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(Securities Code: 3234)
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MHR Announces Forecast for Period Ending July 2011

Mori Hills REIT Investment Corporation (hereinafter “MHR”) announced its outlook (forecasts) of financial results for the tenth fiscal period ending July 2011 (February 1, 2011 to July 31, 2011).

**Forecast of Results for the Tenth Fiscal Period Ending July 31, 2011
(February 1, 2011 – July 31, 2011)**

	Operating Revenue	Operating Income	Ordinary Income	Net Income	Dividend per Unit (excluding dividend in excess of earnings)	Dividend in Excess of Earnings per Unit
Tenth Fiscal Period	5,251 million yen	3,024 million yen	1,899 million yen	1,898 million yen	8,200 yen	-

(Reference) Forecast number of investment units outstanding at end of period: 231,520 units
Forecast net income per unit: 8,200 yen

(Notes)

1. There are no changes in the forecasts for the ninth fiscal period ended January 31, 2011 (August 1, 2010 to January 31, 2011). For details on the forecasts for the ninth fiscal period ended January 31, 2011 (August 1, 2010 to January 31, 2010), please refer to the “Financial Report for the Eighth Fiscal Period Ended July 31, 2010” dated September 14, 2010.
2. The forecasts above have been calculated as of today based on the assumptions stated in the attachment, “Assumptions of Forecast of Results for the Tenth Fiscal Period Ending July 2011.” Therefore, actual operating revenue, operating income, ordinary income, net income and dividend per unit may change due to factors such as future acquisition or transfer of real estate, etc., changes in the real estate market, etc. and other changes in the situation surrounding MHR. Furthermore, the abovementioned forecasts are not a guarantee of actual performance, or dividend amount.
3. MHR may revise the forecast if it expects substantial discrepancies from the above forecast.
4. Figures of less than one unit are rounded off.

- This press release was distributed to the Kabuto Club (the press club of the Tokyo Stock Exchange), the Ministry of Land, Infrastructure, Transport and Tourism Press Club, and the Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications.
- MHR's website address is <http://www.mori-hills-reit.co.jp>

(Attachment)

Assumptions of Forecast of Results for the Tenth Fiscal Period Ending July 2011

Item	Assumptions
Accounting Period	The Tenth Fiscal Period: February 1, 2011 – July 31, 2011 (181 days)
Investment Portfolio	<ul style="list-style-type: none"> • MHR assumes that its investment portfolio will comprise the 11 properties in its portfolio as of the end of the ninth fiscal period (January 31, 2011). Furthermore, on March 18, 2011 (plan), MHR assumes that it will transfer a portion of Moto-Azabu Hills, as well as acquire ARK Mori Building (Fixed III) and Akasaka Tameike Tower. From February 1, 2011 to March 17, 2011, MHR assumes that its investment portfolio will comprise the 11 properties in its portfolio as of the end of the ninth fiscal period (January 31, 2011). From March 18, 2011 onwards, MHR assumes that it will transfer a portion of Moto-Azabu Hills, as well as acquire ARK Mori Building (Fixed III) and Akasaka Tameike Tower, and that there will be no subsequent change in the investment portfolio (new acquisition of properties, transfer of existing properties, etc.) during the period up to the end of the tenth fiscal period (July 31, 2011). • In actual practice, however, the forecast is subject to change due to changes in the investment portfolio and other factors.
Operating Revenue	<ul style="list-style-type: none"> • Rent revenue – real estate is estimated based on the lease contracts (the contracts which is expected to be concluded upon acquiring the asset) for ARK Mori Building (Fixed III) and Akasaka Tameike Tower effective as of the end of the ninth fiscal period (January 31, 2011), taking into account the market environment, the competitiveness of the individual properties, the trends of individual tenants and other factors. • MHR assumes that there will be no delinquencies or unpaid rent by tenants. • Of the operating revenue, the revenue associated with the properties in its portfolio as of the end of the ninth fiscal period (January 31, 2011) is expected to be 4,539 million yen and the revenue associated with the assets to be acquired on March 18, 2011 (ARK Mori Building (Fixed III) and Akasaka Tameike Tower) are expected to be 376 million yen. • In calculating operating revenue, MHR assumes the transfer of the asset as above and estimates 335 million yen will be generated as a gain on sales from the transfer of assets.
Operating Expenses	<ul style="list-style-type: none"> • 1,909 million yen is expected for the expenses related to rent business, which account for the majority of operating expenses. The expenses other than those below are calculated by referring to historical figures and adjusted to reflect variable factors. A) For property taxes, city planning taxes, etc., the amount of taxation during the tenth fiscal period is expected to total 285 million yen (for 6 months). Furthermore, for the property taxes, city planning taxes, etc. associated with the assets acquired on March 23, 2010 (Roppongi Hills Mori Tower and ARK Mori Building (Fixed II)) and the asset acquired on September 15, 2010 (Laforet Harajuku (Land)), the amount of taxation is expected to total 30 million yen (for 3 months). For the property taxes, city planning taxes, etc. associated with the assets to be acquired on March 18, 2011 (ARK Mori Building (Fixed III) and Akasaka Tameike Tower), MHR shall incorporate

	<p>these amounts into the cost of acquisition and, thus, shall not recognize them as operating expenses for the tenth fiscal period.</p> <p>B) For building maintenance and repairs, MHR recorded the estimated required amount for the respective fiscal period (64 million yen). However, please note that the actual expenses for maintenance and repairs in the respective fiscal period may differ materially from estimated amounts due to various reasons. For example, an unforeseeable event may cause serious damage to a building and emergency repairs may be required as a consequence. Also, maintenance and repairs are expenses that are not accrued on a regular basis and the amount of variation may vary significantly from one period to the next.</p> <p>C) Depreciation and amortization are calculated using the straight-line method, with future additional capital expenditures taken into account. 674 million yen is expected in the tenth fiscal period.</p> <p>D) 549 million yen is expected for property management fees.</p> <ul style="list-style-type: none"> • 317 million yen is expected for the operating expenses other than expenses related to rent business (asset management fee, asset custody fee, administrative service fees, etc.). Of these, asset management fee rates are expected to be lowered during the tenth fiscal period.
Non-Operating Expenses	<ul style="list-style-type: none"> • MHR expects to incur 886 million yen in interest expenses and 243 million yen in borrowing expenses.
Interest-Bearing Debt	<ul style="list-style-type: none"> • The balance of loans payable outstanding as of the end of the ninth fiscal period (January 31, 2011) was 88,735 million yen. MHR assumes that, of that amount, the 5,000 million yen remaining of a long-term loan payable (due for repayment on February 28, 2011) will be repaid as described below. The 3,010 million yen remaining of a short-term loan payable (due for repayment on March 29, 2011) and the 10,000 million yen remaining of a long-term loan payable (due for repayment on May 31, 2011) will be refinanced in the entire amount. MHR also assumes that an agreed repayment of 50 million yen of the 1,850 million yen remaining of a long-term loan payable (due for repayment on March 27, 2012) and an agreed repayment of 62 million yen of the 2,375 million yen remaining of a long-term loan payable (due for repayment on November 30, 2013) will be concluded, resulting in the balance of loans payable outstanding as of the end of the tenth fiscal period (July 31, 2011) being 83,622 million yen. • The balance of investment corporation bonds as of the end of the ninth fiscal period (January 31, 2011) was 20,000 million yen, and MHR issued new investment corporation bonds of 5,000 million yen. MHR assumes that 25,000 million yen will be the balance of investment corporation bonds as of the end of the tenth fiscal period (July 31, 2011).
Issuance of Investment Units	<ul style="list-style-type: none"> • The number of investment units outstanding as of the end of the ninth fiscal period (January 31, 2011) was 231,520 units. MHR assumes that there will be no additional issuance of investment units to this number until the end of the tenth fiscal period (July 31, 2011).
Dividend per Unit (excluding dividend in excess of earnings)	<ul style="list-style-type: none"> • Dividend per unit is calculated based on the assumption that MHR will make distributions in accordance with its cash distribution policy as outlined in its Articles of Incorporation. • Dividend per unit may vary due to numerous factors, including changes in the investment portfolio, changes in rent income caused by the moving-in/out of tenants, unplanned repairs, changes in interest rates, or additional issuance of new investment units.

Dividend in Excess of Earnings per Unit	<ul style="list-style-type: none"> • MHR assumes at present that it will not make any cash distributions in excess of earnings (dividend in excess of earnings per unit).
Other	<ul style="list-style-type: none"> • MHR assumes that there will be no amendments to legislation, taxation, accounting standards, listing regulations, Investment Trusts Association rules, etc. that would affect the above forecasts. • MHR assumes that there will be no unforeseen material changes in general economic conditions, the real estate market, etc.