



Mori Hills REIT Investment Corporation

Semiannual Report

13th Fiscal Period

(August 1, 2012 – January 31, 2013)

To Our Unitholders

All of us at Mori Hills REIT Investment Corporation (“MHR”) wish to extend our deep appreciation to our unitholders for your continuous support of MHR. I am pleased to report on MHR’s performance for the thirteenth fiscal period which ended January 31, 2013.

In the thirteenth fiscal period, the Japanese economy grew steadily due to strong public investment and housing construction bolstered by demand generated by reconstruction activity for the Great East Japan Earthquake. However, Japan’s economy didn’t reach full-scale recovery due to slowdown in global growth resulting from factors such as the European debt crisis.

Within this economic environment, the rental office building market is starting to see signs of improvement in vacancy rates centering on large blue-chip properties in central Tokyo. After a surge in supply in 2012, the new supply volume anticipated in 2013 will be well below the long-term average. The luxury rental housing market has not seen a full-scale recovery in demand from non-Japanese tenants, but as the rent levels have become reasonable, occupancy rates have remained at stable levels.

In the thirteenth fiscal period, MHR strove to enhance tenant satisfaction through such measures as meticulous operational management and systematic maintenance and repair of properties in its portfolio. Moreover, MHR maintained and enhanced occupancy rates by proactively launching marketing activities targeting new and existing tenants based on a flexible price policy while taking into account the quality of tenants. MHR’s real estate portfolio as of the end of the thirteenth fiscal period was comprised of 9 properties under management with a total leasable floor area of 97,498.53m². MHR has already invested 210,816 million yen (based on acquisition price) into this portfolio. The occupancy rate at the end of the thirteenth fiscal period was 98.7%.

The asset management activities described above resulted in MHR recording 4,676 million yen in operating revenue, 3,125 million yen in operating income, 2,123 million yen in ordinary income, 2,122 million yen in net income and 9,169 yen in dividend per unit in the thirteenth fiscal period.

In February 2013, MHR announced the issuance of new investment units through a public offering. This is MHR’s first public offering in three years. With the funds procured through the issuance, etc., MHR acquired additional portions of Atago Green Hills (acquisition price of 16,490 million yen) and ARK Mori Building (acquisition price of 3,510 million yen) on April 1, 2013. The NOI cap rate of the properties is at a level that exceeds the average NOI cap rate of MHR’s portfolio. This acquisition will enhance the portfolio size and increase distributions. MHR expects a dividend per unit of 9,400 yen in the fourteenth fiscal period ending July 31, 2013.

MHR will seek to maximize investor value through continuously conducting dividend-oriented management, by placing further enhancement of the portfolio NOI cap rate through external growth and by further strengthening its financial standing - primarily by reducing borrowing costs and extending the average duration of loans payable.

I would like to ask for your continued support.



Hideyuki Isobe
Executive Director, Mori Hills REIT Investment Corporation
President and CEO, Mori Building Investment Management Co., Ltd.

Financial Highlights

Dividend per unit: 13th period

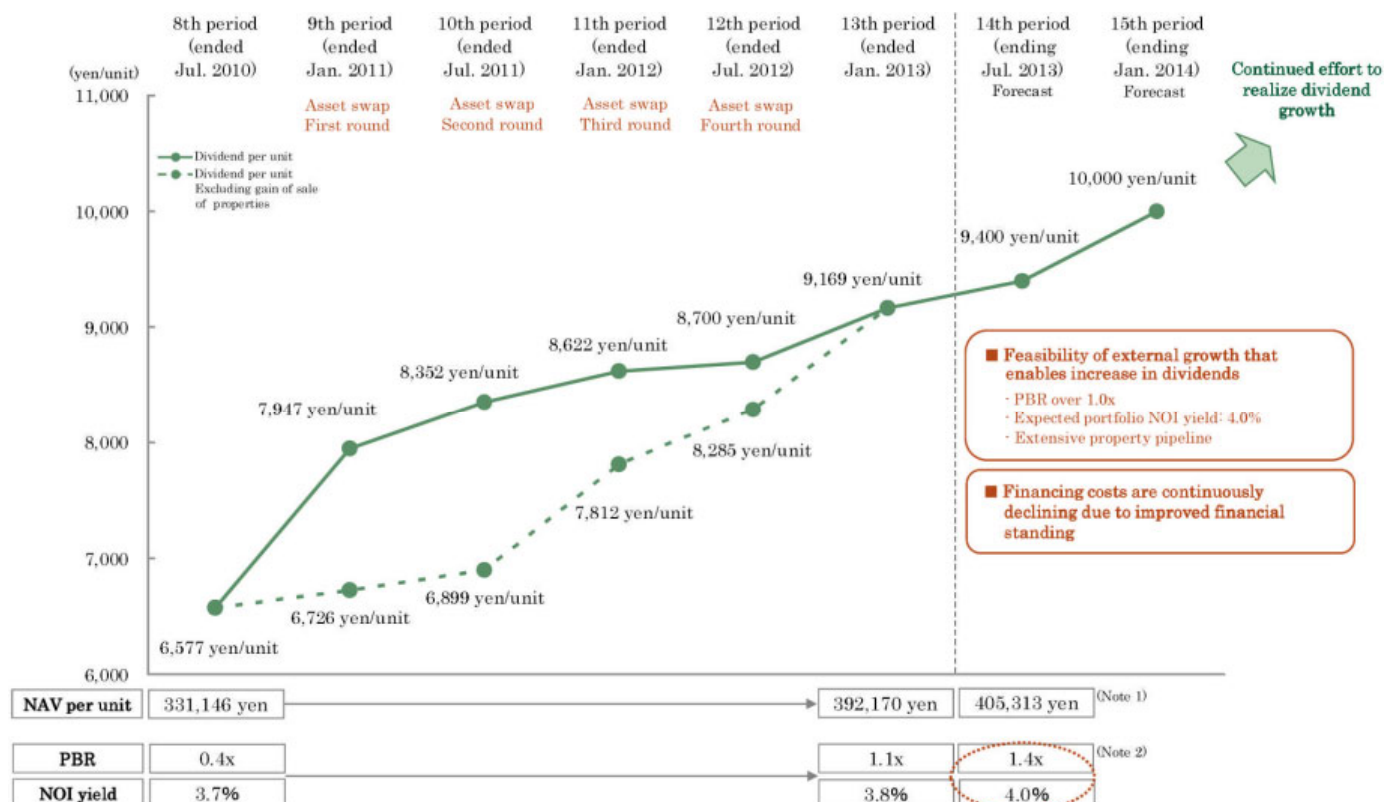
9,169 yen

Dividend per unit: 14th period forecast*

9,400 yen

*The forecasted figures above are the current figures calculated based on certain assumptions. Accordingly, the figures may differ from actual results. Furthermore, these forecasts shall not be construed as a guarantee of dividend amounts.

Change in dividend per unit



(Note 1) The figures are calculated by adding the total amount of proceeds through the primary offering and the third-party allotment of the public offering, acquisition of assets on April 1, 2013 and new borrowings of 10 billion yen to the figures as of the end of the 13th period.

(Note 2) It is calculated based on "Unit price as of Mar. 15, 2013 ÷ Net assets per unit (divided sum of net assets of 13th period, the total amount of proceeds through the primary offering and the third-party allotment of the public offering by 254,620 investment units outstanding)."

Results of 13th period and Forecast of 14th period

(millions of yen)

	Actual	Forecast	Difference
	13th period (Aug. 1, 2012 - Jan. 31, 2013)	14th period (Feb. 1, 2013 - Jul. 31, 2013)	14th - 13th period
Operating Days	184 days	181 days	
Operating revenue	4,676	5,046	+369
Operating income	3,125	3,424	+299
Ordinary income	2,123	2,394	+270
Net income	2,122	2,393	+270
Dividend/unit (yen)	9,169	9,400	+231
Total units outstanding (units)	231,520	254,620	
Total acquisition price	210,816	230,816	

Offering Highlights

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

13 th period (ended Jan. 2013)		Acquisitions of assets on April 1, 2013			After acquisition of assets (Forecast of 14 th period)	
		Atago Green Hills	+	ARK Mori Building (DHC)	→	
Total assets (acquisition price basis)	210.8 billion yen	16.49 billion yen	+	3.51 billion yen	→	20.0 billion yen
						230.8 billion yen
NOI yield (Note 1)	3.8%	4.7%		5.8%	→	4.9%
						4.0%
Unrealized capital gain		+1.41 billion yen	+	+0.04 billion yen	→	+1.45 billion yen
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 yen ^(Note 4)
Dividend per unit	9,169 yen/unit					9,400 yen/unit (Forecast of 14 th period)
						10,000 yen/unit (Forecast of 15 th 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 the third-party allotment of the public offering, acquisition of assets on April 1, 2013 and new borrowings of 10 billion yen to the figures as of the end of the 13th period.

Property acquisitions (as of April 1, 2013)

MHR acquired additional portions of Atago Green Hills and ARK Mori Building on April 1, 2013.

Atago Green Hills Premium



[Overview of property]

Atago Green Hills

Property No.	0-7
Mori Tower (Office)	
Location	2-5-1 Atago, Minato-ku, Tokyo
Completion	July 2001
Floor	42 floors above ground and 2 floors below
Gross floor area	85,266.30㎡
Forest Tower (Residential)	
Location	2-3-1 Atago, Minato-ku, Tokyo
Completion	October 2001
Floor	43 floors above ground and 4 floors below
Gross floor area	60,815.71㎡
Plaza (Retail)	
Location	3-21-5 Toranomon, Minato-ku, Tokyo
Completion	July 2001
Floor	2 floors above ground and 1 floor below
Gross floor area	2,083.60㎡
Form of ownership	Sectional ownership
Total leasable floor area	11,626.48㎡
PML	Mori Tower: 1.66% Forest Tower: 0.99% Plaza: 9.84%
Acquisition price	16,490 million yen
Appraisal value	17,900 million yen (as of January 31, 2013)

	Acquired portion (29% of quasi co-ownership of beneficial interest)	Resulting ownership (7.4% of quasi co-ownership of beneficial interest)
Occupancy area	approx. 13,475.50㎡ (approx. 12.9% of total property)	approx. 34,385.99㎡ (approx. 32.9% of total property)
Land area	approx. 1,467.32㎡ (approx. 11.3% of total property)	approx. 3,744.20㎡ (approx. 28.8% of total property)

Building Layout



ARK Mori Building Premium



[Overview of property]

ARK Mori Building

Property No.	O-1
Location	1-12-32 Akasaka, Minato-ku, Tokyo
Completion	March 1986
Floor	37 floors above ground and 4 floors below
Leasable floor area	177,486.95㎡

<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.

Form of ownership	Sectional ownership
Total leasable floor area	3,212.41㎡
PML	0.38%
Acquisition price	3,510 million yen
Appraisal value	3,550 million yen (as of January 31, 2013)

	Acquired portion (DHC)	Resulting ownership (8 floors + DHC)
Occupancy area	3,212.41㎡ (approx. 2.3%)	24,850.89㎡ (approx. 17.9%)

Building Layout

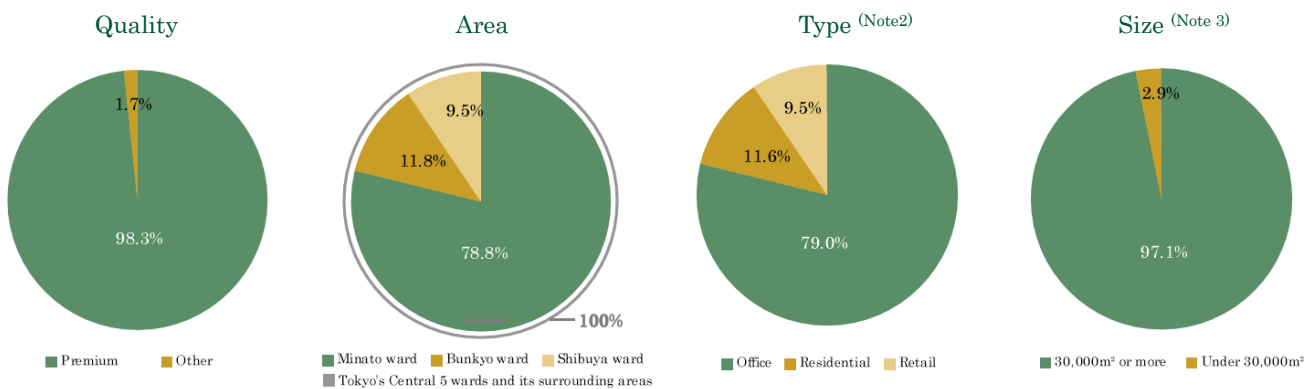


Portfolio List (as of April 1, 2013)

MHR primarily focuses on office buildings, with a percentage of the portfolio allocated to residential and retail assets (land). Total acquisition price is 230,816 million yen.



Portfolio Summary (as of April 1, 2013)^(Note1)



(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).

New Management Policy 2013

MHR has 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:

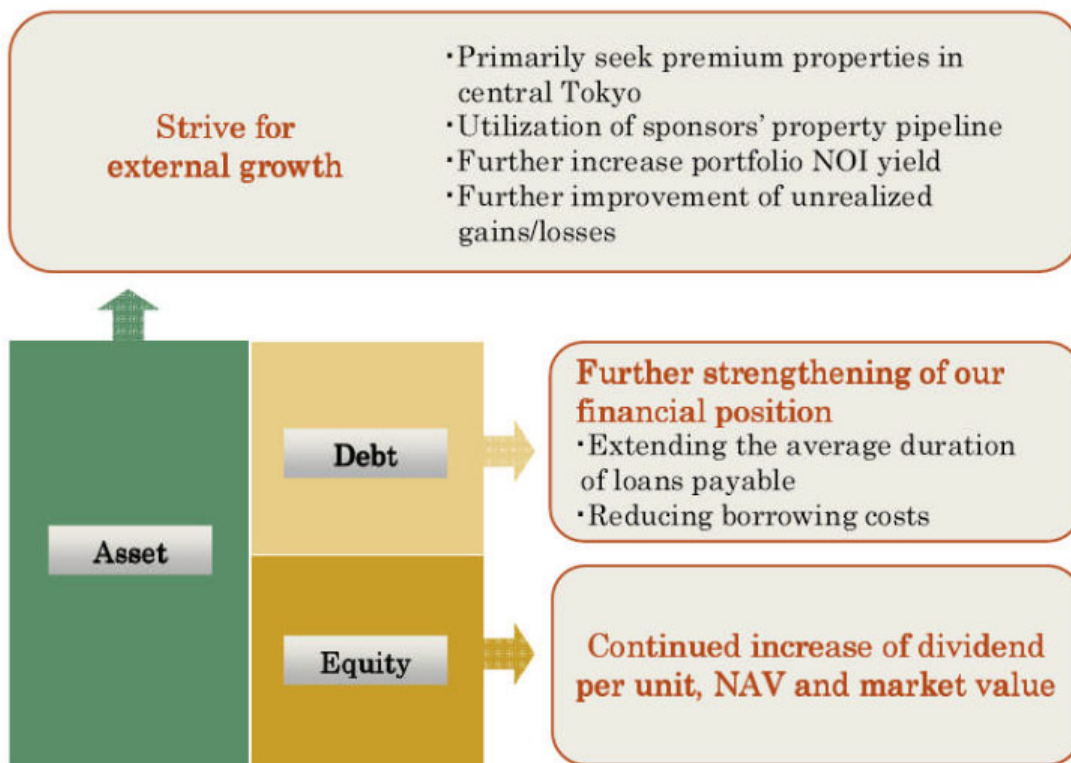
New Management Policy 2013

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



Mori Building's extensive property pipeline

- Total assets of 1.2 trillion yen as of March 2012
- 110 buildings for lease as of April 2012



MHR has “preferential negotiation rights” (Note 1)

Mori Building's development projects (Including future development)

[New redevelopment by Mori Building]

A. ARK Hills South Tower

B. Tranomon Hills (Note 2)



[Properties owned by Mori Building Group]

Office/Residential/Retail, etc.

Office/Residential/Retail, etc.

Office/Residential/Retail

Office/Residential/Retail

Residential

Retail/Residential



1. Roppongi Hills
(Portion of property owned by MHR)



2. ARK Hills
(Portion of property owned by MHR)



3. Atago Green Hills
(Portion of property owned by MHR)



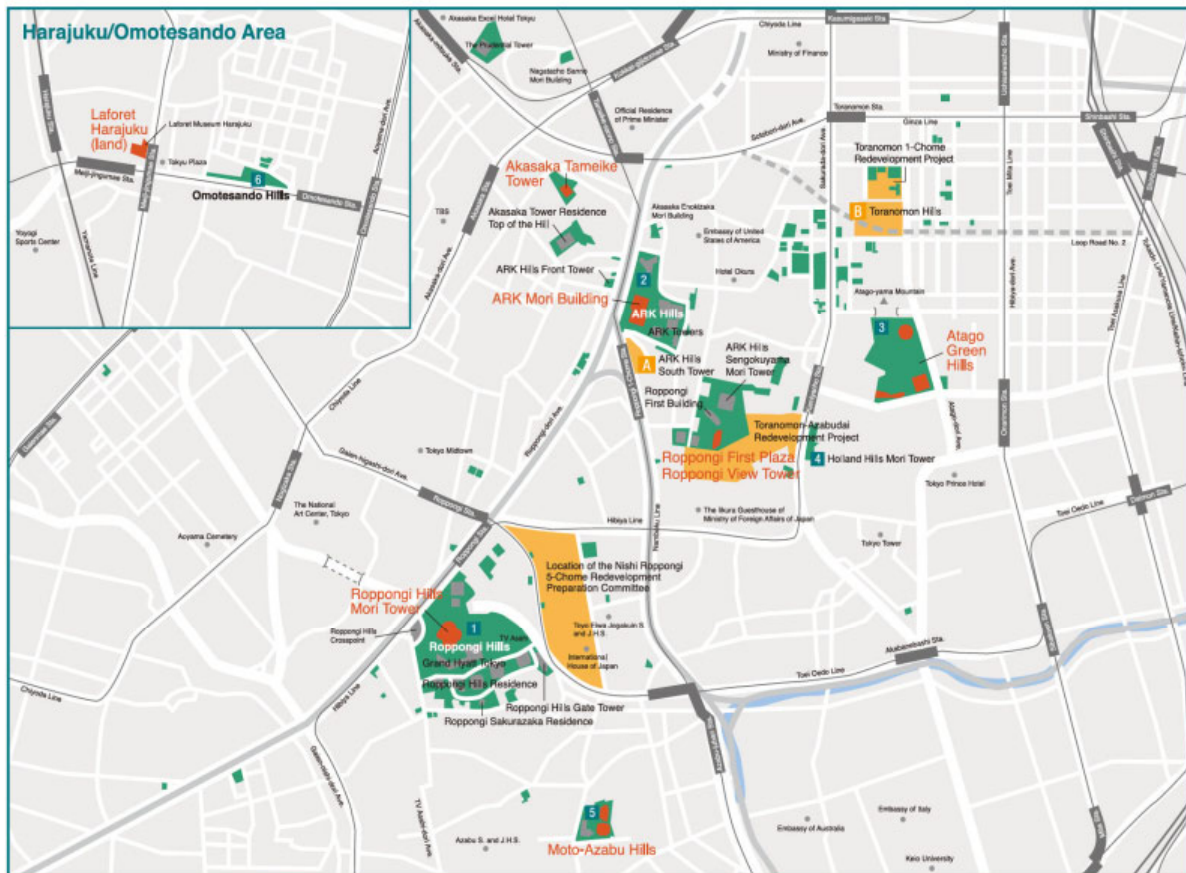
4. Holland Hills



5. Moto-Azabu Hills
(Portion of property owned by MHR)



6. Omotesando Hills



(Note 1) There are certain exemptions.
 (Note 2) Mori Building was appointed as a distinct developer.
 (Note 3) Some of the above were partially acquired or are held by MHR.
 (Note 4) MHR does not have plans to acquire these properties as of the date this document was created.

MHR (Note 3) Mori Building Group (Note 4)
 In operation Planning / Under Construction

Debt Status (as of January 31, 2013)

MHR aims to optimally procure capital by accurately assessing financial and capital market trends. MHR will continuously strive to negotiate lower interest rates.

Financial Figures

	End of 12th period	End of 13th period
Debt Balance	106,887mm yen	106,825mm 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]

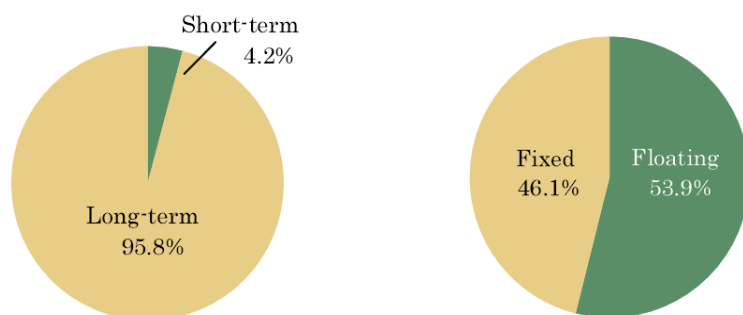
(Note 2) LTV(appraisal value basis) is calculated as [Interest-bearing debt/Appraisal value based total assets (Total assets + Total appraisal value - Total book value)]

Rating

Japan Credit Rating (JCR)

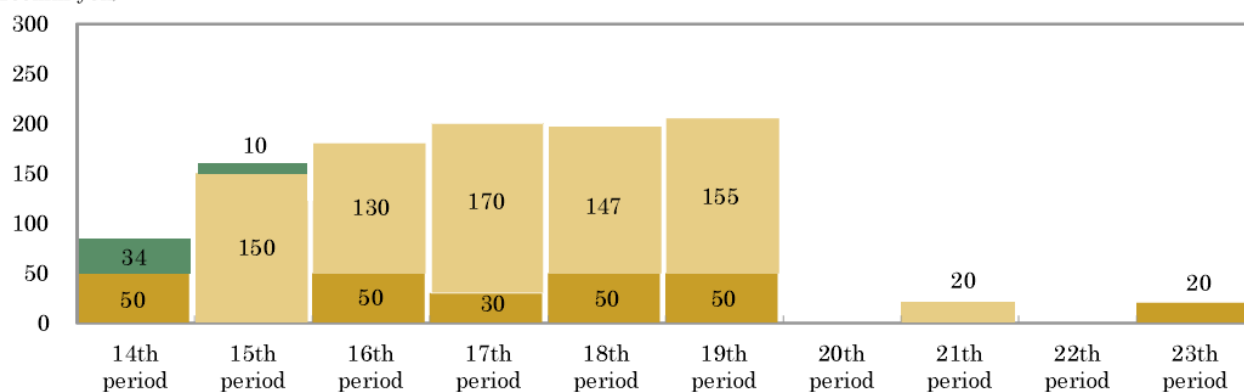
Long-term issuer rating:
AA- (Stable)

Long and Short-term Debt Ratio / Fixed Rate Ratio



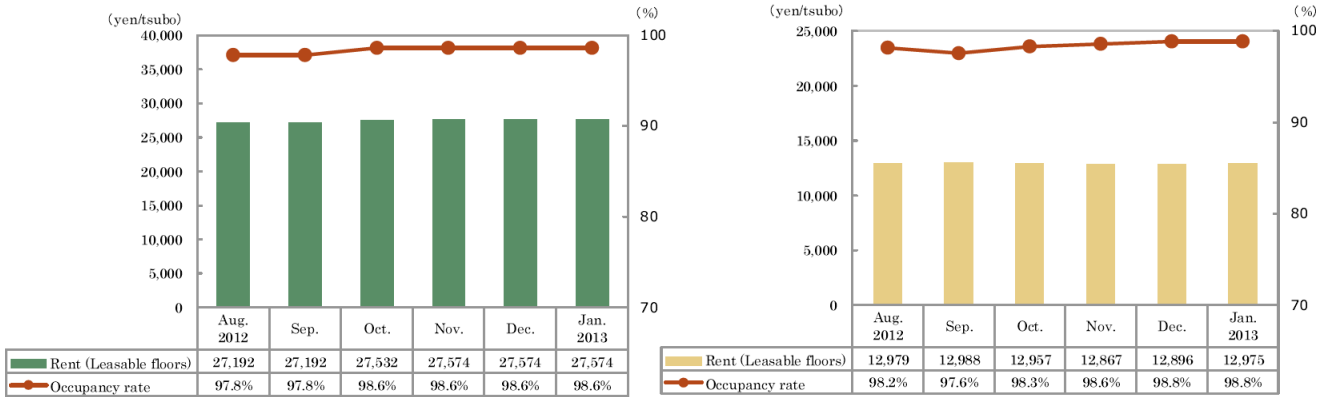
Overview of Maturity (as of January 31, 2013)

(100mm yen)



Portfolio Management

MHR has maintained stable operating revenue by increasing the percentage of fixed rent master leases.



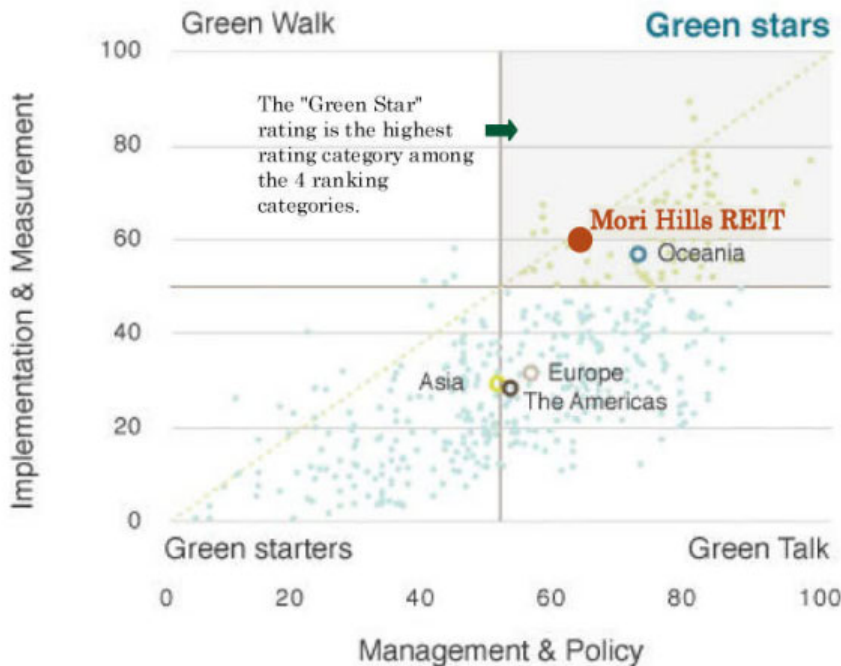
Acquired GRESB Green Star Ratings

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.



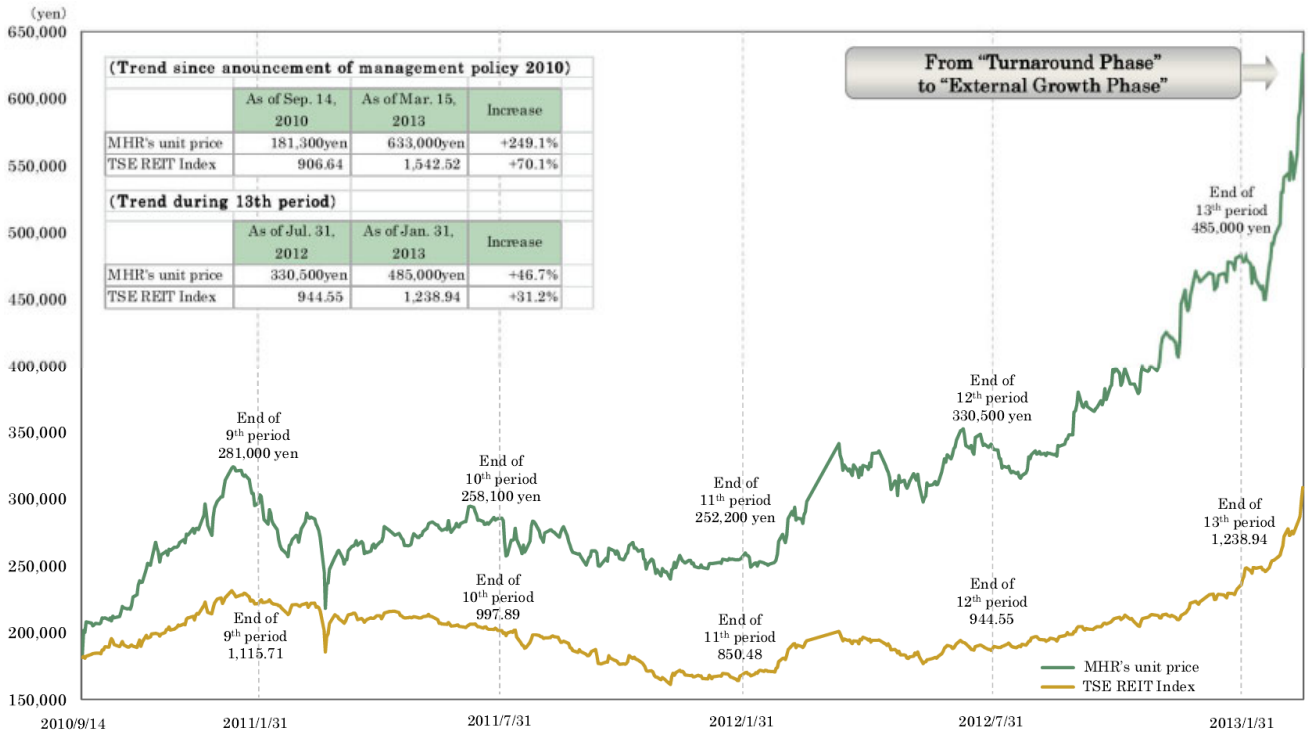
GRESB is a benchmark that measures the sustainability performance of real estate companies and real estate management institutions based on a questionnaire survey conducted by the GRESB foundation, composed primarily of European pension fund groups, and aims to improve shareholder value (economic performance)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

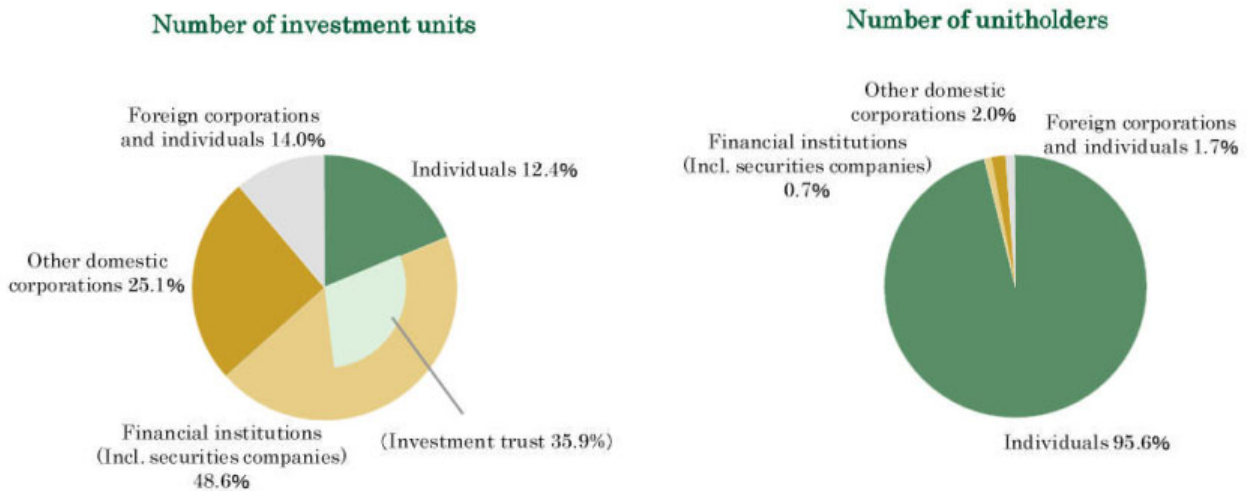
Unit Price Performance



(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.

Unitholders breakdown (as of January 31, 2013)





Disclaimer

This report has been prepared by Mori Hills REIT Investment Corporation (“MHR”) for informational purposes only and should not be construed as an offer of any transactions or the solicitation of an offer of any transactions. Please inquire with the various securities companies concerning the purchase of MHR investment units. This report’s content includes forward-looking statements about business performance; however, no guarantees are implied concerning future business performance.

Although the data and opinions contained in this report are derived from what we believe are reliable and accurate sources, we do not guarantee their accuracy or completeness. The contents contained herein may change or cease to exist without prior notice. Regardless of the purpose, any reproduction and/or use of this document in any shape or form without the prior written consent from MHR is prohibited.

This report 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 report includes statements based on analyses, judgments, and other observations concerning such matters by the asset manager as of the date of preparation.

Independent Auditor's Report

The Board of Directors
Mori Hills REIT Investment Corporation

We have audited the accompanying financial statements of Mori Hills REIT Investment Corporation, which comprise the balance sheet as at January 31, 2013, and the statements of income and retained earnings, changes in net assets, cash distributions, and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mori Hills REIT Investment Corporation as at January 31, 2013, and its financial performance and cash flows for the six-month period then ended in conformity with accounting principles generally accepted in Japan.

Ernst & Young Shin Nihon LLC

April 25, 2013

FINANCIAL STATEMENTS

BALANCE SHEET

(Unit: thousands of yen)

	Thirteenth Fiscal Period (as of January 31, 2013)	Twelfth Fiscal Period (as of July 31, 2012)
Assets		
Current assets		
Cash and deposits	2,633,516	2,222,988
Cash and deposits in trust	6,845,858	7,428,489
Operating accounts receivable	73,626	74,451
Prepaid expenses	431,022	401,810
Deferred tax assets	18	13
Consumption taxes receivable	81,821	-
Other	-	2
Total current assets	<u>10,065,863</u>	<u>10,127,757</u>
Noncurrent assets		
Property, plant and equipment		
Land	22,074,160	22,074,160
Buildings in trust	41,650,705	41,547,821
Accumulated depreciation	<u>(4,673,002)</u>	<u>(4,032,223)</u>
Buildings in trust, net	<u>36,977,703</u>	<u>37,515,597</u>
Structures in trust	393,266	393,266
Accumulated depreciation	<u>(118,078)</u>	<u>(102,690)</u>
Structures in trust, net	<u>275,188</u>	<u>290,575</u>
Machinery and equipment in trust	449,066	448,442
Accumulated depreciation	<u>(48,222)</u>	<u>(37,837)</u>
Machinery and equipment in trust, net	<u>400,844</u>	<u>410,604</u>
Tools, furniture and fixtures in trust	60,940	53,465
Accumulated depreciation	<u>(22,826)</u>	<u>(18,620)</u>
Tools, furniture and fixtures in trust, net	<u>38,114</u>	<u>34,845</u>
Land in trust	122,721,231	122,721,231
Construction in progress in trust	<u>273</u>	<u>2,090</u>
Total property, plant and equipment	<u>182,487,516</u>	<u>183,049,106</u>
Intangible assets		
Leasehold rights in trust	25,825,688	25,825,688
Other intangible assets in trust	398	973
Other	<u>1,996</u>	<u>2,496</u>
Total intangible assets	<u>25,828,083</u>	<u>25,829,158</u>
Investments and other assets		
Lease and guarantee deposits	10,000	10,000
Long-term prepaid expenses	<u>357,936</u>	<u>344,619</u>
Total investments and other assets	<u>367,936</u>	<u>354,619</u>
Total noncurrent assets	<u>208,683,536</u>	<u>209,232,884</u>
Deferred assets		
Investment corporation bonds issuance cost	<u>63,781</u>	<u>44,993</u>
Total deferred assets	<u>63,781</u>	<u>44,993</u>
Total assets	<u>218,813,181</u>	<u>219,405,635</u>

(Unit: thousands of yen)

	Thirteenth Fiscal Period (as of January 31, 2013)	Twelfth Fiscal Period (as of July 31, 2012)
Liabilities		
Current liabilities		
Operating accounts payable	160,700	89,784
Short-term loans payable	4,478,000	8,978,000
Current portion of investment corporation bonds	5,000,000	12,000,000
Current portion of long-term loans payable	15,125,000	13,125,000
Accounts payable – other	22,280	26,112
Accrued expenses	357,230	418,948
Income taxes payable	809	720
Accrued consumption taxes	43,594	114,466
Advances received	678,529	681,719
Deposits received	99,762	763,744
Total current liabilities	25,965,907	36,198,496
Noncurrent liabilities		
Investment corporation bonds	20,000,000	13,000,000
Long-term loans payable	62,222,000	59,784,500
Lease and guarantee deposited in trust	6,386,240	6,292,231
Total noncurrent liabilities	88,608,240	79,076,731
Total liabilities	114,574,147	115,275,228
Net assets		
Unitholders' equity		
Unitholders' capital	102,010,939	102,010,939
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	105,244	-
Total voluntary retained earnings	105,244	-
Unappropriated retained earnings	2,122,849	2,119,468
Total surplus	2,228,093	2,119,468
Total unitholders' equity	104,239,033	104,130,407
Total net assets (Note 8)	104,239,033	104,130,407
Total liabilities and net assets	218,813,181	219,405,635

STATEMENT OF INCOME AND RETAINED EARNINGS

	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)	(Unit: thousands of yen) Twelfth Fiscal Period (February 1, 2012 to July 31, 2012)
Operating revenue		
Rent revenue of real estate (Note 12)	4,568,819	4,467,826
Other rent revenue of real estate (Note 12)	107,776	128,597
Gain on sales of real estate properties (Note 12)	-	201,158
Total operating revenue	<u>4,676,596</u>	<u>4,797,582</u>
Operating expenses		
Expenses of real estate rent (Note 12)	1,257,009	1,294,704
Asset management fee	220,361	231,891
Directors' compensation	5,400	5,400
Asset custody fee	5,485	5,477
Administrative service fees	14,096	14,807
Other operating expenses (Note 12)	48,831	61,870
Total operating expenses	<u>1,551,184</u>	<u>1,614,152</u>
Operating income	<u>3,125,411</u>	<u>3,183,429</u>
Non-operating income		
Interest income	866	976
Exclusion gain of unpaid dividend	2,178	2,502
Income from settlement of management association accounts	-	14,052
Other	-	789
Total non-operating income	<u>3,044</u>	<u>18,320</u>
Non-operating expenses		
Interest expenses	553,240	612,172
Interest expenses on investment corporation bonds	188,041	196,650
Amortization of investment corporation bonds issuance cost	17,556	16,287
Borrowing expenses	243,935	254,573
Other	1,855	1,802
Total non-operating expenses	<u>1,004,628</u>	<u>1,081,486</u>
Ordinary income	<u>2,123,827</u>	<u>2,120,263</u>
Income before income taxes	<u>2,123,827</u>	<u>2,120,263</u>
Income taxes-current	982	913
Income taxes-deferred	(4)	4
Total income taxes	<u>977</u>	<u>918</u>
Net income	<u>2,122,849</u>	<u>2,119,344</u>
Retained earnings brought forward	-	123
Unappropriated retained earnings	2,122,849	2,119,468



HILLS REIT

STATEMENT OF CHANGES IN NET ASSETS

(August 1, 2012 to January 31, 2013)

(Unit: thousands of yen)

	Unitholders' capital	Surplus		Total surplus	Total unitholders' equity	Total net assets
		Voluntary retained earnings Reserve for reduction entry	Unappropriated retained earnings			
Balance at August 1, 2012	102,010,939	-	2,119,468	2,119,468	104,130,407	104,130,407
Change during the period						
Provision of reserve for reduction entry	-	105,244	(105,244)	-	-	-
Dividends from surplus	-	-	(2,014,224)	(2,014,224)	(2,014,224)	(2,014,224)
Net income	-	-	2,122,849	2,122,849	2,122,849	2,122,849
Total changes of items during the period	-	105,244	3,381	108,625	108,625	108,625
Balance at January 31, 2013	102,010,939	105,244	2,122,849	2,228,093	104,239,033	104,239,033

(February 1, 2012 to July 31, 2012)

(Unit: thousands of yen)

	Unitholders' capital	Surplus		Total surplus	Total unitholders' equity	Total net assets
		Voluntary retained earnings Reserve for reduction entry	Unappropriated retained earnings			
Balance at February 1, 2012	102,010,939	-	1,996,288	1,996,288	104,007,228	104,007,228
Change during the period						
Provision of reserve for reduction entry	-	-	-	-	-	-
Dividends from surplus	-	-	(1,996,165)	(1,996,165)	(1,996,165)	(1,996,165)
Net income	-	-	2,119,344	2,119,344	2,119,344	2,119,344
Total changes of items during the period	-	-	123,179	123,179	123,179	123,179
Balance at July 31, 2012	102,010,939	-	2,119,468	2,119,468	104,130,407	104,130,407

STATEMENT OF CASH DISTRIBUTIONS

(Unit: yen)

	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)	Twelfth Fiscal Period (February 1, 2012 to July 31, 2012)
I . Unappropriated retained earnings	2,122,849,651	2,119,468,036
II . Amount of dividends	2,122,806,880	2,014,224,000
Amount of dividends per unit	9,169	8,700
III . Voluntary retained earnings		
Provision of reserve for reduction entry	-	105,244,036
IV . Retained earnings carried forward	42,771	-
Method of calculating the amount of dividends	<p>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 2,122,806,880 yen, which is the largest integral multiple of the number of investment units issued and outstanding (231,520 units), and not in excess of unappropriated retained earnings. In addition, the Company decided to pay out dividends of earnings in an amount not in excess of unappropriated retained earnings as stipulated in Article 37 (2) of the Company's Articles of Incorporation.</p>	<p>Pursuant to the terms of the distribution policy set forth in Article 37 (1) of the Company's Articles of Incorporation, the amount of dividends shall be in excess of an amount equivalent to 90% of the Company's earnings available for dividends as defined in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan, but not in excess of the amount of earnings. Based on such policy, the Company decided to pay out dividends of earnings in the amount remaining after recognizing a reduction entry pursuant to Article 66-2 of the Act on Special Measures Concerning Taxation of Japan, which is deducted from unappropriated retained earnings. The Company has declared the total dividends to be 2,014,224,000 yen, which is the largest integral multiple of the number of investment units issued and outstanding (231,520 units). 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.</p>

STATEMENT OF CASH FLOWS

	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)	Twelfth Fiscal Period (February 1, 2012 to July 31, 2012)
		(Unit: thousands of yen)
Net cash provided by (used in) operating activities		
Income before income taxes	2,123,827	2,120,263
Depreciation and amortization	672,023	658,512
Amortization of investment corporation bonds issuance cost	17,556	16,287
Increase (decrease) in provision for loss on disaster	-	(6,813)
Interest income	(866)	(976)
Exclusion gain of unpaid dividend	(2,178)	(2,502)
Interest expenses	741,282	808,822
Decrease (increase) in operating accounts receivable	825	(605)
Decrease (increase) in consumption taxes refund receivable	(81,746)	83,882
Increase (decrease) in operating accounts payable	9,028	(35,664)
Increase (decrease) in accounts payable – other	(1,349)	797
Increase (decrease) in accrued expenses	(15,639)	10,350
Increase (decrease) in accrued consumption taxes	(70,872)	53,559
Increase (decrease) in advances received	(3,189)	101,606
Increase (decrease) in deposits received	(7,069)	(629)
Decrease (increase) in prepaid expenses	(29,211)	(23,912)
Decrease (increase) in long-term prepaid expenses	(13,316)	(45,273)
Decrease in carrying amounts of property, plant and equipment in trust due to sale	-	25,332,951
Other, net	140	40
Subtotal	<u>3,339,245</u>	<u>29,070,696</u>
Interest income received	866	976
Interest expenses paid	(787,361)	(821,748)
Income taxes paid	(894)	(982)
Net cash provided by (used in) operating activities	<u>2,551,856</u>	<u>28,248,941</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust	(47,706)	(18,525,271)
Purchase of intangible assets in trust	-	(7,415,731)
Repayments of lease and guarantee deposited in trust	(672,226)	(2,022,994)
Proceeds from lease and guarantee deposited in trust	109,323	2,181,982
Net cash provided by (used in) investing activities	<u>(610,609)</u>	<u>(25,782,014)</u>
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	1,000,000	3,478,000
Repayments of short-term loans payable	(5,500,000)	(11,500,000)
Proceeds from long-term loans payable	17,500,000	22,722,000
Repayments of long-term loans payable	(13,062,500)	(14,812,500)
Proceeds from issuance of investment corporation bonds	6,963,659	-
Redemption of investment corporation bonds	(7,000,000)	-
Cash dividends paid	(2,014,508)	(1,994,379)
Net cash provided by (used in) financing activities	<u>(2,113,349)</u>	<u>(2,106,879)</u>
Net increase (decrease) in cash and cash equivalents	<u>(172,102)</u>	<u>360,047</u>
Cash and cash equivalents at beginning of the period	<u>9,651,478</u>	<u>9,291,430</u>
Cash and cash equivalents at end of the period (Note 16)	<u>9,479,375</u>	<u>9,651,478</u>

NOTES TO FINANCIAL STATEMENTS

For the six-month periods ended January 31, 2013 and July 31, 2012

1. ORGANIZATION

Mori Hills REIT Investment Corporation (“the Company”) was incorporated by Mori Building Investment Management Co., Ltd. (the Company’s Asset Manager) on February 2, 2006 with 100 million yen in capital (200 units), and registration was approved based on Article 187 of the Act on Investment Trusts and Investment Corporations of Japan (the “Investment Trust Act”) on March 6, 2006 (Registration No. 51 filed with the Director-General of the Kanto Local Finance Bureau). Subsequently, the Company was listed on the Real Estate Investment Trust Section of the Tokyo Stock Exchange on November 30, 2006 (Securities Code: 3234).

The Company later issued new investment units through a third-party allotment (29,400 units) on September 29, 2008, issued new investment units through a public offering (67,000 units) on March 23, 2010, and issued new investment units through a third-party allotment (over-allotment) (5,320 units) on April 23, 2010. As of the end of the Company’s fiscal period under review (thirteenth fiscal period: August 1, 2012 to January 31, 2013), the total number of investment units outstanding was 231,520 units.

The Company’s real estate portfolio as of the end of the thirteenth fiscal period was comprised of 9 properties under management with a total leasable floor area of 97,498.53m². The Company has already invested 210,816 million yen (based on acquisition price) into this portfolio. The occupancy rate at the end of the thirteenth fiscal period was 98.7%.

2. BASIS OF PRESENTATION

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), including provisions set forth in the Financial Instruments and Exchange Act of Japan and the Investment Trust Act and related regulations, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards. The accompanying financial statements are a translation of the financial statements of the Company, which were prepared in accordance with Japanese GAAP and were presented in the Securities Report of the Company filed with the Kanto Local Finance Bureau of the Ministry of Finance. In preparing the accompanying financial statements, certain reclassifications have been made to the financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan. The amounts in the financial statements originally prepared in Japanese, which were rounded down to the nearest yen, have been rounded off to the nearest thousand in the accompanying financial statements. The Company does not prepare consolidated financial statements, as the Company has no subsidiaries.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) 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	3~41 years
Machinery and equipment	8~31 years
Tools, furniture and fixtures	3~15 years

(2) Intangible assets (including assets in trust)

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

(3) Long-term prepaid expenses

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

(4) Deferred assets

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

(5) Revenue recognition

Revenues from leasing of investment properties are recognized as rent accrued over the lease period.

(6) 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 included in the cost of acquisition of real estate are none and 52,735 thousand yen as of January 31, 2013 and July 31, 2012, respectively.

(7) Hedge accounting approach

(a) Hedge accounting approach

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

(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.

(8) 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.

(9) 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 deposited in trust

(10) 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.



4. PROPERTY AND EQUIPMENT

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

(Unit: thousands of yen)

Type of asset	Balance at beginning of the period	Amount of increase during the period	Amount of decrease during the period	Balance at end of the period	Accumulated depreciation/Amortization		Net balance at end of the period	Remarks	
					Accumulated	Depreciation and amortization			
Property, plant and equipment	Land	22,074,160	-	-	22,074,160	-	-	22,074,160	
	Buildings in trust	41,547,821	102,884	-	41,650,705	4,673,002	640,779	36,977,703	
	Structures in trust	393,266	-	-	393,266	118,078	15,387	275,188	
	Machinery and equipment in trust	448,442	624	-	449,066	48,222	10,384	400,844	
	Tools, furniture and fixtures in trust	53,465	7,805	329	60,940	22,826	4,397	38,114	
	Land in trust	122,721,231	-	-	122,721,231	-	-	122,721,231	
	Construction in progress in trust	2,090	-	1,817	273	-	-	273	
	Subtotal	187,240,479	111,313	2,146	187,349,645	4,862,129	670,948	182,487,516	
Intangible assets	Leasehold rights in trust	25,825,688	-	-	25,825,688	-	-	25,825,688	
	Other intangible assets in trust	5,742	-	-	5,742	5,343	574	398	
	Subtotal	25,831,431	-	-	25,831,431	5,343	574	25,826,087	
Total	213,071,910	111,313	2,146	213,181,077	4,867,473	671,523	208,313,604		



5. SHORT-TERM LOANS PAYABLE

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

(Unit: thousands of yen)

Lender	Balance at beginning of the period	Amount of increase during the period	Amount of decrease during the period	Balance at end of the period	Average interest rate (Note 1)	Repayment dates	Use of funds	Remarks
Sumitomo Mitsui Trust Bank, Ltd.	1,000,000	-	1,000,000	-	1.1800%	Aug. 31, 2012	(Note 2)	Unsecured/ Unguaranteed
	1,978,000	-	-	1,978,000	0.8800%	May 31, 2013		
	-	1,000,000	-	1,000,000	0.8800%	Aug. 30, 2013		
ORIX Bank Corporation	1,000,000	-	-	1,000,000	0.7800%	Mar. 29, 2013		
The Hiroshima Bank, Ltd.	500,000	-	-	500,000	0.7800%	Mar. 29, 2013		
Mizuho Corporate Bank, Ltd.	1,500,000	-	1,500,000	-	1.1800%	Aug. 31, 2012		
Mitsubishi UFJ Trust and Banking Corporation	1,500,000	-	1,500,000	-	1.1800%	Aug. 31, 2012		
Sumitomo Mitsui Banking Corporation	1,500,000	-	1,500,000	-	1.1800%	Aug. 31, 2012		
Total	8,978,000	1,000,000	5,500,000	4,478,000				

(Note 1) "Average interest rate" indicates the interest rate on loans payable for the respective lending financial institutions rounded to four decimal places. In addition, concerning the loans payable for which an interest rate swap transaction has been entered into for the purpose of avoiding the risk of fluctuations in interest rates, the interest rate shown is the interest rate after taking into account the effect of the interest rate swap transaction.

(Note 2) The funds are used for refinancing of loans payable, as well as the payment of the various related expenses.

6. INVESTMENT CORPORATION BONDS

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

(Unit: thousands of yen)

	Issue date	Balance at beginning of the period	Amount of increase during the period	Amount of decrease during the period	Balance at end of the period	Interest rate	Redemption maturity date	Use of funds	Collateral
First Series Unsecured Investment Corporation Bonds	Nov. 29, 2007	7,000,000	-	7,000,000	-	1.5600%	Nov. 29, 2012	(Note 1)	-
Second Series Unsecured Investment Corporation Bonds	Nov. 29, 2007	3,000,000	-	-	3,000,000	1.7700%	Nov. 28, 2014		-
Third Series Unsecured Investment Corporation Bonds	May 27, 2010	5,000,000	-	-	5,000,000	1.3800%	May 27, 2013		-
Fourth Series Unsecured Investment Corporation Bonds	May 27, 2010	5,000,000	-	-	5,000,000	1.9500%	May 27, 2015		-
Fifth Series Unsecured Investment Corporation Bonds	Feb. 25, 2011	5,000,000	-	-	5,000,000	1.2900%	Feb. 25, 2014		-
Sixth Series Unsecured Investment Corporation Bonds	Nov. 28, 2012	-	5,000,000	-	5,000,000	0.7800%	Nov. 27, 2015	(Note 2)	-
Seventh Series Unsecured Investment Corporation Bonds	Nov. 28, 2012	-	2,000,000	-	2,000,000	0.9700%	Nov. 28, 2017		-
Total		25,000,000	7,000,000	7,000,000	25,000,000				

(Note 1) The funds are used for the repayment of loans payable.

(Note 2) The funds are used for the redemption of investment corporation bonds.

(Note 3) The redemption schedule of investment corporation bonds for each of the five years after the balance sheet date is as follows.

(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
Investment corporation bonds	5,000,000	8,000,000	10,000,000	-	2,000,000



7. LONG-TERM LOANS PAYABLE

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

(1) Current portion of long-term loans payable

(Unit: thousands of yen)

Lender	Balance at beginning of the period	Amount of increase during the period	Amount of decrease during the period	Balance at end of the period	Average interest rate (Note 1)	Repayment dates	Use of funds	Remarks
Development Bank of Japan Inc.	125,000	2,062,500	62,500	2,125,000	2.3400%	Nov. 29, 2013 (Note 3)	(Note 2)	Unsecured/ Unguaranteed
The Bank of Fukuoka, Ltd.	-	2,000,000	-	2,000,000	1.5800%	Nov. 29, 2013		
Sumitomo Mitsui Banking Corporation	1,600,000	-	1,600,000	-	2.0200%	Nov. 30, 2012		
	-	1,600,000	-	1,600,000	1.5800%	Nov. 29, 2013		
The Norinchukin Bank	-	1,200,000	-	1,200,000	1.5800%	Nov. 29, 2013		
Mizuho Corporate Bank, Ltd.	1,600,000	-	1,600,000	-	2.0200%	Nov. 30, 2012		
	-	1,100,000	-	1,100,000	1.5800%	Nov. 29, 2013		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,500,000	-	1,500,000	-	1.5800%	Aug. 31, 2012		
	1,600,000	-	1,600,000	-	2.0200%	Nov. 30, 2012		
	-	1,100,000	-	1,100,000	1.5800%	Nov. 29, 2013		
Mitsubishi UFJ Trust and Banking Corporation	1,600,000	-	1,600,000	-	2.0200%	Nov. 30, 2012		
	-	1,100,000	-	1,100,000	1.5800%	Nov. 29, 2013		
Sumitomo Mitsui Trust Bank, Ltd.	1,600,000	-	1,600,000	-	2.0200%	Nov. 30, 2012		
	-	1,000,000	-	1,000,000	1.5800%	Nov. 29, 2013		
The Hiroshima Bank, Ltd.	-	1,000,000	-	1,000,000	1.6838%	Nov. 29, 2013		
The Oita Bank, Ltd.	-	1,000,000	-	1,000,000	1.6838%	Nov. 29, 2013		
ShinGinko Tokyo, Ltd.	-	1,000,000	-	1,000,000	1.6838%	Nov. 29, 2013		
Shinsei Bank, Ltd.	1,500,000	-	1,500,000	-	2.0200%	Nov. 30, 2012		
	-	900,000	-	900,000	1.6838%	Nov. 29, 2013		
Aozora Bank, Ltd.	2,000,000	-	2,000,000	-	1.6170%	Aug. 31, 2012		
Total	13,125,000	15,062,500	13,062,500	15,125,000				



(2) Long-term loans payable

(Unit: thousands of yen)

Lender	Balance at beginning of the period	Amount of increase during the period	Amount of decrease during the period	Balance at end of the period	Average interest rate (Note 1)	Repayment dates	Use of funds	Remarks
Mizuho Corporate Bank, Ltd.	1,100,000	-	1,100,000	-	1.5800%	Nov. 29, 2013	(Note 2)	Unsecured/ Unguaranteed
	2,500,000	-	-	2,500,000	1.3800%	Nov. 28, 2014		
	2,276,000	-	-	2,276,000	0.9800%	May 30, 2014		
	1,600,000	-	-	1,600,000	1.0300%	May 29, 2015		
	1,138,000	-	-	1,138,000	1.2280%	May 29, 2015		
	-	1,500,000	-	1,500,000	1.0300%	Aug. 31, 2015		
	-	1,600,000	-	1,600,000	1.0400%	Nov. 30, 2015		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,100,000	-	1,100,000	-	1.5800%	Nov. 29, 2013		
	2,500,000	-	-	2,500,000	1.3800%	Nov. 28, 2014		
	2,276,000	-	-	2,276,000	0.9800%	May 30, 2014		
	1,600,000	-	-	1,600,000	1.0300%	May 29, 2015		
	1,138,000	-	-	1,138,000	1.2280%	May 29, 2015		
	-	1,500,000	-	1,500,000	1.0300%	Aug. 31, 2015		
	-	1,600,000	-	1,600,000	1.0400%	Nov. 30, 2015		
Mitsubishi UFJ Trust and Banking Corporation	1,100,000	-	1,100,000	-	1.5800%	Nov. 29, 2013		
	2,500,000	-	-	2,500,000	1.3800%	Nov. 28, 2014		
	2,276,000	-	-	2,276,000	0.9800%	May 30, 2014		
	1,600,000	-	-	1,600,000	1.0300%	May 29, 2015		
	1,138,000	-	-	1,138,000	1.2280%	May 29, 2015		
	-	1,500,000	-	1,500,000	1.0300%	Aug. 31, 2015		
	-	1,600,000	-	1,600,000	1.0400%	Nov. 30, 2015		
Sumitomo Mitsui Banking Corporation	1,600,000	-	1,600,000	-	1.5800%	Nov. 29, 2013		
	3,000,000	-	-	3,000,000	1.3800%	Nov. 28, 2014		
	1,194,000	-	-	1,194,000	0.9800%	May 30, 2014		
	1,600,000	-	-	1,600,000	1.0300%	May 29, 2015		
	597,000	-	-	597,000	1.2280%	May 29, 2015		
	-	1,500,000	-	1,500,000	1.0300%	Aug. 31, 2015		
	-	1,600,000	-	1,600,000	1.0400%	Nov. 30, 2015		
Sumitomo Mitsui Trust Bank, Ltd.	1,000,000	-	1,000,000	-	1.5800%	Nov. 29, 2013		
	2,000,000	-	-	2,000,000	1.3800%	Nov. 28, 2014		
	1,600,000	-	-	1,600,000	1.0300%	May 29, 2015		
	989,000	-	-	989,000	1.2280%	May 29, 2015		
	-	1,600,000	-	1,600,000	1.0400%	Nov. 30, 2015		

Aozora Bank, Ltd.	2,000,000	-	-	2,000,000	1.3800%	Aug. 29, 2014	(Note 2) Unsecured/ Unguaranteed
	-	2,000,000	-	2,000,000	1.1850%	Aug. 31, 2016	
The Norinchukin Bank	1,200,000	-	1,200,000	-	1.5800%	Nov. 29, 2013	
	3,000,000	-	-	3,000,000	1.3300%	May 30, 2014	
Resona Bank, Ltd.	2,500,000	-	-	2,500,000	1.3800%	Aug. 29, 2014	
The Bank of Fukuoka, Ltd.	2,000,000	-	2,000,000	-	1.5800%	Nov. 29, 2013	
	2,000,000	-	-	2,000,000	1.3300%	May 30, 2014	
Development Bank of Japan Inc.	2,062,500	-	2,062,500	-	2.3400%	Nov. 29, 2013 (Note 3)	
	1,700,000	-	-	1,700,000	1.4313%	Mar. 27, 2015	
Shinsei Bank, Ltd.	900,000	-	900,000	-	1.6838%	Nov. 29, 2013	
	-	1,500,000	-	1,500,000	1.0400%	Nov. 30, 2015	
The Hiroshima Bank, Ltd.	1,000,000	-	1,000,000	-	1.6838%	Nov. 29, 2013	
The Oita Bank, Ltd.	1,000,000	-	1,000,000	-	1.6838%	Nov. 29, 2013	
ShinGinko Tokyo, Ltd.	1,000,000	-	1,000,000	-	1.6838%	Nov. 29, 2013	
Total	59,784,500	17,500,000	15,062,500	62,222,000			

(Note 1) "Average interest rate" indicates the interest rate on loans payable for the respective lending financial institutions rounded to four decimal places. In addition, concerning the loans payable for which an interest rate swap transaction has been entered into for the purpose of avoiding the risk of fluctuations in interest rates, the interest rate shown is the interest rate after taking into account the effect of the interest rate swap transaction.

(Note 2) The funds are used for the acquisition of trust beneficial interests and refinancing of loans payable, as well as the payment of the various related expenses.

(Note 3) Installment payments of 62,500 thousand yen will be made at the end of every sixth month starting on May 31, 2010, with the remaining payment of 2,062,500 thousand yen to be repaid on November 29, 2013.

The following is the redemption schedule of long-term loans payable (excluding the current portion of long-term loans payable) due within 5 years after the balance sheet date.

(Unit: thousands of yen)

	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
Long-term loans payable	30,022,000	30,200,000	2,000,000	-

8. NET ASSETS

The Company is required to maintain net assets of at least 50,000 thousand yen pursuant to the Investment Trust Act.

9. INCOME TAXES

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

(Unit: thousands of yen)

	Thirteenth Fiscal Period (as of January 31, 2013)	Twelfth Fiscal Period (as of July 31, 2012)
[Deferred tax assets]		
Current assets		
Accrued enterprise tax excluded from expenses	18	13
Total deferred tax assets [current]	18	13
[Net deferred tax assets [current]]	18	13

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

	Thirteenth Fiscal Period (as of January 31, 2013)	Twelfth Fiscal Period (as of July 31, 2012)
Statutory tax rate	36.59%	39.33%
[Adjustments]		
Deductible cash distributions	(36.57%)	(37.36%)
Provision of reserve for reduction entry	-	(1.95%)
Others	0.03%	0.03%
Effective tax rate	0.05%	0.04%

10. PER UNIT INFORMATION

(Unit: yen)

	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)	Twelfth Fiscal Period (February 1, 2012 to July 31, 2012)
Net assets per unit	450,237	449,768
Net income per unit	9,169	9,154

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

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

(Note 2) The following is the basis for calculating net income per unit.

	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)	Twelfth Fiscal Period (February 1, 2012 to July 31, 2012)
Net income (thousands of yen)	2,122,849	2,119,344
Amounts not attributable to common unitholders (thousands of yen)	-	-
Net income attributable to common investment units (thousands of yen)	2,122,849	2,119,344
Average number of investment units during the period (units)	231,520	231,520



11. RELATED PARTY TRANSACTIONS

(1) Parent company and major corporate unitholders

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

Type	Name	Location	Capital stock or investments in capital (thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship with related party	Description of transaction	Amount of transaction (thousands of yen) (Note 1)	Account item	Balance at end of the period (thousands of yen)
Other related company	Mori Building Co., Ltd.	Minato-ku, Tokyo	67,000,000	Real estate business	21.1% directly held by related party	Leasing and management of real estate	Leasing of properties (Note 2) (Note 5)	3,114,802	Operating accounts receivable	670
									Advances received	541,079
									Lease and guarantee deposited in trust	5,023,359
							Payment of property operation and management fees (Note 6)	100,755 (Note 3)	Prepaid expenses	1,858
									Operating accounts payable	25,297
Payment of other operating expenses (IR related expenses) (Note 4) (Note 7)	552	-	-							

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

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

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

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

[Transaction terms and conditions and related policies]

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

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

(Note 7) The Company decides on transactions in light of the market situation, the content of services provided, overall operational capacity and other factors.



Twelfth Fiscal Period (February 1, 2012 to July 31, 2012)

Type	Name	Location	Capital stock or investments in capital (thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship with related party	Description of transaction	Amount of transaction (thousands of yen) (Note 1)	Account item	Balance at end of the period (thousands of yen)
Other related company	Mori Building Co., Ltd.	Minato-ku, Tokyo	67,000,000	Real estate business	21.1% directly held by related party	Leasing and management of real estate	Acquisition of property (Note 2) (Note 6)	25,600,000	-	-
							Sales of properties (Note 3) (Note 7)	25,600,000	-	-
							Leasing of properties (Note 4) (Note 8)	2,774,633	Operating accounts receivable	373
									Advances received	541,029
									Lease and guarantee deposited in trust	5,032,190
							Payment of property operation and management fees (Note 9)	112,583 (Note 5)	Operating accounts receivable	276
									Prepaid expenses	1,858
Operating accounts payable	24,249									

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

(Note 2) Atago Green Hills

(Note 3) Roppongi First Building and ARK Forest Terrace

(Note 4) Roppongi Hills Mori Tower, ARK Mori Building, Akasaka Tameike Tower, Atago Green Hills and a portion of Koraku Mori Building

(Note 5) The amount includes construction fees (540 thousand yen) and construction management fees (1,002 thousand yen) that are not charged to expenses but recognized as assets.

[Transaction terms and conditions and related policies]

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

(Note 7) Sale decisions are made in accordance with the provisions of the Related Parties Transaction Guidelines stipulated by the Company's Asset Manager. Furthermore, sales are not made at a value below the appraisal value as determined by an independent third-party real estate appraiser (including corporations).

(Note 8) 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 9) 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.

(2) Subsidiaries and affiliates

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

Not applicable.

Twelfth Fiscal Period (February 1, 2012 to July 31, 2012)

Not applicable.



(3) Subsidiaries of Parent company

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

Type	Name	Location	Capital stock or investments in capital (thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship with related party	Description of transaction	Amount of transaction (thousands of yen) (Note 1)	Account item	Balance at end of the period (thousands of yen)
Subsidiary of other related company	Mori Building Investment Management Co., Ltd.	Minato-ku, Tokyo	200,000	Real estate, trust beneficiary right and other financial asset management operations	None	Outsourcing of asset management	Payment of management fees (Note 2) (Note 3)	220,361	Accrued expenses	231,379

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

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

[Transaction terms and conditions and related policies]

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

Twelfth Fiscal Period (February 1, 2012 to July 31, 2012)

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	Payment of management fees (Note 2) (Note 4)	257,491 (Note 3)	Accrued expenses	243,486

(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 25,600 thousand yen in acquisition fees pertaining to real estate acquisition included in the book value of real estate.

[Transaction terms and conditions and related policies]

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



(4) Directors and major individual unitholders

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

Type	Name	Location	Capital stock or investments in capital (thousands of yen)	Description of business or position	Percentage of voting rights held in (by) related party	Relationship with related party	Description of transaction	Amount of transaction (thousands of yen) (Note 1)	Account item	Balance at end of the period (thousands of yen)
Directors and their close relatives	Hideyuki Isobe	-	-	Executive Director of the Company, and President & CEO of Mori Building Investment Management Co., Ltd.	None	Executive Director of the Company, and President & CEO of Mori Building Investment Management Co., Ltd.	Payment of management fees to Mori Building Investment Management Co., Ltd. (Note 2) (Note 3)	220,361	Accrued expenses	231,379

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

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

[Transaction terms and conditions and related policies]

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

Twelfth Fiscal Period (February 1, 2012 to July 31, 2012)

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)	257,491 (Note 3)	Accrued expenses	243,486

(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 25,600 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.

12. BREAKDOWN OF PROPERTY-RELATED REVENUE AND EXPENSES

Breakdown of property operating income

(Unit: thousands of yen)

	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)		Twelfth Fiscal Period (February 1, 2012 to July 31, 2012)	
A. Property operating revenue				
Rent revenue of real estate				
Rent and common area revenue	4,565,601		4,448,949	
Other rent revenue	3,218	4,568,819	18,876	4,467,826
Other rent revenue of real estate				
Parking revenue	14,268		25,821	
Utilities and other revenue	92,907		100,319	
Cancellation penalty	-		2,457	
Key money income	600	107,776	-	128,597
Total property operating revenue		4,676,596		4,596,423
B. Property operating expenses				
Expenses of real estate rent				
Property management fees	103,933		154,179	
Utilities	84,335		97,024	
Property taxes	260,799		249,554	
Rent expenses	90,053		87,546	
Custodian fees	5,635		6,294	
Maintenance and repairs	21,950		17,845	
Insurance premium	11,519		11,703	
Depreciation and amortization	671,523		658,012	
Other lease business expenses	7,259	1,257,009	12,543	1,294,704
Total property operating expenses		1,257,009		1,294,704
C. Property operating income [A – B]		3,419,586		3,301,719

Transactions with major unitholders

(Unit: thousands of yen)

	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)		Twelfth Fiscal Period (February 1, 2012 to July 31, 2012)	
From operating transactions				
Rent revenue of real estate	3,112,728		2,774,633	
Other rent revenue of real estate	2,074		-	
Gain on sales of real estate properties	-		201,158	
Expenses of real estate rent	95,038		111,040	
Other operating expenses	552		-	

Breakdown of gain on sales of real estate properties (Unit: thousands of yen)
 Twelfth Fiscal Period (February 1, 2012 to July 31, 2012)

Roppongi First Building

Proceeds from sales of real estate properties	20,460,000
Cost of sales of real estate properties	20,219,989
Other expenses on sales	48,615
Gain on sales of real estate properties	191,395

ARK Forest Terrace

Proceeds from sales of real estate properties	5,140,000
Cost of sales of real estate properties	5,112,961
Other expenses on sales	17,274
Gain on sales of real estate properties	9,763

13. UNITHOLDERS' EQUITY

	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)	Twelfth Fiscal Period (February 1, 2012 to July 31, 2012)
Total number of investment units authorized and total number of investment units issued and outstanding		
Total number of investment units authorized	2,000,000 units	2,000,000 units
Total number of investment units issued and outstanding	231,520 units	231,520 units

14. FINANCIAL INSTRUMENTS

(1) Policy for financial instruments

(a) Policy for holding financial instruments

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

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

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

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

Interest rate swaps are utilized with the Company seeking to, in effect, convert fluctuating interest rates on fund procurement into fixed interest rates. For information on the method of hedge accounting approach, hedging instruments and hedged items, hedging policy and method for assessing the effectiveness of hedging, please refer to "Summary of significant accounting policies; (8) 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, 2013.

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

The following are the carrying amount, fair value and the difference between them of financial instruments as of July 31, 2012.

	(Unit: thousands of yen)		
	Carrying amount	Fair value	Difference
(a) Cash and deposits	2,222,988	2,222,988	-
(b) Cash and deposits in trust	7,428,489	7,428,489	-
Total	9,651,478	9,651,478	-
(c) Short-term loans payable	8,978,000	8,978,000	-
(d) Current portion of investment corporation bonds	12,000,000	12,034,900	34,900
(e) Current portion of long-term loans payable	13,125,000	13,156,404	31,404
(f) Investment corporation bonds	13,000,000	13,166,500	166,500
(g) Long-term loans payable	59,784,500	59,859,176	74,676
Total	106,887,500	107,194,981	307,481
Derivative transactions	-	-	-

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

Assets

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

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

Liabilities

(c) Short-term loans payable

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

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

The fair value of these is based on market prices.

(e) Current portion of long-term loans payable; (g) Long-term loans payable

Of long-term loans payable, as those with variable interest rates reflect market interest rates within a short period of time, the fair value is thought to be approximately the same as the book value and is thus stated at that book value (However, long-term loans payable with variable interest rates that are subject to special treatment for interest rate swaps (please refer to "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, 2013)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	2,633,516	-	-	-	-	-
Cash and deposits in trust	6,845,858	-	-	-	-	-
Total	9,479,375	-	-	-	-	-

Redemption of monetary claims scheduled to be due after the balance sheet date (as of July 31, 2012)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	2,222,988	-	-	-	-	-
Cash and deposits in trust	7,428,489	-	-	-	-	-
Total	9,651,478	-	-	-	-	-

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

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Short-term loans payable	4,478,000	-	-	-	-	-
Investment corporation bonds	5,000,000	8,000,000	10,000,000	-	2,000,000	-
Long-term loans payable	15,125,000	30,022,000	30,200,000	2,000,000	-	-
Total	24,603,000	38,022,000	40,200,000	2,000,000	2,000,000	-

Short-term loans payable, investment corporation bonds and long-term loans payable scheduled to be due after the balance sheet date (as of July 31, 2012)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Short-term loans payable	8,978,000	-	-	-	-	-
Investment corporation bonds	12,000,000	5,000,000	8,000,000	-	-	-
Long-term loans payable	13,125,000	28,084,500	31,700,000	-	-	-
Total	34,103,000	33,084,500	39,700,000	-	-	-

15. DERIVATIVE TRANSACTIONS

(1) Transactions for which hedge accounting is not applied

Thirteenth Fiscal Period (as of January 31, 2013)

Not applicable.

Twelfth Fiscal Period (as of July 31, 2012)

Not applicable.

(2) Transactions for which hedge accounting is applied

Thirteenth Fiscal Period (as of January 31, 2013)

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

(Unit: thousands of yen)

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount		Fair value	Method of calculating the fair value
				Due after 1 year		
Special treatment for interest rate swaps	Interest rate swap transactions Floating receivable; Fixed payable	Long-term loans payable	16,500,000	16,500,000	*	-

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

Twelfth Fiscal Period (as of July 31, 2012)

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

(Unit: thousands of yen)

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount		Fair value	Method of calculating the fair value
				Due after 1 year		
Special treatment for interest rate swaps	Interest rate swap transactions Floating receivable; Fixed payable	Long-term loans payable	16,500,000	5,000,000	*	-

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

16. CASH AND CASH EQUIVALENTS

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

(Unit: thousands of yen)

	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)	Twelfth Fiscal Period (February 1, 2012 to July 31, 2012)
Cash and deposits	2,633,516	2,222,988
Cash and deposits in trust	6,845,858	7,428,489
Cash and cash equivalents	9,479,375	9,651,478

17. LEASES

Operating lease transactions (as lessor)

Future minimum rental revenues under existing non-cancelable lease agreements

(Unit: thousands of yen)

	Thirteenth Fiscal Period (as of January 31, 2013)	Twelfth Fiscal Period (as of July 31, 2012)
Due within 1 year	2,428,639	2,343,700
Due after 1 year	21,574,368	22,149,306
Total	24,003,007	24,493,006

18. INVESTMENT AND RENTAL PROPERTIES

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

(Unit: thousands of yen)

	Thirteenth Fiscal Period (August 1, 2012 to January 31, 2013)	Twelfth Fiscal Period (February 1, 2012 to July 31, 2012)
Carrying amount		
Balance at beginning of the period	208,875,768	208,918,622
Amount of increase (decrease) during the period	(562,164)	(42,853)
Balance at end of the period	208,313,604	208,875,768
Fair value at end of the period	194,870,000	195,070,000

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

(Note 2) Of the amount of increase (decrease) during the thirteenth fiscal period, the amount of increase is primarily attributable to renewal of the central monitoring system at Akasaka Tameike Tower (56,988 thousand yen), while the amount of decrease is primarily attributable to the recognition of depreciation and amortization. Of the amount of increase (decrease) during the twelfth fiscal period, the amount of increase is primarily attributable to the acquisition of one property (Atago Green Hills (about 20.0% of total property)) (25,903,464 thousand yen), while the amount of decrease is primarily attributable to the sales of two properties (Roppongi First Building and ARK Forest Terrace) (25,332,951 thousand yen) and recognition of depreciation and amortization.

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

19. SEGMENT AND RELATED INFORMATION

[Segment Information]

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

[Related Information]

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

(1) Information about each product and service

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

(2) Information about each geographical area

(a) Operating revenue

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

(b) Property, plant and equipment

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

(3) Information about each major tenant

(Unit: thousands of yen)

Name of tenant	Operating revenue	Related segment
Mori Building Co., Ltd.	3,114,802	Real estate leasing business
Mori Building Ryutsu System Co., Ltd.	646,800	Real estate leasing business

Twelfth Fiscal Period (February 1, 2012 to July 31, 2012)

(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.	2,978,095	Real estate leasing business
Mori Building Ryutsu System Co., Ltd.	662,683	Real estate leasing business

20. SUBSEQUENT EVENTS

Issuance of New Investment Units

The issuance of new investment units was approved at the Company's Board of Directors meetings held on February 15, 2013 and February 25, 2013. Furthermore, the payment for the issuance of new investment units through public offering and the payment for the issuance of new investment units through third-party allotment were respectively completed on March 4, 2013 and April 3, 2013.

As a result, unitholders' capital is 112,966,437,810 yen, with the number of investment units issued and outstanding is 254,620 units as of April 3, 2013.

(a) Issuance of New Investment Units through Public Offering (Primary Offering)

Number of units newly issued:	22,000 units
Issue price (offer price):	491,400 yen per unit
Total amount of issue price (offer price):	10,810,800,000 yen
Amount paid in (purchase price):	474,264 yen per unit
Total amount paid in (purchase price):	10,433,808,000 yen
Payment date:	March 4, 2013
Initial date of dividends calculation:	February 1, 2013

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

Number of units newly issued:	1,100 units
Amount paid in (purchase price):	474,264 yen per unit
Total amount paid in (purchase price):	521,690,400 yen
Allottee:	Mizuho Securities Co., Ltd.
Payment date:	April 3, 2013
Initial date of dividends calculation:	February 1, 2013

(c) Use of funds

The funds provided through issuance of new investment units through public offering (primary offering) and through third-party allotment were used as a part of the funds for the acquisition of assets (part of Atago Green Hills and part of ARK Mori Building), etc.