



For Translation Purposes Only
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Real Estate Investment Fund Issuer:  
Mori Hills REIT Investment Corporation  
(Securities Code: 3234)  
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Hideyuki Isobe, Executive Director

Asset Manager:  
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MHR Announces Transaction with a Related Party (Mori Building Co., Ltd.)  
(Toranomom Hills Mori Tower)

Mori Hills REIT Investment Corporation (hereinafter “MHR”) announced that Mori Building Investment Management Co., Ltd. (hereinafter “MIM”), to which MHR entrusts its asset management, decided today to conduct a transaction with a related party, etc. as stipulated in the Act on Investment Trusts and Investment Corporations (hereinafter “Investment Trusts Act”). The details are as follows.

1. Transaction Overview

MHR has decided to renew the agreement on usage and management operation of the co-owned property for Toranomom Hills Mori Tower owned by MHR, which was concluded with Mori Building Co., Ltd., on August 1, 2022.

2. Summary of the Renewal and Reasons

Based on the appraisal on continuing rent from Japan Real Estate Institute and result of the discussion between the parties, MHR has decided to renew the agreement under the same conditions as below which are equivalent to those of before renewal.

- |      |                                  |  |
|------|----------------------------------|--|
| (1)  | Leased property                  | : Toranomom Hills Mori Tower (Note 1)  |
| (2)  | Leased area                      | : 19,050.82 m <sup>2</sup> (Note 2)    |
| (3)  | Lessee                           | : Mori Building Co., Ltd.              |
| (4)  | Leasing scheme                   | : Fixed-rent master lease              |
| (5)  | Term of agreement before renewal | : From August 1, 2017 to July 31, 2022 |
| (6)  | Term of agreement after renewal  | : From August 1, 2022 to July 31, 2027 |
| (7)  | Monthly rent before renewal      | : 201,651,187 yen (Note 3)             |
| (8)  | Monthly rent after renewal       | : 201,651,187 yen (Note 3)             |
| (9)  | Security deposits before change  | : 2,016,511,871 yen (Note 4)           |
| (10) | Security deposits after change   | : 2,016,511,871 yen (Note 4)           |
| (11) | Planned date of change           | : August 1, 2022                       |
| (12) | Date of execution                | : January 31, 2022                     |

(Note 1) The lease right is granted to Mori Building Co., Ltd, one of the co-owners, by the trust fiduciary, and a fixed amount is paid as its consideration. Therefore, it is deemed as a fixed-rent master lease and is indicated as such.

(Note 2) The area indicates an area obtained by multiplying the quasi co-ownership interest ratio of trust beneficial interests (78%) by total leased area of real estate in trust.

(Note 3) The figure indicates an amount obtained by multiplying the quasi co-ownership interest ratio of trust beneficial interests by monthly rent of the real estate in trust.

(Note 4) The figure indicates an amount obtained by multiplying the quasi co-ownership interest ratio of trust beneficial interests by deposits of real estate in trust.

### 3. Overview of Related Party, etc.

Name	Mori Building Co., Ltd.
Location	6-10-1 Roppongi, Minato-ku, Tokyo
Representative	Shingo Tsuji, President & CEO
Scope of business	General developer
Capital	79,500 million yen (as of September 30, 2021)
Established	June 2, 1959
Major shareholder	Mori Kiyō Co., Ltd. (as of September 30, 2021)
Net assets	429,906 million yen (as of September 30, 2021)
Total assets	1,870,438 million yen (as of September 30, 2021)
Relationship with MHR and Asset Manager (as of January 26, 2022)	
Capital relationship	Mori Building is a major unitholder (15.0% stake) of MHR. Mori Building is also the wholly owning parent company (100% stake) of the Asset Manager, and thus constitutes a related party, etc. as defined in the Investment Trusts Act.
Personnel relationship	One director and one auditor of the Asset Manager are sent from this company.
Business relationship	Mori Building has executed a support agreement and information provision agreement with MHR and the Asset Manager and an advisory business consignment agreement with the Asset Manager, and provides support, etc. in connection with property acquisitions, etc. In addition, Mori Building has executed a brand mark licensing contract with MHR and grants the license to use the brand name "Mori Hills REIT" and the "m" brand mark. Furthermore, as for assets MHR owns in the form of trust beneficial interests, Mori Building has executed a building lease agreement (so called "master lease agreement") with a trustee, and leases the entire property as a master lessee. Mori Building has also executed a property management agreement and conducts property management of the property.
Application of status as a related party	Mori Building falls under the category of other affiliated companies of MHR. In addition, it is the parent company of the Asset Manager.

### 4. Other

Upon consultation with Mori Building Co., Ltd., the following appraisal values were decided to be the revised amounts.

Appraisal value by Japan Real Estate Institute concerning continuous monthly rents (Note 1)	
Appraisal value	201,651,187 yen (Note 2)
Appraisal date	December 1, 2021

(Note 1) Continuous usage fee in accordance with continuous rent is calculated in the appraisal.

(Note 2) The figure indicates an amount obtained by multiplying the quasi co-ownership interest ratio of trust beneficial interests (78%) by the appraisal value.

#### 5. Procedures Concerning Transactions with Related Party, etc.

To comply with applicable laws and regulations and with the asset management agreement, as well as to prevent the interests of MHR from being negatively impacted, the Asset Manager has conducted adequate procedures pursuant to the Related Parties Transaction Guidelines. In addition, MIM will deliver a written statement to MHR, pursuant to the Investment Trusts Act.

#### 6. Outlook

There will be no impact on MHR's forecasts of financial results for the fiscal period ending January 2022 (August 1, 2021 to January 31, 2022) and the fiscal period ending July 2022 (February 1, 2022 to July 31, 2022).

- MHR's website address is <https://www.mori-hills-reit.co.jp/en/>