

For Translation Purposes Only

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MHR Announces Forecasts for the Periods Ending July 2013 and January 2014

Mori Hills REIT Investment Corporation (hereafter “MHR”) announced its outlook (forecasts) of financial results for the fourteenth fiscal period ending July 2013 (February 1, 2013 to July 31, 2013) and the fifteenth fiscal period ending January 2014 (August 1, 2013 to January 31, 2014).

Forecast of Results for the Fourteenth Fiscal Period Ending July 2013 and the Fifteenth Fiscal Period Ending January 2014

| | Operating Revenue | Operating Income | Ordinary Income | Net Income | Dividend per Unit (excluding dividend in excess of earnings) | Dividend in Excess of Earnings per Unit |
|--------------------------|-------------------|-------------------|-------------------|-------------------|--|---|
| Fourteenth Fiscal Period | 5,046 million yen | 3,424 million yen | 2,394 million yen | 2,393 million yen | 9,400 yen | 0 yen |
| Fifteenth Fiscal Period | 5,208 million yen | 3,508 million yen | 2,547 million yen | 2,546 million yen | 10,000 yen | 0 yen |

(Reference) [Fourteenth Fiscal Period]

Forecast number of investment units outstanding at end of period: 254,620 units
Forecast net income per unit: 9,400 yen

[Fifteenth Fiscal Period]

Forecast number of investment units outstanding at end of period: 254,620 units
Forecast net income per unit: 10,000 yen

(Note) The forecast number of investment units outstanding at the end of the period is calculated based on 231,520 investment units outstanding as of today as well as the assumption that the total 23,100 investment units of 22,000 investment units issued through a public offering, and 1,100 investment units issued through a third-party allotment determined at its Board of Directors’ meeting held today are all issued.

Note: This document is a press release regarding the forecasts for period ending July 2013 and January 2014, and has not been prepared as an inducement or invitation to investment. We caution readers to refer to MHR’s Offering Circular for the Issuance of New Investment Units and Primary and Secondary Offerings and the Notices of Amendments thereto (if issued), and to undertake any investment decision at their own judgment and responsibility.

(Notes)

1. The forecasts above have been calculated as of today based on the assumptions stated in the attachment, "Assumptions of Forecasts of Results for the Fourteenth Fiscal Period Ending July 2013 and the Fifteenth Fiscal Period Ending January 2014." Therefore, actual operating revenue, operating income, ordinary income, net income and dividend per unit may change due to factors such as the number and issuance price of new investment units actually determined, 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.
2. MHR may revise the forecast if it expects substantial discrepancies from the above forecasts.
3. Figures of less than one unit are rounded off. The same shall apply hereafter.

<Reference>

Forecast of Results for the Thirteenth Fiscal Period Ending January 2013

| | Operating Revenue | Operating Income | Ordinary Income | Net Income | Dividend per Unit (excluding dividend in excess of earnings) | Dividend in Excess of Earnings per Unit |
|--------------------------|-------------------|-------------------|-------------------|-------------------|--|---|
| Thirteenth Fiscal Period | 4,673 million yen | 3,134 million yen | 2,107 million yen | 2,106 million yen | 9,100 yen | 0 yen |

(Note 1) Number of investment units outstanding at the end of the thirteenth fiscal period ended January 2013 is 231,520 units.

(Note 2) The forecasts above have been calculated based on the assumptions stated in "Financial Report for the Fiscal Period ended July 2012: "Assumptions of Forecast of Results for the Thirteenth Fiscal Period Ending January 31, 2013 (August 1, 2012 – January 31, 2013)" announced as of September 13, 2012. Therefore, actual operating revenue, operating income, ordinary income, net income and dividend per unit may change. Furthermore, the abovementioned forecasts are not a guarantee of actual performance, or dividend amount. MHR may revise the forecast if it expects substantial discrepancies from the above forecasts.

- 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/>

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(Attachment)

**Assumptions of Forecasts of Results for the Fourteenth Fiscal Period Ending July 2013
and the Fifteenth Fiscal Period Ending January 2014**

| Item | Assumptions |
|----------------------|--|
| Accounting Period | The Fourteenth Fiscal Period: February 1, 2013 – July 31, 2013 (181 days) The Fifteenth Fiscal Period: August 1, 2013 – January 31, 2014 (184 days) |
| Investment Portfolio | <ul style="list-style-type: none">• In addition to the currently owned 9 properties, MHR assumes that it will acquire Atago Green Hills and ARK Mori Building (hereafter, “assets to be acquired”) April 1, 2013 (planned). For information on the assets to be acquired, please refer to “MHR Announces Asset Acquisitions in Japan (Atago Green Hills: Additional Acquisition; ARK Mori Building: Additional Acquisition)” separately announced today.• MHR assuming the investment portfolio for the period from February 1 to March 31, 2013 is comprised of the currently owned 9 properties, and that after April 1, 2013, it acquires the assets to be acquired on the planned acquisition date above, and there will be no change in the investment portfolio (acquisition of new properties, transfers of existing properties) until the end the fifteenth fiscal period ending January 2014.• 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 of real estate is estimated based on lease agreements, etc. of the above assets under management (lease agreements planned to be concluded at the same time as the acquisition by MHR of the assets to be acquired), taking into account market environment, the trends of individual tenants and other factors.• MHR assumes that there will be no delinquencies or unpaid rent by tenants. |

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| Item | Assumptions |
|--------------------|--|
| Operating Expenses | <ul style="list-style-type: none"> • For expenses of real estate rent and major operating expenses, 1,374 million yen is expected for the period ending July 2013, and 1,405 million yen is expected for the period ending January 2014. The expenses other than those below are calculated by referring to historical figures and adjusted to reflect variable factors. <ul style="list-style-type: none"> A) For property taxes, city planning taxes, etc. the amount of taxation during the fourteenth fiscal period is expected to total 286 million yen (for six months) and 311 million yen (for six months) is expected for the fifteenth fiscal period. Furthermore, for property taxes, city planning taxes, etc. associated with the acquisition of the assets to be acquired, MHR shall incorporate these amounts into the cost of acquisition and, thus, shall not recognize them as operating expenses for the fourteenth and fifteenth fiscal periods. Additionally, since part of the property taxes, city planning taxes, etc. associated with the acquisition of Atago Green Hills in the twelfth fiscal period are incorporated into the cost of acquisition, operating expenses of 21 million yen (for three months) are expected to be recognized as operating expenses for the fourteenth fiscal period. B) For building maintenance and repairs, MHR recorded the estimated required amount for the respective fiscal periods: (43 million yen for the fourteenth fiscal period; 20 million yen for the fifteenth fiscal period). However, please note the actual expenses for maintenance and repairs in the respective fiscal periods 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. C) Depreciation and amortization, which are calculated using the straight-line method with future additional capital expenditures taken into account, are expected to be 727 million yen in the fourteenth fiscal period ending July 2013 and 750 million yen in the fifteenth fiscal period ending January 2014. D) For property management fees, 104 million yen is expected for the fourteenth fiscal period ending July 2013 and 105 million yen is expected for the fifteenth fiscal period ending January 2014. • For the operating expenses other than expenses for real estate rent (asset management, asset custody fee, administrative service fees, etc.), 247 million yen is expected for the fourteenth fiscal period ending July 2013 and 294 million yen is expected for the fifteenth fiscal period ending January 2014. |

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| Item | Assumptions |
|------------------------------|--|
| Non-Operating Expenses | <ul style="list-style-type: none"> • MHR expects to incur 542 million yen for the fourteenth fiscal period and 537 million yen for the fifteenth fiscal period in interest expenses, 168 million yen for the fourteenth fiscal period and 161 million yen for the fifteenth fiscal period in investment corporation bonds, and 249 million yen for the fourteenth fiscal period and 244 million yen for the fifteenth fiscal period in borrowing expenses. • Expenses of 53 million yen are expected for the fourteenth fiscal period for the cost of issuance of new investment units determined at the Board of Directors' meeting held today (hereafter, "issuance of new investment units"). |
| Interest-Bearing Debt | <ul style="list-style-type: none"> • MHR's balance of interest-bearing debt as of today is 106,825 million yen. • MHR assumes that it will newly borrow 10 billion yen in March 2013 as part of funds for the acquisition of the assets to be acquired recorded in the investment portfolio above. • MHR assumes that of the balance of loans payable outstanding as of today of 81,825 million yen, regarding 19,603 million yen for which the repayment period will arrive by the end the fiscal period ending January 2014, agreed repayments of 62 million yen in May 2013 for the 2,125 million yen of a long-term loan payable (due for repayment on November 30, 2013), and the refinancing are planned by a 62 million yen reduction in the repayment period, and for the remaining 17,478 million yen will be refinanced in the entire amount. MHR also assumes that combined with the new refinancing above, the balance will be 91,762 million yen at the end of the fourteenth fiscal period and 91,700 million yen at the end of the fifteenth fiscal period. • MRH assumes that of the balance of 25,000 million yen as of today, 5,000 million yen due for repayment by the end of the fiscal period ending January 2014 will be redeemed through issuing investment corporation bonds of the same value. |
| Issuance of Investment Units | <ul style="list-style-type: none"> • The number of investment units outstanding as of today was 231,520 units. MHR assumes that a total of 23,100 units, 22,000 units additionally issued through public offering and 1,100 units additionally issued through third-party allotment, will all be issued. For information on the issuance of new investment units, please refer to "MHR Announces Issuance of New Investment Units and Primary and Secondary Offerings" separately announced today. • MHR assumes that there will be no additional issuance of investment units until the end of the fifteenth fiscal period. |

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| Item | Assumptions |
|--|--|
| 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 the distribution policy set forth 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, rules, etc. provided by the Investment Trusts Association Japan 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. |

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