

For Translation Purposes Only

Real Estate Investment Fund Issuer:  
Mori Hills REIT Investment Corporation  
(Securities Code: 3234)  
1-12-32 Akasaka, Minato-ku, Tokyo  
Hideyuki Isobe, Executive Director

Asset Manager:  
Mori Building Investment Management Co., Ltd.  
Hideyuki Isobe, President & CEO  
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MHR Announces Amendment of Part of the Articles of Incorporation and  
Appointment of Directors

Mori Hills REIT Investment Corporation (hereafter “MHR”) announced a resolution was adopted at a meeting of MHR’s board of directors held today to refer several matters to MHR’s seventh general meeting of unitholders, which is scheduled to be held on April 21, 2017. The matters are an amendment of the Articles of Incorporation and the appointment of directors. The details are outlined below.

Please note that these matters shall take effect only upon approval by vote at MHR’s seventh general meeting of unitholders.

1. Amendment of Part of the Articles of Incorporation

The reasons for the amendment are as follows:

- (1) In line with the change of requirements to be eligible for special provisions of the tax system on investment corporations due to the revision of the Ordinance for Enforcement of the Act on Special Measures Concerning Taxation, the provision of Article 30, Paragraph 6, which became unnecessary, will be deleted.
- (2) In line with the addition of renewable energy power generation facilities to the scope of specified assets due to the revision of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations, the provision concerning types of specified assets, etc. subject to asset management will be amended to clarify that renewable energy power generation facilities are included in specified assets in which MHR shall be able to invest. (Related to proposed amended Article 31)
- (3) In line with the measures taken for eliminating inconsistencies between the tax treatment and accounting treatment of investment corporations due to the revision of the Ordinance on Accountings of Investment Corporations, Act on Special Measures Concerning Taxation, etc., the provision related to such will be amended. (Related to proposed amended Article 37)
- (4) In line with the addition of types of administrative services that investment corporations entrust to an administration agent due to the revision of the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations, the provision concerning entrustment of administrative services will be amended. (Proposed amended Article 39, Paragraph 3)

(For details of the amendment of the Articles of Incorporation, please refer to the attached “Notice of Convocation of the Seventh General Meeting of Unitholders.”)

## 2. Appointment of Directors

The term of office for one executive director (Hideyuki Isobe) and all three supervisory directors (Noboru Yanai, Takeo Kosugi and Masakuni Tamura) of MHR will expire at the time of the end of MHR’s seventh general meeting of unitholders.

Consequently, proposals regarding the appointment of one executive director and two supervisory directors will be submitted.

- Executive director candidate  
Hideyuki Isobe (current post) (Note)
- Supervisory director candidates  
Masakuni Tamura (current post)  
Koji Nishimura (to be newly elected)

(Note) Hideyuki Isobe is President & CEO, Mori Building Investment Management Co., Ltd., the asset manager of MHR.

(For details of the appointment of directors, please refer to the attached “Notice of Convocation of the Seventh General Meeting of Unitholders.”)

## 3. Schedule

February 23, 2017	Approval of the board of directors on proposals to be submitted to the seventh general meeting of unitholders
April 3, 2017	Delivery of the notice of convocation of the seventh general meeting of unitholders (scheduled)
April 21, 2017	Holding of the seventh general meeting of unitholders (scheduled)

[Attachment] Notice of Convocation of the Seventh General Meeting of Unitholders

- 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/>

[NOTICE: This Notice of Convocation is a translation of the Japanese original for convenience purposes only, and in the event of any discrepancy, the Japanese original shall prevail.]

(Securities Code: 3234)

April 3, 2017

To Our Unitholders

**Mori Hills REIT Investment Corporation**

1-12-32 Akasaka, Minato-ku, Tokyo

Hideyuki Isobe, Executive Director

## Notice of Convocation of the Seventh General Meeting of Unitholders

Mori Hills REIT Investment Corporation (hereafter “the Investment Corporation”) hereby notifies you of and requests your attendance at the Investment Corporation’s seventh general meeting of unitholders to be held as outlined below.

**Please note that if you are unable to attend, you are entitled to exercise your voting rights by use of a voting card. Please take the time to review the reference documents for the general meeting of unitholders attached hereto, indicate your vote in favor or against on the enclosed voting card and then return the voting card to arrive by 5 p.m. on April 20, 2017 (Thursday).**

In addition, the Investment Corporation has made the following provisions concerning “deemed affirmative vote” in Article 15 of the current Articles of Incorporation pursuant to Article 93 (1) of the Act on Investment Trusts and Investment Corporations.

**Accordingly, please keep in mind that if a unitholder neither attends nor exercises voting rights by use of a voting card, such unitholder will be deemed to have voted affirmatively to each of the proposals at the general meeting of unitholders.**

\*Current Articles of Incorporation Article 15 (Deemed Affirmative Vote)

1. If a unitholder neither attends a general meeting of unitholders nor exercises voting rights, such unitholder shall be deemed to have voted affirmatively to the proposal submitted to the general meeting of unitholders (except for any conflicting proposals if multiple proposals have been submitted).
2. The number of voting rights held by the unitholders deemed to have voted affirmatively for the proposal pursuant to the preceding paragraph shall be included in the number of voting rights of unitholders present.

## Details

1. **Date and Time** April 21, 2017 (Friday) 10 a.m.
2. **Venue** Toranomom Hills Forum Hall B  
Toranomom Hills Mori Tower 4F  
1-23-3 Toranomom, Minato-ku, Tokyo  
(Please note that the venue is different from that of the previous meeting. Please refer to the map at the end of this document.)

### 3. Agenda of the General Meeting of Unitholders

#### Matters to be Resolved

- Proposal No. 1:** Amendment of Part of the Articles of Incorporation  
**Proposal No. 2:** Appointment of one Executive Director  
**Proposal No. 3:** Appointment of two Supervisory Directors

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- [Requests]** ◎ Upon attending, please kindly submit the enclosed voting card to the reception at the venue.
- ◎ If exercising voting rights by proxy, you are entitled to have one other unitholder with voting rights attend the general meeting of unitholders as your proxy. Please submit a document certifying the proxy authority, along with the voting card, to the reception at the venue.
- [Information]** ◎ Method of notification of any amendment of reference documents for the general meeting of unitholders
- If matters to be stated in the reference documents for the general meeting of unitholders need to be amended, the amended matters will be posted on the Investment Corporation's website (<http://www.mori-hills-reit.co.jp/>).
- ◎ After the closing of the general meeting of unitholders, a "business results briefing" held by the Investment Corporation's asset manager Mori Building Investment Management Co., Ltd. is scheduled to follow at the same venue.
- ◎ The notice of resolutions will be posted on the Investment Corporation's website (<http://www.mori-hills-reit.co.jp/>) after the closing of the general meeting of unitholders in lieu of mailing.

## Reference Documents for the General Meeting of Unitholders

### Proposals and Reference Matters

#### Proposal No. 1: Amendment of Part of the Articles of Incorporation

##### 1. Reasons for Amendment

- (1) In line with the change of requirements to be eligible for special provisions of the tax system on investment corporations due to the revision of the Ordinance for Enforcement of the Act on Special Measures Concerning Taxation (Ordinance of the Ministry of Finance No. 15 of 1957; as amended), the provision of Article 30, Paragraph 6, which became unnecessary, will be deleted.
- (2) In line with the addition of renewable energy power generation facilities to the scope of specified assets due to the revision of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000; as amended), the provision concerning types of specified assets, etc. subject to asset management will be amended to clarify that renewable energy power generation facilities are included in specified assets in which MHR shall be able to invest. (Related to proposed amended Article 31)
- (3) In line with the measures taken for eliminating inconsistencies between the tax treatment and accounting treatment of investment corporations due to the revision of the Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 47 of 2006; as amended), Act on Special Measures Concerning Taxation (Act No. 26, 1957; as amended), etc., the provision related to such will be amended. (Related to proposed amended Article 37).
- (4) In line with the addition of types of administrative services that investment corporations entrust to an administration agent due to the revision of the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations (Ordinance of the Prime Minister's Office No. 129 of 2000; as amended), the provision concerning entrustment of administrative services will be amended. (Proposed amended Article 39, Paragraph 3)

2. Details of Amendment

The details of the amendment are as follows:

(Amended parts are underlined)

Current Articles of Incorporation	Proposed Amendment
<p>Article 30 Investment Policy 1.~5. (Omitted) 6. <u>The Investment Corporation shall manage its assets so that the value of “real estate” as defined in Article 22-19 of the Ordinance for Enforcement of the Act on Special Measures Concerning Taxation (Ordinance of the Ministry of Finance No. 15 of 1957, as amended) shall be 70% or more of the total value of the assets held by the Investment Corporation.</u></p>	<p>Article 30 Investment Policy 1.~5. (No change) (Deleted)</p>
<p>Article 31 (i) Type, Purpose, and Scope of Specified Assets, and (ii) Type of Assets Other Than Specified Assets, which are Subject to Asset Management 1.~3. (Omitted) 4. (Omitted) (1)~(10) (Omitted) (Newly established) 5. (Omitted) (1)~(2) (Omitted) (3) Movable assets (facilities, equipment, and other items added for the structure or use of real estate from those specified in the Civil Code) (4)~(8) (Omitted) 6. (Omitted)</p>	<p>Article 31 (i) Type, Purpose, and Scope of Specified Assets, and (ii) Type of Assets Other Than Specified Assets, which are Subject to Asset Management 1.~3. (No change) 4. (No change) (1)~(10) (No change) <u>(11) Renewable energy power generation facilities (as set specified in Article 3(11) of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations)</u> 5. (No change) (1)~(2) (No change) (3) Movable assets (facilities, equipment, and other items added for the structure or use of real estate from those specified in the Civil Code, <u>excluding renewable energy power generation facilities</u>) (4)~(8) (No change) 6. (No change)</p>

Current Articles of Incorporation	Proposed Amendment
<p>Article 37 Policy for Cash Distributions (Omitted)</p> <p>(1) The method of calculating total amount of distribution to unitholders</p> <p>(a) From the total amount to be distributed to unitholders, the amount of profit as stipulated in Article 136 of the Investment Trusts Act (the “Distributable Amount”) shall be the profit calculated in accordance with generally accepted corporate accounting practices in Japan (the amount calculated by deducting the total amount of unitholders’ capital, <u>the capital surplus and valuation and translation adjustments</u> from the amount of net assets (calculated by deducting the total amount of liabilities from the total amount of assets) on the Investment Corporation’s balance sheet as of the Fiscal Period Closing Date).</p> <p>(b) In principle, the amount of distribution shall be the amount determined by the Investment Corporation that exceeds the amount equivalent to 90% of the amount of its profit available for distribution as set forth in Article 67-15 (1) of the Act on Special Measures Concerning Taxation. The Investment Corporation may accumulate a long-term repair reserve, payment reserve, distribution reserve and any other similar reserves and allowances that are deemed necessary to maintain and improve the value of the Operating Assets from the Distributable Amount.</p> <p>(2)~(5) (Omitted)</p>	<p>Article 37 Policy for Cash Distributions (No change)</p> <p>(1) The method of calculating total amount of distribution to unitholders</p> <p>(a) From the total amount to be distributed to unitholders, the amount of profit as stipulated in Article 136 of the Investment Trusts Act (the “Distributable Amount”) shall be the profit calculated in accordance with generally accepted corporate accounting practices in Japan (the amount calculated by deducting the total amount of unitholders’ capital, <u>etc.</u> from the amount of net assets (calculated by deducting the total amount of liabilities from the total amount of assets) on the Investment Corporation’s balance sheet as of the Fiscal Period Closing Date).</p> <p>(b) In principle, the amount of distribution shall be the amount determined by the Investment Corporation that exceeds the amount equivalent to 90% of the amount of its profit available for distribution as set forth in Article 67-15 (1) of the Act on Special Measures Concerning Taxation. The Investment Corporation may accumulate, <u>reserve, or deal otherwise with</u> a long-term repair reserve, payment reserve, distribution reserve and any other similar reserves and allowances, <u>etc.</u>, as well as <u>other necessary amounts</u> that are deemed necessary to maintain and improve the value of the Operating Assets from the Distributable Amount.</p> <p>(2)~(5) (No change)</p>
<p>Article 39 Entrustment of Operations and Administrative Services 1.~2. (Omitted)</p>	<p>Article 39 Entrustment of Operations and Administrative Services 1.~2. (No change)</p>

Current Articles of Incorporation	Proposed Amendment
<p>3. Administrative services relating to the offering of any units and investment corporation bonds to be issued by the Investment Corporation, preparation and maintenance of registry of investment corporation bonds and other administrative services relating to the registry of investment corporation bonds, administrative services relating to the issuance of the investment corporation bonds, and the administrative services relating to the holders of the investment corporation bonds <u>(meaning each of the administrative services set forth in Article 169 (2)(iv) and (v) of the Investment Trusts Act Enforcement Ordinance)</u> shall be entrusted to an administration agent appointed by the Board of Directors, as necessary.</p>	<p>3. Administrative services relating to the offering of any units and investment corporation bonds <u>and allotment of subscription rights without contribution</u> to be issued by the Investment Corporation, preparation and maintenance of <u>registry of subscription rights and</u> registry of investment corporation bonds and other administrative services relating to <u>the registry of subscription rights and the registry of investment corporation bonds,</u> administrative services relating to the issuance of <u>the subscription rights certificates and</u> the investment corporation bonds, and the administrative services relating to the holders of <u>the subscription rights and</u> the investment corporation bonds, administrative services <u>relating to acquisition of investment units of the Investment Corporation and other administrative services</u> set forth in Article 169 of the Investment Trusts Act Enforcement Ordinance shall be entrusted to an administration agent appointed by the Board of Directors, as necessary.</p>

**Proposal No. 2: Appointment of one Executive Director**

The term of office for executive director Hideyuki Isobe will expire at the time of the end of MHR's seventh general meeting of unitholders. Consequently, the Investment Corporation requests the appointment of one succeeding executive director.

Furthermore, under the provisions of Article 99 (2) of the Act on Investment Trusts and Investment Corporations and the provision of the proviso of the first sentence of Article 19, Paragraph 2 of the Articles of Incorporation of the Investment Corporation, the term of office of the executive director in this proposal shall be (i) from the date of the assumption of office of the executive director, which is April 21, 2017, and (ii) until the time of the conclusion of the general meeting of unitholders at which the appointment of an executive director is proposed and that is held within 30 days from the day immediately following the day on which two years have passed since the appointment.

In addition, this proposal was submitted with the consent of all supervisory directors at the meeting of the board of directors held on February 23, 2017.

The candidate for executive director is as follows.

Name (Date of Birth)	Brief Profile
Hideyuki Isobe (December 1, 1970)	April 1993 Joined Mitsui Fudosan Co., Ltd.
	May 2002 MBA from the Wharton School, University of Pennsylvania
	June 2002 Joined Colony Capital Asia Pacific
	November 2003 Joined Mori Building Urban Fund Management Co., Ltd. (presently, Mori Building Investment Management Co., Ltd.)
	April 2005 General Manager, Business Development Department
	October 2005 General Manager, Investment Development Department
	July 2007 General Manager, Investment Advisory Department
	November 2007 Mori Building Co., Ltd. General Manager, Finance Planning Department, Finance Division
	April 2008 General Manager, Business Development Department, Finance Division
	June 2010 Mori Building Investment Management Co., Ltd. President & CEO (current post)
April 2011 Mori Hills REIT Investment Corporation Executive Director (current post)	
<ul style="list-style-type: none"> <li>• Number of the Investment Corporation investment units held: 0 units</li> <li>• Fact falling under significant concurrent holding of positions: President &amp; CEO, Mori Building Investment Management Co., Ltd.</li> <li>• Particular vested interest in the Investment Corporation: Not applicable, other than the concurrent holding of positions stated in "Fact falling under significant concurrent holding of positions" above.</li> </ul> <p>The executive director candidate above currently executes the Investment Corporation's business operations in general as executive director of the Investment Corporation.</p>	

**Proposal No. 3: Appointment of two Supervisory Directors**

The term of office for all three supervisory directors Noboru Yanai, Takeo Kosugi and Masakuni Tamura will expire at the time of the end of MHR's seventh general meeting of unitholders. Consequently, the Investment Corporation requests the appointment of two succeeding supervisory directors.

Furthermore, pursuant to the proviso of the first sentence of Article 19, Paragraph 2 of the Articles of Incorporation of the Investment Corporation, the term of office of the two supervisory directors in this proposal shall be (i) from the date of the assumption of office of the supervisory directors, which is April 21, 2017, and (ii) until the time of the conclusion of the general meeting of unitholders at which the appointment of supervisory directors is proposed and that is held within 30 days from the day immediately following the day on which two years have passed since the appointment.

The candidates for supervisory director are as follows.

Candidate No.	Name (Date of Birth)	Brief Profile
1	Masakuni Tamura (May 13, 1954)	April 1977 Joined Mitsui Construction Co., Ltd. October 1986 Joined Sigma Planning Institute, Inc. September 1990 Director April 1997 ARC Brain President (current post) February 2006 Mori Hills REIT Investment Corporation Supervisory Director (current post) April 2011 Meiji University Guest Professor April 2013 Meiji University School of Science and Technology Project Professor (current post)
• Number of the Investment Corporation investment units held:		0 units
• Fact falling under significant concurrent holding of positions:		President, ARC Brain
• Particular vested interest in the Investment Corporation:		Not applicable.

Candidate No.	Name (Date of Birth)	Brief Profile
2	Koji Nishimura (October 6, 1965)	<p>April 1992 Registered as attorney</p> <p>April 1992 Joined Matsuo Law Offices (presently, Matsuo &amp; Kosugi)</p> <p>April 2004 Chuo University Faculty of Law Full-time Lecturer (current post)</p> <p>November 2004 Matsuo &amp; Kosugi Partner (current post)</p> <p>June 2007 Nihon Parkerizing Co., Ltd. Corporate Auditor</p> <p>December 2014 Seraku Co., Ltd. External Director (current post)</p> <p>Marth 2015 Kanro Co., Ltd. Corporate Auditor (External) (current post)</p> <p>June 2015 Nihon Parkerizing Co., Ltd. External Director (current post)</p>
<ul style="list-style-type: none"> <li>• Number of the Investment Corporation investment units held: 0 units</li> <li>• Fact falling under significant concurrent holding of positions: Partner, Matsuo &amp; Kosugi</li> <li>• Particular vested interest in the Investment Corporation: Not applicable.</li> </ul>		

### Other Reference Matters

Where there are conflicting proposals among the proposals submitted to the general meeting of unitholders, the provisions of “deemed affirmative vote” provided in Article 93 (1) of the Act on Investment Trusts and Investment Corporations and Article 15 of the Articles of Incorporation shall not apply to any of the conflicting proposals.

Please note that none of the proposals of Proposal No. 1, Proposal No. 2 or Proposal No. 3 above fall under the category of conflicting proposals.

