

For Translation Purposes Only

Real Estate Investment Fund Issuer:
Mori Hills REIT Investment Corporation
(Securities Code: 3234)
1-8-7 Roppongi, Minato-ku, Tokyo
Hideyuki Isobe, Executive Director

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MHR Announces Transaction with Interested Party
(Mori Building Co., Ltd. and Akasaka Tameike Tower Management Co., Ltd.)

Mori Hills REIT Investment Corporation (hereafter “MHR”) announced its decision to conduct a transaction with an interested party, etc. as stipulated in the Act on Investment Trusts and Investment Corporations (hereafter “Investment Trust Act”). The details are as follows.

1. Overview of Transaction with Interested Parties, etc.

Accompanying the amendment of the Consumption Tax Act (Act No. 108 of 1988, as amended), the consumption tax (including local consumption tax, hereafter the same) rate will change starting on April 1, 2014. In order to make proper adjustments of consumption tax on properties owned by MHR, the following revised contract or revised memorandum will be concluded with interested parties.

(1) Agreement to amend fixed-term building lease agreement at Koraku Mori Building

- 1) Leased property : Koraku Mori Building
- 2) Lessee : Sumitomo Mitsui Trust Bank, Limited (Trust fiduciary of property above)
- 3) Sub lessee : Mori Building Co., Ltd.
- 4) Effective date : April 1, 2014 (planned)
- 5) Date of Contract : March 31, 2014 (planned)

(2) Associated memorandum on property management agreement

- 1) Property name : Koraku Mori Building, Roppongi First Plaza, Moto-Azabu Hills
- 2) Management consignor : Sumitomo Mitsui Trust Bank, Limited (Trust fiduciary of 3 properties above)
- 3) Management consignee : Mori Building Co., Ltd.
- 4) Effective date : April 1, 2014 (planned)
- 5) Date of Contract : March 31, 2014 (planned)

(3) Property management agreement for the exclusive-ownership portion of Akasaka Tameike Tower

- 1) Property name : Akasaka Tameike Tower, Co., Ltd.
- 2) Management consignor : Sumitomo Mitsui Trust Bank, Limited (Trust fiduciary of property above), Mori Building Co., Ltd. and 1 individual
- 3) Management consignee : Akasaka Tameike Tower Management, Co., Ltd.
- 4) Effective date : April 1, 2014 (planned)
- 5) Date of Contract : March 31, 2014 (planned)

2. Overview of Interested Party, etc.

(1) Mori Building Co., Ltd.

Name	Mori Building Co., Ltd.
Location	6-10-1 Roppongi, Minato-ku, Tokyo
Representative	Shingo Tsuji, President & CEO
Scope of business	General developer
Capital	67,000 million yen (as of March 31, 2013)
Established	June 2, 1959
Relationship with MHR and Asset Manager (as of March 27, 2014)	
Capital relationship	Mori Building is a major unitholder (17.7% stake) of MHR. Mori Building is also the wholly owning parent company (100% stake) of the Asset Manager, and thus constitutes an interested party, etc. as defined in the Act on Investment Trusts and Investment Corporations (Investment Trusts Act).
Personnel relationship	Two of the officers and employees of the Asset Manager are seconded from Mori Building.
Business relationship	Mori Building has concluded a support agreement with MHR and the Asset Manager and an advisory business consignment agreement with the Asset Manager, and conducts support, etc. in regard to property acquisitions, etc. In addition, Mori Building has concluded 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 concludes a building lease agreement (so-called master lease agreement) with a trust fiduciary, and leases the entire property as a master lessee. Mori Building also concluded 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 company of MHR. In addition, it is a parent company of the Asset Manager.

(2) Akasaka Tameike Tower Management, Co., Ltd.

Name	Akasaka Tameike Tower Management, Co., Ltd.
Location	2-17-7 Akasaka, Minato-ku, Tokyo
Representative	Shoji Watanabe, President & CEO
Scope of business	Consignment businesses related to the use, management and operation of Akasaka Tameike Tower
Capital	10 million yen (as of March 27, 2014)
Established	September 19, 2000
Relationship with MHR and Asset Manager	It is a subsidiary of the parent company of the Asset Manager.

3. Procedures Concerning Transactions with Interested Parties, 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.

4. Outlook

There are no changes to be made in MHR's forecasts of financial results for the sixteenth fiscal period ending July 2014 (February 1, 2014 to July 31, 2014) and seventeenth fiscal period ending January 2015 (August 1, 2014 to January 31, 2015) as the impact of the transaction is minimal.

- 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/>