

For Translation Purposes Only

Real Estate Investment Fund Issuer:
Mori Hills REIT Investment Corporation
(Securities Code: 3234)
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MHR Announces Issuance of Investment Corporation Bonds

Mori Hills REIT Investment Corporation (hereafter “MHR”) hereby announces that it decided to issue investment corporation bonds in accordance with the Act on Book-Entry Transfer of Company Bonds, Shares, etc. based on the “Resolution Related to Information for Engagement of Underwriters for Investment Corporation Bonds Offering” at the Board of Directors Meeting held on October 29, 2014.

1. Overview of Investment Corporation Bonds

(1) Name of investment corporation bonds

MHR Twelfth Series Unsecured Investment Corporation Bond (subject to a limited pari passu clause between specified investment corporation bonds) (hereafter, “Investment Corporation Bond”).

(2) Total issue amount of the investment corporation bonds

2 billion yen

(3) Certificates

The stipulation of the Act on Book-Entry Transfer of Company Bonds, Shares, etc. will be applied to the Investment Corporation Bond. Thus, investment corporation bond certificates will not be issued for the Investment Corporation Bond.

(4) Payment price

100 yen per face value of 100 yen in respective Investment Corporation Bond

(5) Redemption price

100 yen per face value of 100 yen in respective Investment Corporation Bond

(6) Interest rate

0.865%per annum

(7) Amount of respective investment corporation bonds

100 million yen

(8) Offering method

Primary offering

(9) Subscription period

November 11, 2014

- (10) Payment date
November 27, 2014
- (11) Collateral and guarantee
The Investment Corporation Bond is unsecured and unguaranteed. There is also no particular asset retained for the Investment Corporation Bond.
- (12) Redemption method and maturity
The total amount of the Investment Corporation Bond will be redeemed on November 27, 2024.

Redemption by purchase of the Investment Corporation Bond by MHR is allowed at any time starting on the day following the payment date, unless otherwise specified by the book-entry transfer institution mentioned under (16) below.
- (13) Interest payment date
The first payment date will be May 27, 2015, and thereafter on May 27 and November 27 of each year.
(If the interest payment date is a bank holiday, then the bank business day preceding it shall be deemed as the interest payment date.)
- (14) Special financial condition
Negative pledge clause is applicable
- (15) Credit rating
Japan Credit Rating Agency, Ltd.: AA-
- (16) Book-entry transfer institution
Japan Securities Depository Center, Inc.
- (17) Fiscal agent, issuing agent and paying agent
Mitsubishi UFJ Trust and Banking Corporation
- (18) Underwriting securities companies
SMBC Nikko Securities Inc.
Mizuho Securities Co., Ltd.

2. Reason for Issuance

For allocation to part of the redemption of 3 billion yen in MHR Second Series Unsecured Investment Corporation Bond whose redemption date is November 28, 2014.

3. Amount of Funds to be Procured, Use of Funds and Planned Expenditure Period

- (1) Amount of funds to be procured (estimated paid-in amount): 1,981 million yen
- (2) Specific use of funds to be procured and planned execution period
 - 1) Specific use of funds: For allocation to part of the redemption of 3 billion yen in MHR Second Series Unsecured Investment Corporation Bond whose redemption date is November 28, 2014
 - 2) Amount (millions of yen): 1,981 million yen (cash on hand is planned to be allocated to cover the difference of 1,019 million yen)
 - 3) Planned execution period: November 28, 2014

4. Borrowings, etc. after the Issuance of the Investment Corporation Bond

(unit: millions of yen)

	Before the Issuance	After the Issuance	Change
Short-term loans payable	2,000	2,000	0
Long-term loans payable	106,200	106,200	0
Total loans payable	108,200	108,200	0
Investment corporation bonds	25,000	24,000	△1,000
Total of loans payable and investment corporation bonds	133,200	132,200	△1,000
Total interest-bearing debt	133,200	132,200	△1,000

(Note 1) Indicates the borrowings, etc. as of November 28, 2014 after the issuance of the Investment Corporation Bond (after redemption of 3 billion yen in MHR Second Series Unsecured Investment Corporation Bond mentioned under 3. (2) above).

(Note 2) Long-term loans payable include the current portion of long-term loans payable.

5. Other Items Required for Investors to Appropriately Understand/Judge the Concerned Information

There are no changes to the content of “1. Fund Information; 1. Fund Status; 3. Investment Risks” indicated in the Semiannual Securities Report (Japanese) for the sixteenth fiscal period submitted on October 29, 2014 as a result of the issuance of the Investment Corporation Bond.

- 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/>