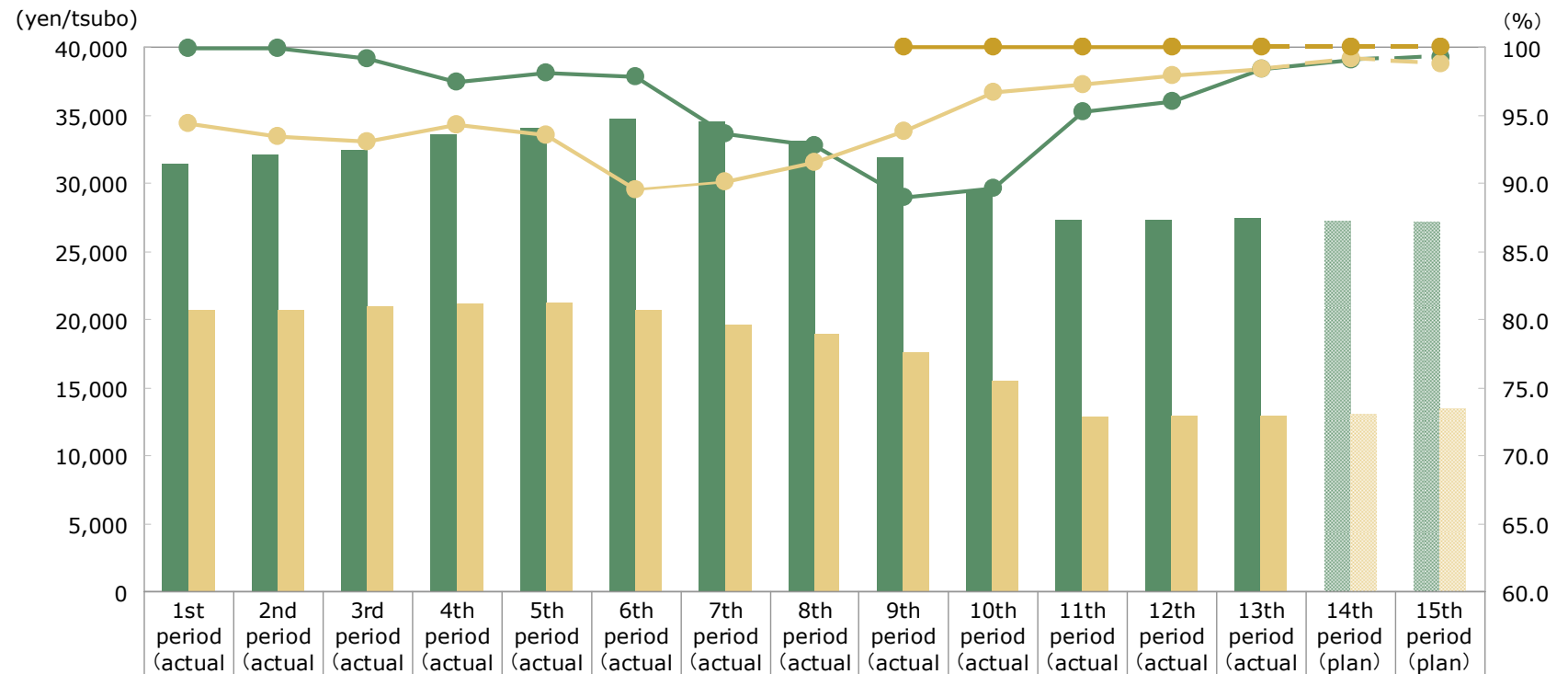
## Size (Note 3)



- (Note 1) The ratios represent proportions of acquisition price to total acquisition price.  
 (Note 2) For calculation of breakdown by type, acquisition price for Akasaka Tameike Tower and Atago Green Hills are divided into offices and residences.  
 (Note 3) Chart showing "Size" does not include Laforet Harajuku (land).

# 3-4 Operation highlights

## Changes in the rent and occupancy rates



	1st period (actual)	2nd period (actual)	3rd period (actual)	4th period (actual)	5th period (actual)	6th period (actual)	7th period (actual)	8th period (actual)	9th period (actual)	10th period (actual)	11th period (actual)	12th period (actual)	13th period (actual)	14th period (plan)	15th period (plan)
Office Unit rent (yen/tsubo)	31,450	32,068	32,462	33,648	34,118	34,725	34,554	33,187	31,901	29,555	27,314	27,323	27,440	27,193	27,162
Residential Unit rent (yen/tsubo)	20,625	20,674	20,964	21,157	21,234	20,664	19,658	18,959	17,648	15,492	12,833	12,957	12,944	13,090	13,410
Office occupancy (%)	99.9%	100.0%	99.1%	97.4%	98.1%	97.8%	93.7%	92.7%	88.9%	89.6%	95.3%	96.0%	98.3%	99.0%	99.3%
Residential occupancy (%)	94.4%	93.4%	93.1%	94.2%	93.5%	89.6%	90.1%	91.5%	93.8%	96.7%	97.2%	97.9%	98.4%	99.1%	98.7%
Retail occupancy (%)	—	—	—	—	—	—	—	—	100%	100%	100%	100%	100%	100%	100%

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

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

# 3-5 Operation highlights

## Breakdown of rent income and office leasing overview

### Result of rent revision - Office

	No. of tenants	Monthly rent prior to rent change	Monthly rent after rent change	Increase/decrease in monthly rent	Rate of revision
9th period	3	5.7mn yen	4.3mn yen	△1.4mn yen	△ 24.7%
10th period	4	154.8mn yen	115.7mn yen	△39.1mn yen	△ 25.3%
11th period	5	50.3mn yen	40.3mn yen	△10.0mn yen	△ 20.0%
12th period	0	0.0mn yen	-	-	-
13th period	0	0.0mn yen	-	-	-
14th period	3	36.5mn yen	34.3mn yen	△2.1mn yen	△ 6.0%

### Difference in current office rent and market rent

	Comparison to market rents			(million yen)
	More than 10%	10%~△10%	Less than △10%	Total
Total rent per month	-	554.3	41.1	595.5
Ratio	-	93.1%	6.9%	100%

(Note 1) Figures in the charts show monthly rent by period/contract, which reflects the situation of tenants as of February 28, 2013 including move in/out and rent revision. It also reflects the planned acquisition in the 14th period.

(Note 2) Market rents are determined by the asset manager based on the capitalized value used for appraisal of properties at the end of the 13th period as reported in the research report.

### Breakdown of monthly rent revenue and agreement renewal timing

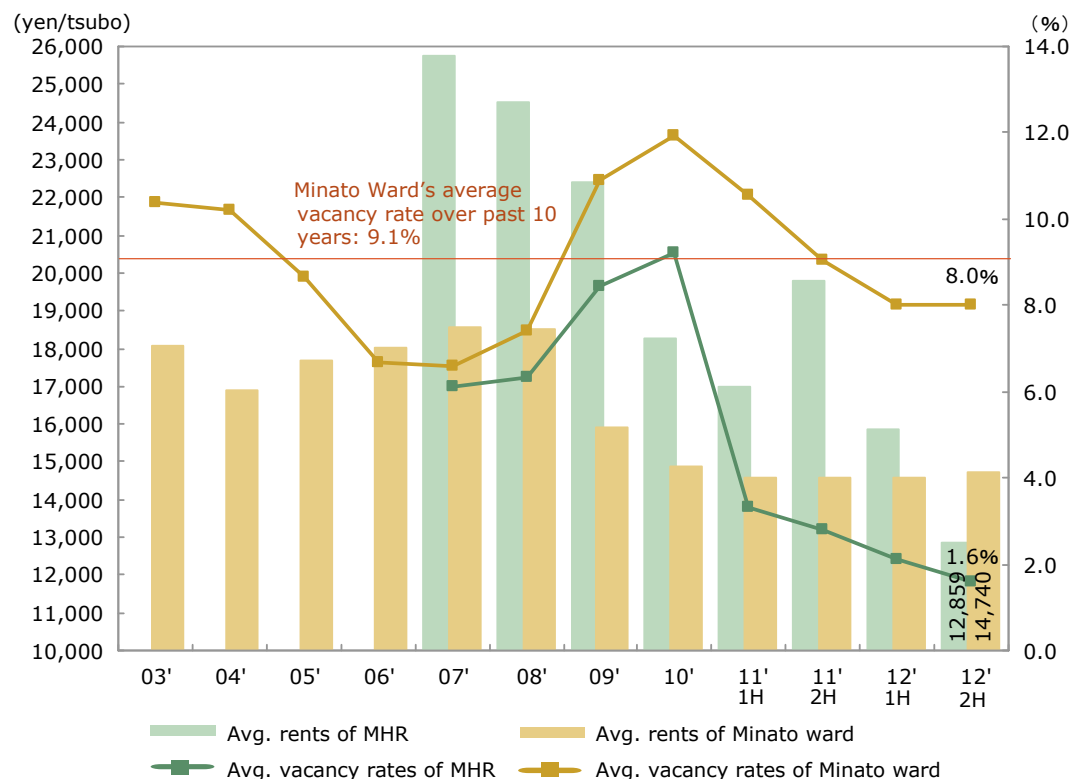
(million yen)

Tenant	Type of lease contract	Total rent per month	Ratio	Agreement renewal timing				
				14th period	15th period	16th period	17th period	18th period-
Office tenant	Limited term	99.6	11.6%	-	12.9	15.1	21.0	50.4
	Traditional	495.9	57.7%	-	-	-	-	495.9
	Total	595.5	69.3%	-	12.9	15.1	21.0	546.3
Residential tenant	Limited term	21.4	2.5%	0.3	5.8	1.0	3.0	11.1
	Traditional	104.6	12.2%	-	18.6	-	-	86.0
	Total	126.1	14.7%	0.3	24.4	1.0	3.0	97.2
Retail tenant	Corporate land	107.8	12.5%	-	107.8	-	-	-
	Traditional	17.9	2.1%	-	-	-	-	17.9
	Total	125.7	14.6%	-	107.8	-	-	17.9
Sub total		847.4	98.6%	0.3	145.2	16.2	24.0	661.5
Retail, parking, and others		11.9	1.4%					
Total		859.4	100%					

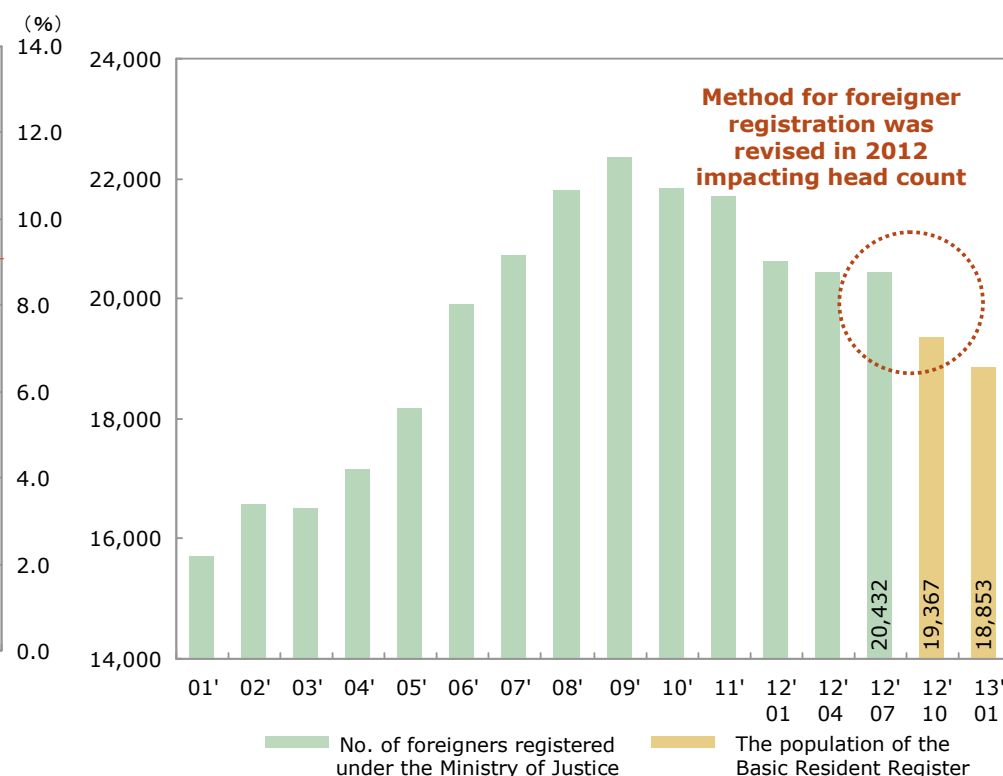
(Note) Figures in the charts show monthly rent by period/contract, which reflects the situation of tenants as of February 28, 2013 including move in/out and rent revision. It also reflects the planned acquisition in the 14th period.

## 3-6 Operation highlights Luxury residential market

### Change in rents and vacancy rates of luxury housing



### Change in number of foreign residents in Minato ward



- (Source) Created by the asset manager based on Ken Real Estate Investment Advisors' "Ken Residential Market Report" included in real estate appraisal reports by Japan Real Estate Institute regarding properties held by MHR.
- (Note 1) Includes data on rental housing with monthly rent of more than JPY 300,000 or exclusively owned area of more than 30 tsubo.
- (Note 2) For Minato-ward, annual rent covers rents from Jan. to Dec. and vacancy rate is annual average.
- (Note 3) For MHR, average contracted rent and vacancy rate, average of the even number periods is indicated as 1H, average of odd numbered periods is indicated as 2H and the average of 1H and 2H is indicated as the year-based figures

- (Source) Created by the asset manager based on "Number of registered foreign residents" prepared by Statistics Division Bureau of General Affairs of Tokyo
- (Note 1) "Population of foreigners" was the number of foreigners registered under the Ministry of Justice until July 2012. However, as the foreigner registration system was abolished based on revision of the law, the figure is the population of the Basic Resident Register from October 2012. Therefore, the data may not be consistent.
- (Note 2) Population of foreigners as of January 1 of each year is used for the year-based figures.

• **Vacancy rate for the luxury rental market has recovered to the average of the past 10 years and rent unit price is also solid.**

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

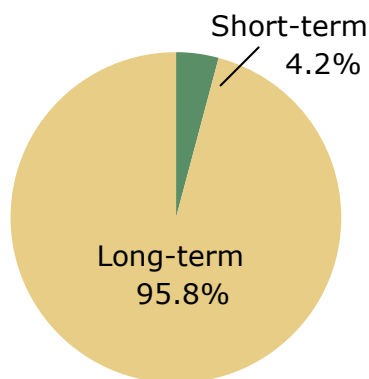
# 3-7 Operation highlights

## Financial overview (As of January 31, 2013)

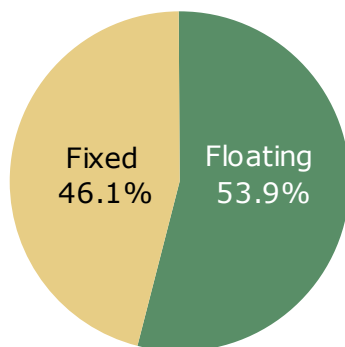


### Long and short-term debt ratio/Fixed rate ratio

**Long and short-term debt ratio  
(End of 13th period)**



**Fixed rate ratio  
(End of 13th period)**



	End of 12th period Jul. 31, 2012	End of 13th period Jan. 31, 2013
Debt Balance	106,887mn yen	106,825mn yen
Short-term loan	8,978mn yen	4,478mn yen
Long-term loan	72,909mn yen	77,347mn yen
Investment corporation bonds	25,000mn yen	25,000mn yen
LTV (total assets basis) (Note 1)	48.7%	48.8%
LTV (appraisal value basis) (Note 2)	52.0%	52.0%
DSCR (Note 3)	4.4x	4.8x
Avg. remaining duration	1.56 years	1.81 years
Weighted avg. interest rate	1.44%	1.28%

### Outstanding balances

Lenders	Balance	Ratio
Mizuho Corporate Bank, Ltd.	11,714mn yen	14.3%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	11,714mn yen	14.3%
Mitsubishi UFJ Trust and Banking Corporation	11,714mn yen	14.3%
Sumitomo Mitsui Banking Corporation	11,091mn yen	13.6%
Sumitomo Mitsui Trust Bank, Limited	10,167mn yen	12.4%
The Norinchukin Bank	4,200mn yen	5.1%
Aozora Bank, Ltd.	4,000mn yen	4.9%
The Bank of Fukuoka, Ltd.	4,000mn yen	4.9%
Development Bank of Japan, Inc.	3,825mn yen	4.7%
Resona Bank, Limited.	2,500mn yen	3.1%
Shinsei Bank, Ltd.	2,400mn yen	2.9%
The Hiroshima Bank, Ltd.	1,500mn yen	1.8%
The Oita Bank, Ltd.	1,000mn yen	1.2%
ShinGinko Tokyo, Limited	1,000mn yen	1.2%
ORIX Bank Corporation	1,000mn yen	1.2%
<b>Total borrowings</b>	<b>81,825mn yen</b>	<b>100%</b>
Investment corporation bonds	25,000mn yen	
<b>Total interest-bearing debt</b>	<b>106,825mn yen</b>	

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

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

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

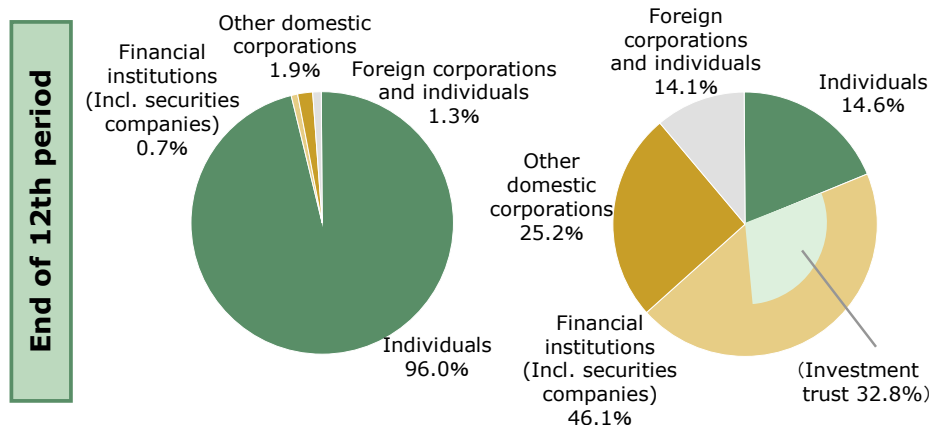
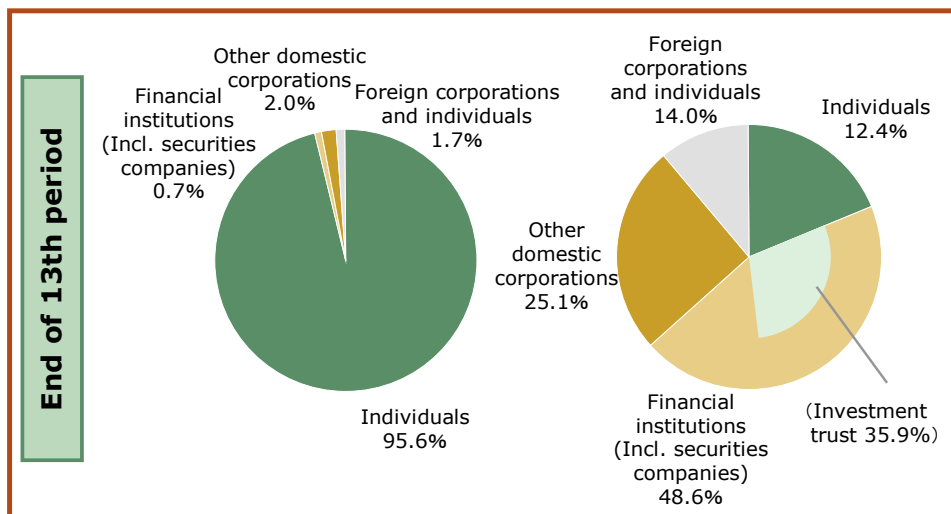
# 3-8 Operation highlights

## Unitholders breakdown (As of January 31, 2013)

### Unitholders breakdown

Number of unitholders

Number of investment units



### Top 10 unitholders

Rank	Name	No. of units held	Ratio
1	Japan Trustee Service Bank (Trust account)	53,078	22.9%
2	Mori Building Co., Ltd.	48,918	21.1%
3	The Master Trust Bank of Japan, Ltd. (Trust account)	16,942	7.3%
4	Trust & Custody Service Bank of Japan, Ltd. (Securities investment trust account)	16,790	7.3%
5	The Nomura Trust & Banking (Trust account)	11,014	4.8%
6	Nomura Bank (Luxembourg) S.A.	5,134	2.2%
7	JP Morgan Chase Bank 385174	4,970	2.1%
8	Trust & Custody Service Bank of Japan, Ltd. (Taxable money trust account)	3,335	1.4%
9	Shikoku Railway Company	3,324	1.4%
10	The Gibraltar Life Insurance Co., Ltd. (General account J-REIT)	2,260	1.0%
Top 10 unitholders total		165,765	71.6%

## **4. Appendix**

## 4-1 Urban revitalization initiatives under the government's growth strategy

### Designation of Priority Development Area for the Urban Renaissance Project

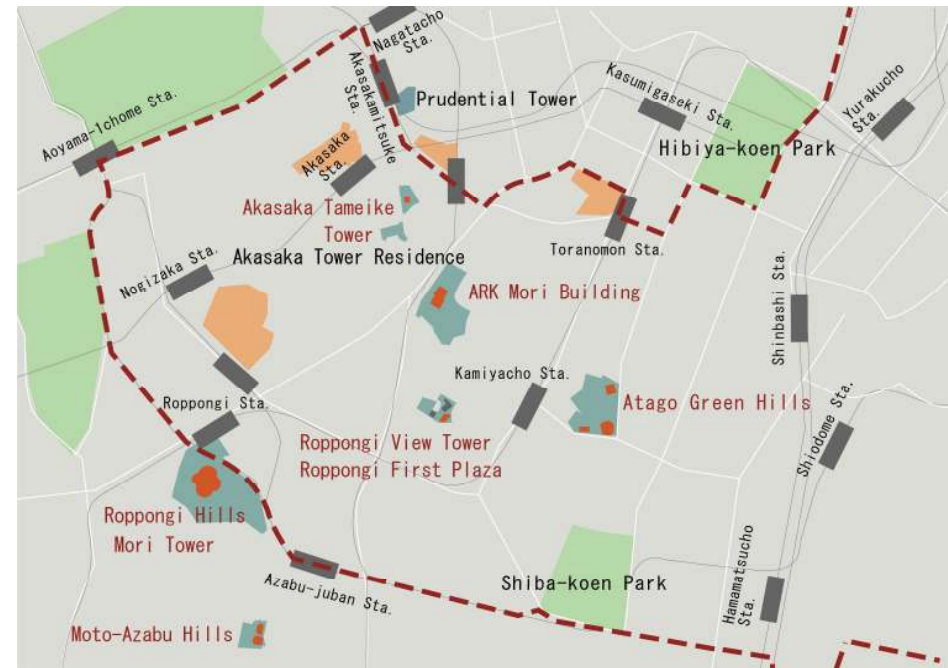
Under the government's and MLIT's growth strategy, the Special Measures Concerning Urban Renaissance Act was revised in 2011 to include a scheme for designation of a "Priority Development Area for the Urban Renaissance Project" for areas that are considered especially effective for reinforcing international competitiveness of large cities


In January 2012, the Central Tokyo & Rinkai (waterfront) area including the areas around Loop Line No.2 in Shimbashi, and Akasaka & Roppongi area was designated a "Priority Development Area for the Urban Renaissance Project"

#### **【Outline of efforts in the Central Tokyo & Rinkai area】**

Comprehensive efforts for implementing advanced business support functions to increase international competitiveness and development of a convenient residential environment for foreigners by utilizing concentration of head office operations, domestic and international accessibility and the international atmosphere of the region in the Central Tokyo & Rinkai area which is the center of the Japanese economy

**〔Urban Rejuvenation Headquarters material, Jan 2012〕**



 Indicates a "Priority Development Area for the Urban Renaissance Project" based on the Special Measures Act Concerning Urban Renaissance

#### **【Concrete measures for attracting foreign companies】**

- Invite businesses to the area and promote networking (total exemption of local taxes)
- Business support (provision of one-stop business services)
- Improvement of living environment (establishment of schools that teach in English)
- Improvement of urban environment to ensure business continuity (deregulation of maximum floor area ratio (FAR))

**〔Tokyo Metropolitan Government material, Jan. 2013〕**

### Designation of an "Asia Headquarter District"

As a measure of solving policy-related issues in achieving the New Growth Strategy Plan, the Comprehensive Special Zones Scheme was established in 2011. Also, the Comprehensive Special Zone for International Competitiveness Development "Special Zone for Asian Headquarters" applied by Tokyo Metropolitan Government was designated in Dec 2011 and the Comprehensive Special Zone Plan was approved in July 2012

With the aim of developing Tokyo into "Asia's Headquarters" by attracting European, US and Asian global corporations, a strategic invitation plan that combines a favorable tax scheme, deregulation and city planning will be implemented in the "Asia Headquarter District"

### Sustainability Policy

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

#### **The environment**

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

#### **BCP**

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

#### **Maintaining and enhancing asset value**

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

#### **Common policies**

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

#### **Roppongi Hills, ARK Hills and Atago Green Hills ranked in the "top 100 biodiversity focused properties"**

The 3 properties of Mori Building were recognized for their efforts for maintenance, creation and usage of familiar plants for greening by the Organization for Landscape and Urban Green Infrastructure



### **<Environmental Policy >**

#### **1. Cities and nature existing in harmony**

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

#### **2. Low carbon cities**

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

#### **3. Resource recycling**

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

#### **4. Compliance and maintenance of an environmental management system**

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

#### **5. Environmental education and awareness building activities**

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

#### **6. Disclosure of environmental information**

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

## 4-3 Financial highlights

Indices	Previous period (12th period) From February 1, 2012 to July 31, 2012	Current period (13th period) From August 1, 2012 to January 31, 2013	
Net income	2,119mn yen	2,122mn yen	
Depreciation and amortization	658mn yen	672mn yen	
CAPEX	42mn yen	111mn yen	
Total assets	219,405mn yen	218,813mn yen	
Total net assets	104,130mn yen	104,239mn yen	
Total net assets/unit (BPS)	449,768yen	450,237yen	Total net assets/Total units outstanding
Unit price (as of end of period)	330,500yen	485,000yen	
Total units outstanding	231,520units	231,520units	
Total dividends	2,014mn yen	2,122mn yen	
Dividend/unit	8,700yen	9,169yen	
Dividend yield	5.3%	3.8%	Dividend per unit (annualized)/Unit price as of end of period
FFO	2,777mn yen	2,794mn yen	Net income + Depreciation and amortization
FFO/unit	11,998yen	12,071yen	(Net income + Depreciation and amortization)/Total units outstanding
Annualized	24,062yen	23,946yen	
FFO multiple	13.7x	20.3x	
PER	18.0x	26.7x	Unit price as of end of period/Net income per unit (annualized)
PBR	0.7x	1.1x	Unit price as of end of period/Net assets per unit
ROA	1.0%	1.0%	Ordinary income/Average of total assets during the period
Annualized	1.9%	1.9%	
ROE	2.0%	2.0%	Net income/Average of total net assets during the period
Annualized	4.1%	4.0%	
NAV	90,324mn yen	90,795mn yen	Total net assets + Total appraisal value - Total book value - Total liabilities
NAV/unit	390,137yen	392,170yen	
NAV multiple	0.8x	1.2x	Unit price as of end of period/NAV per unit
Interest-bearing debt	106,887mn yen	106,825mn yen	
LTV (book value basis)	48.7%	48.8%	Interest-bearing debt/Total assets
LTV (appraisal value basis)	52.0%	52.0%	Interest-bearing debt/(Total assets + Total appraisal value - Total book value)
Operating days	182days	184days	

(Note) Calculated as 12<sup>th</sup> period figures/182 days x 365 days and 13<sup>th</sup> period figures/184 days x 365 days.

## 4-4 Balance sheet

(thousand yen)

	Previous period (12th period) As of Jul. 31, 2012	Current period (13th period) As of Jan. 31, 2013
<b>Assets</b>		
Current assets	10,127,757	10,065,863
Cash and deposits	2,222,988	2,633,516
Cash and deposits in trust	7,428,489	6,845,858
Other	476,279	586,487
Noncurrent assets	209,232,884	208,683,536
Property, plant and equipment	183,049,106	182,487,516
Intangible assets	25,829,158	25,828,083
Investments and other assets	354,619	367,936
Deferred assets	44,993	63,781
<b>Total assets</b>	<b>219,405,635</b>	<b>218,813,181</b>

	Previous period (12th period) As of Jul. 31, 2012	Current period (13th period) As of Jan. 31, 2013
<b>Liabilities</b>		
Current liabilities	36,198,496	25,965,907
Short-term loans payable	8,978,000	4,478,000
Current portion of investment corporation bonds	12,000,000	5,000,000
Current portion of long-term loans payable	13,125,000	15,125,000
Other	2,095,496	1,362,907
Noncurrent liabilities	79,076,731	88,608,240
Investment corporation bonds	13,000,000	20,000,000
Long-term loans payable	59,784,500	62,222,000
Lease and guarantee deposited in trust	6,292,231	6,386,240
<b>Total liabilities</b>	<b>115,275,228</b>	<b>114,574,147</b>
<b>Net assets</b>		
Unitholders' equity	104,130,407	104,239,033
Unitholders' capital	102,010,939	102,010,939
Total surplus	2,119,468	2,228,093
Voluntary retained earnings	—	105,244
Unappropriated retained earnings	2,119,468	2,122,849
<b>Total net assets</b>	<b>104,130,407</b>	<b>104,239,033</b>
<b>Total liabilities and net assets</b>	<b>219,405,635</b>	<b>218,813,181</b>

## 4-5 Income statement

(thousand yen)

	Previous period (12th period) From February 1, 2012 to July 31, 2012	Current period (13th period) From August 1, 2012 to January 31, 2013	
Operating revenue	4,797,582	4,676,596	
Rent revenue of real estate	4,467,826	4,568,819	
Other rent revenue of real estate	128,597	107,776	Parking revenue 14,268
Gain on sales of real estate properties	201,158	—	Utilities and other revenue 92,907
Operating expenses	1,614,152	1,551,184	Cancellation penalty 600
Expenses of real estate rent	1,294,704	1,257,009	
Asset management fee	231,891	220,361	
Directors' compensation	5,400	5,400	
Asset custody fee	5,477	5,485	
Administrative service fees	14,807	14,096	
Other operating expenses	61,870	48,831	
Operating income	3,183,429	3,125,411	
Non-operating income	18,320	3,044	
Interest income	976	866	
Exclusion gain of unpaid dividend	2,502	2,178	
Income from settlement of management association accounts	14,052	—	
Other	789	—	
Non-operating expenses	1,081,486	1,004,628	
Interest expenses	612,172	553,240	Property management fees 103,933
Interest expenses on investment corporation bonds	196,650	188,041	Utilities 84,335
Amortization of investment corporation bonds issuance cost	16,287	17,556	Property taxes 260,799
Borrowing expenses	254,573	243,935	Rent expenses 90,053
Other	1,802	1,855	Custodian fees 5,635
Ordinary income	2,120,263	2,123,827	Maintenance and repairs 21,950
Income before income taxes	2,120,263	2,123,827	Insurance premium 11,519
Net income	2,119,344	2,122,849	Depreciation and amortization 671,523
Unappropriated retained earnings	2,119,468	2,122,849	Other lease business expenses 7,259

## 4-6 Statement of cash flows/Retained earnings

### Statement of cash flows

(thousand yen)

Account	Previous period (12th period) From February 1, 2012 to July 31, 2012	Current period (13th period) From August 1, 2012 to January 31, 2013
I Net cash provided by (used in) operating activities	28,248,941	2,551,856
Income before income taxes	2,120,263	2,123,827
Depreciation and amortization	658,512	672,023
Amortization of investment corporation bonds issuance cost	16,287	17,556
Increase (decrease) in provision for loss on disaster	△ 6,813	—
Interest income	△ 976	△ 866
Exclusion gain of unpaid dividend	△ 2,502	△ 2,178
Interest expenses	808,822	741,282
Decrease (increase) in operating accounts receivable	△ 605	825
Decrease (increase) in consumption taxes refund receivable	83,882	△ 81,746
Increase (decrease) in operating accounts payable	△ 35,664	9,028
Increase (decrease) in accounts payable—other	797	△ 1,349
Increase (decrease) in accrued expenses	10,350	△ 15,639
Increase (decrease) in accrued consumption taxes	53,559	△ 70,872
Increase (decrease) in advances received	101,606	△ 3,189
Increase (decrease) in deposits received	△ 629	△ 7,069
Decrease (increase) in prepaid expenses	△ 23,912	△ 29,211
Decrease (increase) in long-term prepaid expenses	△ 45,273	△ 13,316
Decrease in carrying amounts of property, plant and equipment in trust due to sale	25,332,951	—
Other, net	40	140
Subtotal	29,070,696	3,339,245
Interest income received	976	866
Interest expenses paid	△ 821,748	△ 787,361
Income taxes paid	△ 982	△ 894

(thousand yen)

Account	Previous period (12th period) From February 1, 2012 to July 31, 2012	Current period (13th period) From August 1, 2012 to January 31, 2013
II Net cash provided by (used in) investing activities	△ 25,782,014	△ 610,609
Purchase of property, plant and equipment in trust	△ 18,525,271	△ 47,706
Purchase of intangible assets in trust	△ 7,415,731	—
Repayments of lease and guarantee deposited in trust	△ 2,022,994	△ 672,226
Proceeds from lease and guarantee deposited in trust	2,181,982	109,323
III Net cash provided by (used in) financing activities	△ 2,106,879	△ 2,113,349
Proceeds from short-term loans payable	3,478,000	1,000,000
Repayments of short-term loans payable	△ 11,500,000	△ 5,500,000
Proceeds from long-term loans payable	22,722,000	17,500,000
Repayments of long-term loans payable	△ 14,812,500	△ 13,062,500
Proceeds from issuance of investment corporation bonds	—	6,963,659
Redemption of investment corporation bonds	—	△ 7,000,000
Dividends paid	△ 1,994,379	△ 2,014,508
IV Net increase (decrease) in cash and cash equivalents	360,047	△ 172,102
V Cash and cash equivalents at beginning of the period	9,291,430	9,651,478
VI Cash and cash equivalents at the end of the period	9,651,478	9,479,375

### Retained earnings

(yen)

Item	Previous period (12th period) From February 1, 2012 to July 31, 2012	Current period (13th period) From August 1, 2012 to January 31, 2013
I Unappropriated retained earnings	2,119,468,036	2,122,849,651
II Amount of dividends	2,014,224,000	2,122,806,880
Amount of dividends per unit	8,700	9,169
III Voluntary retained earnings		
Provision of reserve for reduction entry	105,244,036	—
IV Retained earnings carried forward	—	42,771

# 4-7 13th period results breakdown by property①

(thousand yen)

Property number		O-0			O-1			O-3			O-4		
Property name		Roppongi Hills Mori Tower			ARK Mori Building			Roppongi First Building			Koraku Mori Building		
Period		12th period	13th period	Difference	12th period	13th period	Difference	12th period	13th period	Difference	12th period	13th period	Difference
Operation days		182days	184days	2days	182days	184days	2days	90days	-	△ 90days	182days	184days	2days
Occupancy rate		100%	100%	0.0PT	100%	100%	0.0PT	-	-	-	91.0%	94.3%	3.3PT
Avg. Occupancy rate (during period)		100%	100%	0.0PT	100%	100%	0.0PT	80.0%	-	△ 80.0PT	90.7%	93.2%	2.5PT
Number of tenants		1	1	0	1	1	0	-	-	-	15	16	1
Acquisition price		25,490,000			58,970,000			21,000,000			27,200,000		
	Rent revenue of real estate	603,955	603,955	-	1,163,923	1,163,923	-	183,966	-	△ 183,966	562,774	578,680	15,905
	Other rent revenue of real estate	-	-	-	-	-	-	24,563	-	△ 24,563	96,290	105,815	9,525
Operating Income		603,955	603,955	-	1,163,923	1,163,923	-	208,530	-	△ 208,530	659,065	684,495	25,430
	Property management fees	1,200	1,200	-	4,800	4,800	-	35,404	-	△ 35,404	63,642	67,638	3,995
	Utilities	-	-	-	-	-	-	15,136	-	△ 15,136	76,182	84,040	7,858
	Property taxes(Note 1)	25,295	40,336	15,041	51,129	70,723	19,594	23,752	-	△ 23,752	32,959	31,560	△ 1,399
	Maintenance and repairs	-	-	-	-	-	-	-	-	-	8,572	10,525	1,953
	Insurance premium	1,104	1,088	△ 15	1,998	1,985	△ 13	1,104	-	△ 1,104	2,173	2,198	24
	Depreciation and amortization ①	98,872	98,872	-	120,233	120,274	40	30,471	-	△ 30,471	128,913	128,979	66
	Other lease business expenses (Note 2)	27	27	0	2,673	2,674	0	2,257	-	△ 2,257	76,150	68,732	△ 7,418
Property expense		126,499	141,525	15,026	180,835	200,457	19,622	108,127	-	△ 108,127	388,595	393,675	5,080
Operating profit ②		477,455	462,429	△ 15,026	983,088	963,466	△ 19,622	100,403	-	△ 100,403	270,470	290,820	20,349
NOI ③ (①+②)		576,328	561,302	△ 15,026	1,103,322	1,083,740	△ 19,581	130,875	-	△ 130,875	399,383	419,799	20,416
	Annualized NOI	1,155,824	1,113,452	△ 42,371	2,212,706	2,149,810	△ 62,895	530,771	-	△ 530,771	800,962	832,755	31,793
	Annualized NOI/ Acquisition price	4.5%	4.4%	△ 0.1PT	3.8%	3.6%	△ 0.2PT	2.5%	-	△ 2.5PT	2.9%	3.1%	0.2PT
Capex ④		2,344	-	△ 2,344	1,971	1,538	△ 433	4,025	-	△ 4,025	4,317	965	△ 3,352
NCF ③-④		573,984	561,302	△ 12,682	1,101,350	1,082,202	△ 19,147	126,850	-	△ 126,850	395,066	418,834	23,768

(Note 1) We have adopted the method of including with expenses the amount of taxes which were actually paid out of the levies and taxes imposed on the company, such as the Property tax, City planning tax, and Depreciable property tax on properties owned by the company, with the exception of Property tax, City planning tax and Depreciable property tax levied on properties in the year of their acquisition, as they are included in acquisition costs. The same shall apply hereinafter.

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

# 4-8 13th period results breakdown by property②

(thousand yen)

Property number		O-6			O-7			R-1			R-2		
Property name		Akasaka Tameike Tower			Atago Green Hills			Moto-Azabu Hills			ARK Forest Terrace		
Period		12th period	13th period	Difference	12th period	13th period	Difference	12th period	13th period	Difference	12th period	13th period	Difference
Operation days		182days	184days	2days	92days	184days	92days	182days	184days	2days	90days	-	△ 90days
Occupancy rate		100%	100%	0.0PT	100%	100%	0.0PT	100%	100%	0.0PT	-	-	-
Avg. Occupancy rate (during period)		100%	100%	0.0PT	100%	100%	0.0PT	90.0%	100%	10.0PT	91.4%	-	△ 91.4PT
Number of tenants		1	1	0	1	1	0	7	7	0	-	-	-
Acquisition price		43,930,000			25,600,000			1,706,440			5,300,000		
	Rent revenue of real estate	666,446	666,446	-	338,036	676,073	338,036	57,631	63,039	5,407	63,055	-	△ 63,055
	Other rent revenue of real estate	289	289	-	-	-	-	803	1,071	267	6,100	-	△ 6,100
Operating Income		666,735	666,735	-	338,036	676,073	338,036	58,435	64,110	5,674	69,155	-	△ 69,155
	Property management fees	3,000	3,000	-	810	1,620	810	11,428	8,852	△ 2,576	17,472	-	△ 17,472
	Utilities	-	-	-	-	-	-	49	12	△ 37	5,537	-	△ 5,537
	Property taxes(Note 1)	37,283	43,441	6,158	-	-	-	3,306	2,069	△ 1,237	5,298	-	△ 5,298
	Maintenance and repairs	-	-	-	-	-	-	4,224	6,186	1,961	2,479	-	△ 2,479
	Insurance premium	2,563	2,578	14	1,386	2,772	1,386	157	158	1	458	-	△ 458
	Depreciation and amortization ①	172,758	173,230	471	59,820	119,958	60,138	6,395	6,395	-	17,281	-	△ 17,281
	Other lease business expenses (Note 2)	905	905	△ 0	12,257	21,888	9,630	3,661	3,875	214	3,752	-	△ 3,752
Property expense		216,511	223,157	6,645	74,273	146,239	71,965	29,223	27,550	△ 1,673	52,281	-	△ 52,281
Operating profit ②		450,224	443,578	△ 6,645	263,762	529,834	266,071	29,211	36,560	7,348	16,874	-	△ 16,874
NOI ③ (①+②)		622,983	616,809	△ 6,173	323,583	649,792	326,209	35,606	42,955	7,348	34,155	-	△ 34,155
	Annualized NOI	1,249,389	1,223,562	△ 25,826	1,283,780	1,288,990	5,210	71,409	85,210	13,800	138,519	-	△ 138,519
	Annualized NOI/Acquisition price	2.8%	2.8%	0.0PT	5.0%	5.0%	0.0PT	4.2%	5.0%	0.8PT	2.6%	-	△ 2.6PT
Capex ④		9,474	61,413	51,938	-	8,318	8,318	-	-	-	2,345	-	△ 2,345
NCF ③-④		613,508	555,396	△ 58,111	323,583	641,474	317,891	35,606	42,955	7,348	31,809	-	△ 31,809

# 4-9 13th period results breakdown by property③

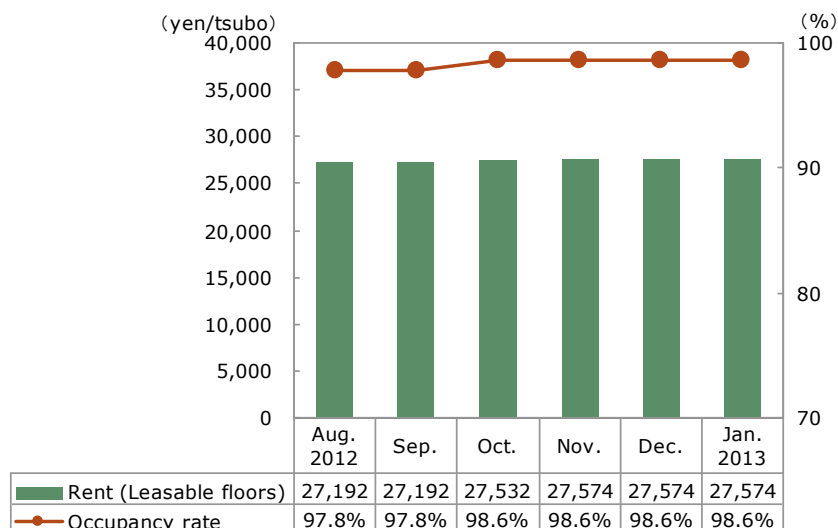
(thousand yen)

Property number		R-3			R-4			S-1			Total		
Property name		Roppongi First Plaza			Roppongi View Tower			Laforet Harajuku (Land)					
Period		12th period	13th period	Difference	12th period	13th period	Difference	12th period	13th period	Difference	12th period (Note 3)	13th period	Difference
Operation days		182days	184days	2days	182days	184days	2days	182days	184days	2days	182days	184days	2days
Occupancy rate		87.7%	89.4%	1.7PT	100%	100%	0.0PT	100%	100%	0.0PT	98.1%	98.7%	0.6PT
Avg. Occupancy rate (during period)		93.1%	85.1%	△ 8.0PT	100%	100%	0.0PT	100%	100%	0.0PT	96.7%	98.4%	1.7PT
Number of tenants		37	39	2	1	1	0	1	1	0	65	68	3
Acquisition price		2,100,000			4,000,000			21,820,000			210,816,440		
	Rent revenue of real estate	71,807	60,474	△ 11,333	109,426	109,426	-	646,800	646,800	-	4,467,826	4,568,819	100,993
	Other rent revenue of real estate	550	600	50	-	-	-	-	-	-	128,597	107,776	△ 20,821
Operating Income		72,357	61,074	△ 11,283	109,426	109,426	-	646,800	646,800	-	4,596,423	4,676,596	80,172
	Property management fees	12,682	13,083	401	3,738	3,738	-	-	-	-	154,179	103,933	△ 50,246
	Utilities	119	282	163	-	-	-	-	-	-	97,024	84,335	△ 12,689
	Property taxes(Note 1)	7,091	6,954	△ 137	10,975	10,755	△ 219	52,462	54,958	2,495	249,554	260,799	11,244
	Maintenance and repairs	2,568	5,238	2,669	-	-	-	-	-	-	17,845	21,950	4,104
	Insurance premium	319	321	1	436	415	△ 21	-	-	-	11,703	11,519	△ 183
	Depreciation and amortization ①	10,210	10,757	546	13,055	13,055	-	-	-	-	658,012	671,523	13,510
	Other lease business expenses (Note 2)	4,242	4,388	146	455	455	-	-	-	-	106,384	102,948	△ 3,435
Property expense		37,233	41,025	3,792	28,660	28,419	△ 241	52,462	54,958	2,495	1,294,704	1,257,009	△ 37,694
Operating profit ②		35,124	20,048	△ 15,075	80,766	81,007	241	594,337	591,842	△ 2,495	3,301,719	3,419,586	117,867
NOI ③ (①+②)		45,334	30,805	△ 14,528	93,821	94,062	241	594,337	591,842	△ 2,495	3,959,731	4,091,109	131,377
	Annualized NOI	90,918	61,109	△ 29,809	188,157	186,590	△ 1,566	1,191,941	1,174,034	△ 17,906	7,928,202	8,115,516	187,313
	Annualized NOI/ Acquisition price	4.3%	2.9%	△ 1.4PT	4.7%	4.7%	0.0PT	5.5%	5.4%	△ 0.1PT	3.8%	3.8%	0.0PT
Capex ④		18,391	39,078	20,686	-	-	-	-	-	-	42,871	111,313	68,442
NCF ③~④		26,942	△ 8,272	△ 35,215	93,821	94,062	241	594,337	591,842	△ 2,495	3,916,860	3,979,796	62,935

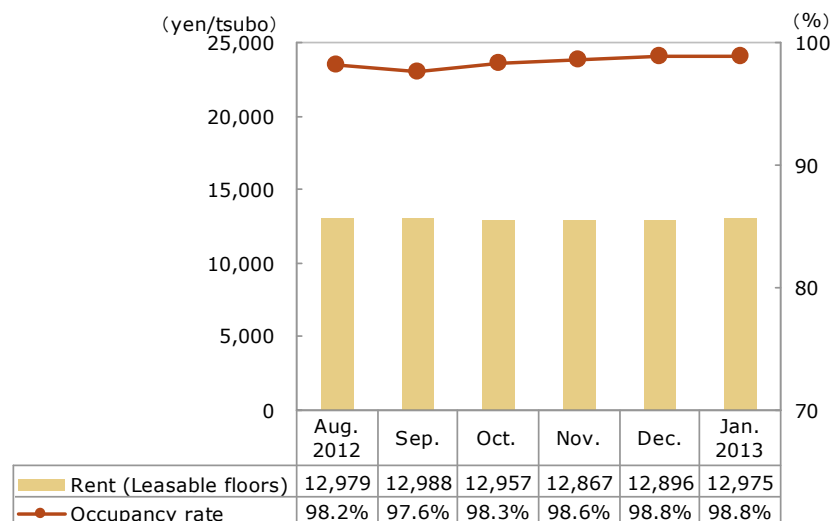
(Note 3) Properties acquired or sold during the relevant period. "Annualized NOI/ Acquisition price" was calculated by taking into consideration the changes in acquisition price during the relevant period. "Annualized NOI" denotes the value which is based on the acquisition price as of end of relevant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

## 4-10 Tenant status during the 13th period

### Office: Rent and occupancy rate



### Residential: Rent and occupancy rate



### Top 5 tenants (After the acquisitions)

Tenant	Property name	Leased space (Note 1) (Note 2)	Ratio
Mori Building Co., Ltd.	Roppongi Hills Mori Tower ARK Mori Building Koraku Mori Building Akasaka Tameike Tower Atago Green Hills	83,240.22 m <sup>2</sup>	74.7%
Urban Renaissance Agency (Note 3)	Roppongi View Tower	6,344.84 m <sup>2</sup>	5.7%
Syowa Leasing Co., Ltd.	Koraku Mori Building	2,683.90 m <sup>2</sup>	2.4%
Mori Building Ryutsu System Co., Ltd.	Laforet Harajuku (Land)	2,565.06 m <sup>2</sup>	2.3%
ITOCHU Techno-Solutions Corporation	Koraku Mori Building	2,116.88 m <sup>2</sup>	1.9%
Total of top 5 tenants		96,950.90 m <sup>2</sup>	87.0%

(Note 1) Total leased area is calculated by multiplying the lease area stated in the lease contract with the end tenant times the relevant percentage of co-ownership interest.

(Note 2) Figures in the charts show monthly rent by period/contract, which reflects the situation of tenants as of February 28, 2013 including move in/out and rent revision. It also reflects the planned acquisition in the 14th period.

(Note 3) Agreement is expected to be terminated on Oct. 31, 2013.

## 4-11 Debt status (as of January 31, 2013)

	Lender	Balance (mn yen)	Rate of interest	Borrowing date	Maturity date	Remarks
Short-term	ORIX Bank Corporation	1,000	0.78%	Mar. 29, 2012	Mar. 29, 2013	Unsecured, non-guaranteed
	Hiroshima Bank, Ltd	500	0.78%	Mar. 29, 2012	Mar. 29, 2013	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	1,978	0.88%	May 31, 2012	Mar. 31, 2013	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	1,000	0.88%	Aug. 31, 2012	Aug. 31, 2013	Unsecured, non-guaranteed
	Sub total	4,478	-	-	-	-
Long-term	Development Bank of Japan, Inc.	2,125 (Note 1)	2.34%	Nov. 30, 2009	Nov. 30, 2013	Unsecured, non-guaranteed
	The Bank of Fukuoka, Ltd.	2,000	1.58%	Nov. 30, 2010	Nov. 30, 2013	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation	7,100	1.58%	Nov. 30, 2010	Nov. 30, 2013	Unsecured, non-guaranteed
	Mizuho Corporate Bank, Ltd.					
	Bank of Tokyo-Mitsubishi UFJ, Ltd.					
	Mitsubishi UFJ Trust and Banking Corporation					
	Sumitomo Mitsui Trust Bank, Limited					
	The Norinchukin Bank	3,900	1.68%	Nov. 30, 2010	Nov. 30, 2013	Unsecured, non-guaranteed
	Shinsei Bank, Ltd.					
	The Oita Bank Ltd.					
	ShinGinko Tokyo, Limited					
	The Hiroshima Bank, Ltd.					
	Aozora Bank, Ltd.	2,000	1.38%	Aug. 31, 2011	Aug. 31, 2014	Unsecured, non-guaranteed
	Resona Bank, Limited.	2,500	1.38%	Aug. 31, 2011	Aug. 31, 2014	Unsecured, non-guaranteed
	Bank of Tokyo-Mitsubishi UFJ, Ltd.	12,500	1.38%	Nov. 30, 2011	Nov. 30, 2014	Unsecured, non-guaranteed
	Mizuho Corporate Bank, Ltd.					
	Mitsubishi UFJ Trust and Banking Corporation					
	Sumitomo Mitsui Banking Corporation					
	Sumitomo Mitsui Trust Bank, Limited	2,000	1.33%	Nov. 30, 2011	May 31, 2014	Unsecured, non-guaranteed
	The Bank of Fukuoka, Ltd.					
	The Norinchukin Bank					
	Development Bank of Japan, Inc.	1,700	1.43%	Mar. 27, 2012	Mar. 27, 2015	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation	8,022	0.98%	May 31, 2012	May 31, 2014	Unsecured, non-guaranteed
	Mizuho Corporate Bank, Ltd.					
	Bank of Tokyo-Mitsubishi UFJ, Ltd.					
	Mitsubishi UFJ Trust and Banking Corporation					

	Lender	Balance (mn yen)	Rate of interest	Borrowing date	Maturity date	Remarks
Long-term	Sumitomo Mitsui Banking Corporation	8,000	1.03%	May 31, 2012	May 31, 2015	Unsecured, non-guaranteed
	Mizuho Corporate Bank, Ltd.					
	Bank of Tokyo-Mitsubishi UFJ, Ltd.					
	Mitsubishi UFJ Trust and Banking Corporation					
	Sumitomo Mitsui Trust Bank, Limited	5,000	1.23% (Note 2)	May 31, 2012	May 31, 2015	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation					
	Mizuho Corporate Bank, Ltd.					
	Bank of Tokyo-Mitsubishi UFJ, Ltd.					
	Mitsubishi UFJ Trust and Banking Corporation	6,000	1.03%	Aug. 31, 2012	Aug. 31, 2015	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited					
	Mizuho Corporate Bank, Ltd.					
	Bank of Tokyo-Mitsubishi UFJ, Ltd.					
	Mitsubishi UFJ Trust and Banking Corporation	2,000	1.19% (Note 2)	Aug. 31, 2012	Aug. 31, 2016	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation					
	Aozora Bank, Ltd.					
	Shinsei Bank, Ltd.	9,500	1.04% (Note 2)	Nov. 30, 2012	Nov. 30, 2015	Unsecured, non-guaranteed
	Mizuho Corporate Bank, Ltd.					
	Bank of Tokyo-Mitsubishi UFJ, Ltd.					
	Mitsubishi UFJ Trust and Banking Corporation					
	Sumitomo Mitsui Banking Corporation					
	Sumitomo Mitsui Trust Bank, Limited					
	Sub total	77,347	-	-	-	-
	Total	81,825	-	-	-	-

(Note 1) Planning to repay 62.5mn yen every 6 months up to repayment deadline, and 2,062.5mn yen at the repayment deadline.

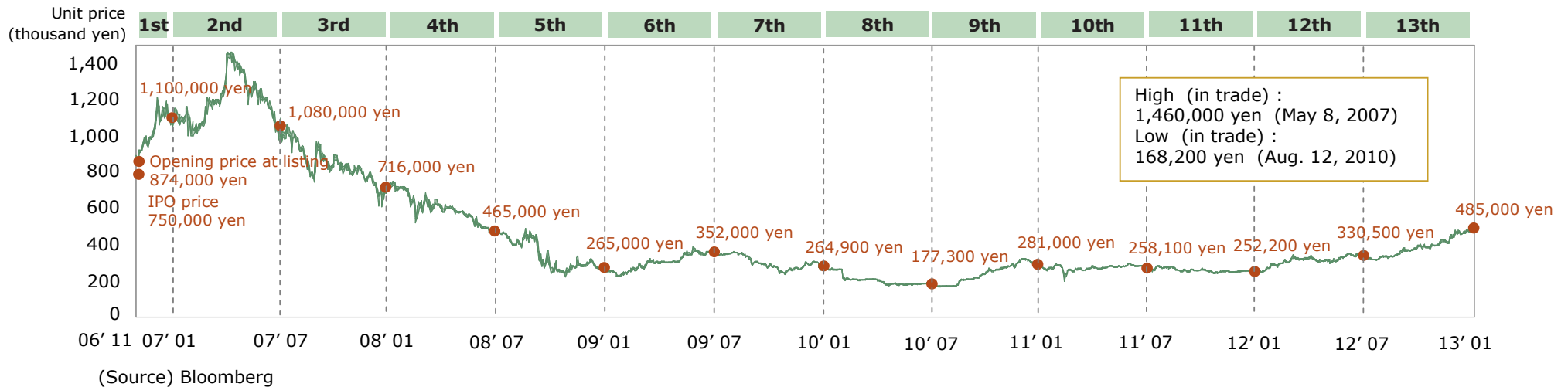
(Note 2) MHR has entered an interest swap agreement with a floating rate for a notional principal. The interest rates above are the actual fixed interest rates that will be paid.

### Investment corporation bonds

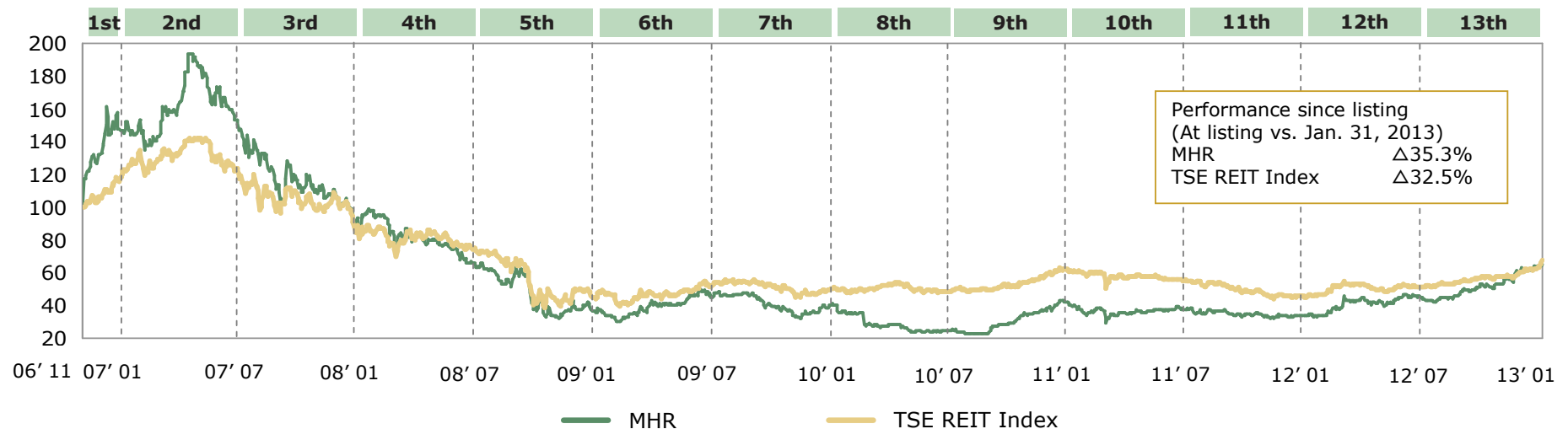
	Bond	Amount (mn yen)	Rate of Interest	Payment date	Maturity date
Investment corporation bonds	2nd Series (Unsecured)	3,000	1.77%	Nov. 29, 2007	Nov. 28, 2014
	3rd Series (Unsecured)	5,000	1.38%	May 27, 2010	May 27, 2013
	4th Series (Unsecured)	5,000	1.95%	May 27, 2010	May 27, 2015
	5th Series (Unsecured)	5,000	1.29%	Feb. 25, 2011	Feb. 25, 2014
	6th Series (Unsecured)	5,000	0.78%	Nov. 28, 2012	Nov. 27, 2015
	7th Series (Unsecured)	2,000	0.97%	Nov. 28, 2012	Nov. 28, 2017
	Total	25,000	-	-	-

# 4-12 Unit price performance

Since IPO ~ End of the 13th period (Jan. 31, 2013)



Relative price performance (Since IPO~Jan. 31, 2013)



(Source) Bloomberg

(Note) Rebased to 100 as per IPO price

## 4-14 Investment criteria

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

#### Investments focusing on Premium Properties

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

Focus on Premium Properties
Premium properties <b>50%</b> or more 〈Office buildings〉 〈Residential〉 〈Retail, etc.〉

Premium Properties

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

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

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

(Note 3) Portfolio weighting is based on acquisition price

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

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

#### Office building focus

Office building  
**50%** or more

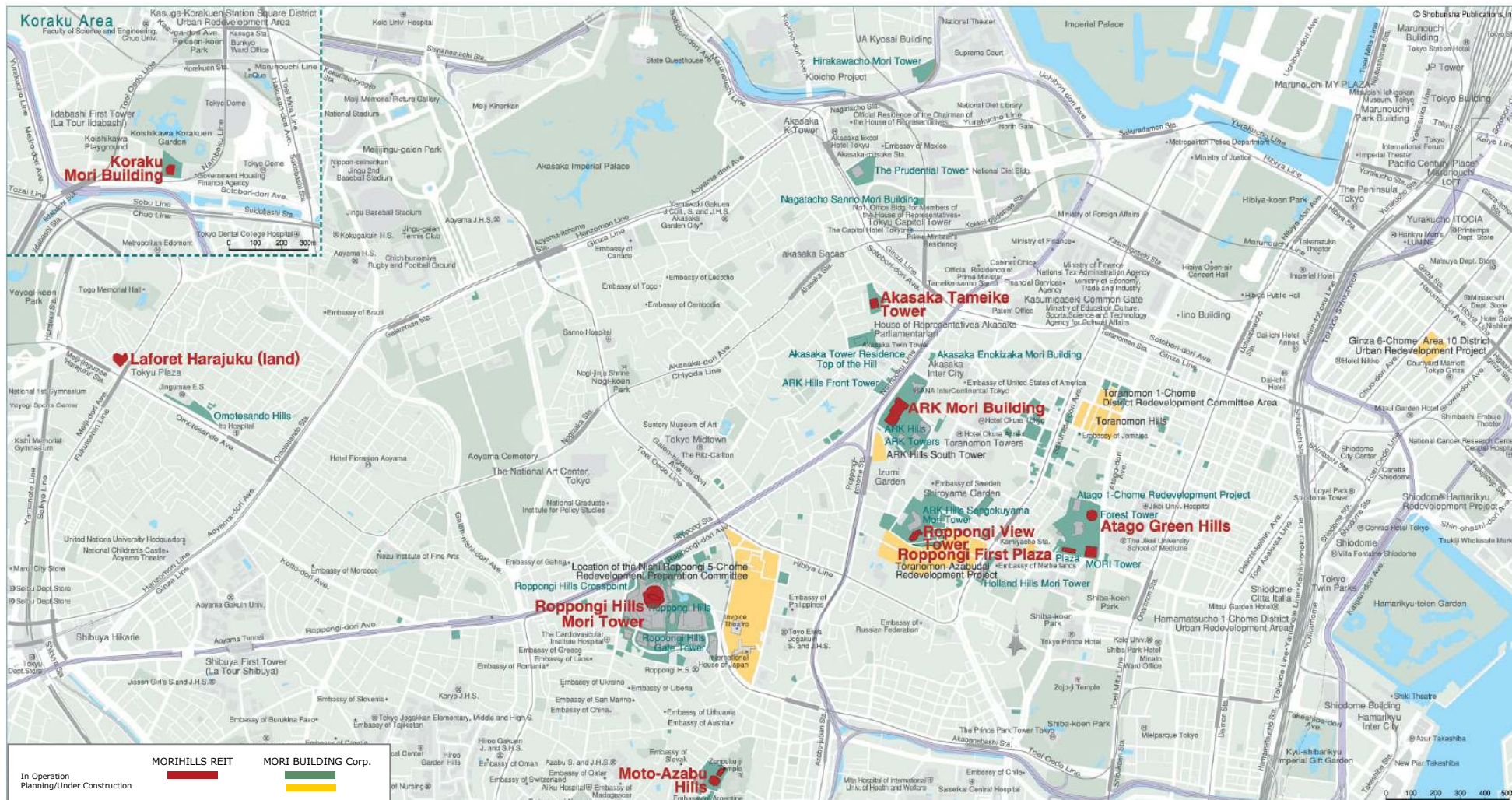
#### Tokyo central five wards focus

Central five wards in Tokyo and their vicinity  
**50%** or more  
 (Tokyo area: 80% or more)









#### Earthquake-resistance

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

# 4-15 Portfolio Map



# 4-16 Portfolio overview (After the acquisitions of April 1, 2013)

Type		Office building			Office building (partly residential)			Residential			Retail		
Premium		Premium	Premium	Premium	Premium	Premium		Premium	Premium	-	Premium		
Property name		Roppongi Hills Mori Tower	ARK Mori Building	Koraku Mori Building	Akasaka Tameike Tower	Atago Green Hills		Moto-Azabu Hills		Roppongi First Plaza	Roppongi View Tower	Laforet Harajuku (land)	
		O-0	O-1	O-4	O-6	MORI Tower	Forest Tower	Plaza	Forest Tower	Forest Terrace	R-3	R-4	S-1
Photo													
Location		Roppongi, Minato-ku, Tokyo	Akasaka, Minato-ku, Tokyo	Koraku, Bunkyo-ku, Tokyo	Akasaka, Minato-ku, Tokyo	Atago, Minato-ku, Tokyo		Toranomon, Minato-ku, Tokyo	Motoazabu, Minato-ku, Tokyo	Roppongi, Minato-ku, Tokyo		Jingumae, Shibuya-ku, Tokyo	
Completion		Apr.2003	Mar.1986 (large-scale renovation in 2005)	Mar.2000	Sep.2000	Jul.2001	Oct.2001	Jul.2001	May.2002	Oct.1993		-	
Building age		10years0months	27years0months	13years0months	12years6months	11years8months	11years5months	11years8months	10years10months	19years5months		-	
Number of stories		54 above ground, 6 below	37 above ground, 4 below	19 above ground, 6 below	25 above ground, 2 below	42 above ground, 2 below	43 above ground, 4 below	2 above ground, 1 below	29 above ground, 3 below	6 above ground, 1 below	20 above ground, 1 below	-	
Gross floor area		c.442,150㎡	c.177,486㎡	c.46,154㎡	c.46,971㎡	c.85,266㎡	c.60,815㎡	c.2,083㎡	c.54,006㎡	c.22,906㎡		-	
Owner -ship (Note 1)	Land	Co-ownership (c.3.7%)	Co-ownership (c.10.9%)	Leased land	Co-ownership (c.56.4%)	Co-ownership (c.28.8%)		Co-ownership (c.3.9%)	Co-ownership (c.47%)	Co-ownership (c.46%)	Ownership (100%)		
	Building	Compartmentalized ownership (c.2.8%)	Compartmentalized ownership (c.17.9%)	Compartmentalized ownership (c.57.9%)	Compartmentalized ownership (c.65.5%)	Co-ownership (c. 32.9%)		Compartmentalized ownership (c.3.2%)	Compartmentalized ownership (c.46.4%)	Co-ownership (c.46%)	-		
PML		0.29%	0.38%	0.42%	2.15%	1.66%	0.99%	9.84%	1.16%	1.72%	3.53%	3.53%	-
Earthquake-resistant feature (Note 2)		Seismic Damping	Seismic Damping	Seismic Damping	Seismic Damping	Seismic Damping	Seismic Damping	-	Seismic Isolators	Seismic Isolators	-	-	-
Acquisition price (mn yen)		25,490	62,480	27,200	43,930	42,090		1,706		2,100	4,000	21,820	
Occupancy rate (Note 3)		100%	100%	94.3%	100%	100%		100%		89.4%	100%	100%	

Average building age  
16.6 years (Note4)

Portfolio PML  
0.71%

Total acquisition price  
230,816mn yen

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

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

(Note 3) For calculation of the "Occupancy rate" of Koraku Mori Building, Moto-Azabu Hills and Roppongi First Plaza is based on the occupancy rate of January 31, 2013.

(Note 4) For calculation of the "Average building age" of Atago Green Hills, we have assumed that construction of the building was completed on Jul. 30, 2001.