

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 ninth general meeting of unitholders, which is scheduled to be held on April 16, 2021. 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 ninth general meeting of unitholders.

1. Amendment of Part of the Articles of Incorporation

The reasons for the amendment are as follows:

- (1) Pursuant to Article 93 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter the “Investment Trusts Act”), Article 15, Paragraph 1 of the current Articles of Incorporation provides to the effect that 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 conflicting proposals) (so-called system of deemed affirmative vote).
On the other hand, recent debate over proposals from minority unitholders of REITs has brought to light the possibility of significant proposals (such as proposals that could have substantial impact on the interests of unitholders and the investment corporation’s governance structure and for which submission of conflicting proposals is difficult by nature, and proposals that are highly likely to cause a serious conflict of interest between unitholders and the investment corporation’s directors or the asset manager) being approved not based on decisions that are in accordance with the intentions of the majority of unitholders made through careful consideration by unitholders as a whole, if the unitholders who have not exercised their voting rights to significant proposals by themselves are deemed to have voted affirmatively to the significant proposals by application of the abovementioned “deemed affirmative vote.”
Such has led to the conclusion that it would be appropriate in light of the above to make amendments so that “deemed affirmative vote” does not apply if minority unitholders or MHR express clear intentions of opposition in advance based on prescribed procedures in the case of significant proposals. Specifically, significant proposals shall refer to (1) Appointment or dismissal of an executive director or supervisory director, (2) Dissolution, (3) Consent to the

termination of the asset management entrustment agreement by the asset manager, or (4) Approval or termination of the asset management entrustment agreement by the investment corporation.

From the perspective of impartiality and fairness, those entitled to express opposition in advance shall be minority unitholders who meet certain eligibility requirements and MHR.

The procedural requirement when expressing opposition shall be (i) In the case of minority unitholders, to notify MHR (or both MHR and the person who has the right to convene the meeting, if the person who has the right to convene the meeting is not an executive director or supervisory director) within a certain period, or (ii) In the case of MHR, to state in the notice of convocation or announce on its website.

The provisions concerning “deemed affirmative vote” will be amended to provide for certain exceptions to the application of “deemed affirmative vote” of the abovementioned content and make necessary corresponding amendments. (Related to proposed amendments of Article 15, Paragraph 3 and Paragraph 4)

- (2) In order to further enhance the link between the amount of the asset management fees payable to the asset manager and the interests of unitholders, the existing Management Fee 1 and Management Fee 2 will be abolished, and a fee based on the amount of distribution per unit will be newly set as Management Fee 1, a fee based on the NAV per unit as Management Fee 2, and a fee based on the performance of the investment units against the TSE REIT Index (the difference found upon a comparison of the extent of change in MHR’s investment unit price with the extent of change in the TSE REIT Index (without dividends)) as Management Fee 3. Provisions will also be added to the effect that necessary adjustments will be made to the calculation formulas for the management fees in the event that MHR acquires treasury investment units or in certain other cases in order to neutralize the impact of such cases on the management fees. In addition, a Merger Fee will be newly introduced for the case where the asset manager researches and evaluates the assets held by the other party to a merger and performs other merger-related work in the event of a merger to which MHR is party. (Proposed amendments of Attachment 1)
- (3) Transitional provisions will be established to clarify the effective date of the amendments outlined in (2) above. (Proposed amendments of Article 41)
- (4) In addition to the above, terminology will be revised to address amendments to laws and regulations and such, expressions will be changed, and words and phrases will be revised and such as necessary to arrange the text.

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

2. Appointment of Directors

For the purpose of adjusting their respective terms of office for one executive director (Hideyuki Isobe) and two supervisory directors (Masakuni Tamura and Koji Nishimura) of MHR, have tendered their resignation as their respective roles, effective as of the end of MHR’s ninth general meeting of unitholders.

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

- Executive director candidate
Hideyuki Isobe (current post) (Note)
- Supervisory director candidates
Masakuni Tamura (current post)
Koji Nishimura (current post)
Miyako Ishijima (to be newly elected)
Emi Kitamura (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 Nineth General Meeting of Unitholders.”)

3. Schedule

March 17, 2021	Approval of the board of directors on proposals to be submitted to the ninth general meeting of unitholders
April 1, 2021	Delivery of the notice of convocation of the ninth general meeting of unitholders (scheduled)
April 16, 2021	Holding of the ninth general meeting of unitholders (scheduled)

[Attachment]

Change in Asset Management Fee System

Notice of Convocation of the Nineth General Meeting of Unitholders

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

Change in Asset Management Fee System

Change in asset management fee system to further enhance link with the interests of unitholders and also newly establish Merger Fee

	Before change	After change
Management Fee 1	Appraised value of operating assets × 0.2% (upper limit; annual rate)	Distribution per unit ^(Note 1) × 1,000,000 × 9.0% (upper limit)
Management Fee 2	Distributable profits × 2.0% (upper limit)	NAV per unit ^(Note 2) × 1,000,000 × 0.4% (upper limit; annual rate)
Management Fee 3		Performance against TSE REIT Index ^(Note 3) × Market capitalization of investment units ^(Note 4) × 0.15% (upper limit) ^(Note 5)
Merger Fee		Appraised value of specified assets × 1.0% (upper limit)

(Note 1) Calculated by dividing distributable profits (income before income taxes before deduction of Management Fee 1 and non-deductible consumption tax, etc. related to Management Fee 1) by the total number of investment units issued and outstanding.

(Note 2) Calculated by dividing the adjusted NAV as of the prior fiscal period closing date (Net assets + Period-end appraised value of operating assets – Book value of operating assets – Amount of distribution stated in the statement of cash distributions) by the total number of investment units issued and outstanding as of the same date.

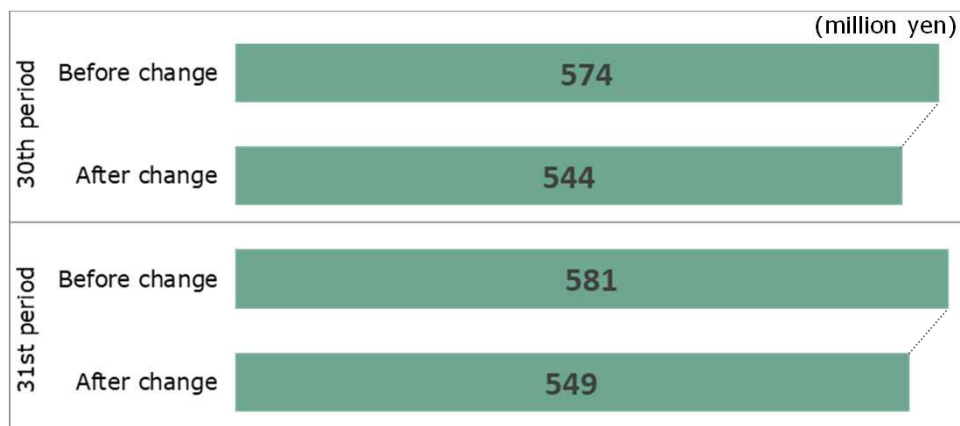
(Note 3) Calculated by deducting the percentage change in the TSE REIT Index (without dividends) from the percentage change in MHR's investment unit price.

(Note 4) Calculated by multiplying the final price of the investment units of MHR on the relevant last business day by the total number of investment units issued and outstanding as of the relevant last business day.

(Note 5) When the amount of Management Fee 3 is negative, Management Fee 3 shall be deemed zero and the absolute value of such shall be deducted from Management Fee 1 or Management Fee 2.

Management Fee 1 and Management Fee 2: Estimated upper limit amount before and after the change

Total amount of Management Fee 1 and 2 decreases after the change



(Note) The upper limit amount that is estimated by using the figures in the assumptions underlying the operating forecasts for the 30th period and 31st period.

Management Fee 3: Specific calculation method and amount estimated based on the upper limit of the rate

Introduction of fee system completely based on investment unit price performance with no setting of upper limit or lower limit

Calculation formula	29th period
Percentage change in MHR's investment unit price (a)	+6.35%
Percentage change in TSE REIT Index (b)	+10.93%
Performance against TSE REIT Index [(a) – (b)] (i)	△ 4.58%
Market capitalization (ii)	279,400 mn yen
Rate (upper limit) (iii)	0.15%
Management Fee 3 [(i) × (ii) × (iii)]	△ 19,213,313 yen

(Note) The amount that is estimated based on the upper limit of the rate and by using the various figures for the 29th period.

[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 1, 2021

To Our Unitholders

Mori Hills REIT Investment Corporation

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

Hideyuki Isobe, Executive Director

Notice of Convocation of the Nineth 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 ninth general meeting of unitholders to be held as outlined below.

From the perspective of preventing the spread of the new coronavirus infection, unitholders are requested to exercise their voting rights in advance in writing as much as possible at the general meeting of unitholders. Please refrain from visiting the meeting venue regardless of the health condition of the unitholders.

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 15, 2021 (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 16, 2021 (Friday) 10 a.m.
2. **Venue** Toranomom Hills Forum Hall B
Toranomom Hills Mori Tower 4F
1-23-3 Toranomom, Minato-ku, Tokyo
(Please refer to the venue 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 four Supervisory Directors

[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 (<https://www.mori-hills-reit.co.jp/en/>).

- ◎ The notice of resolutions will be posted on the Investment Corporation's website (<https://www.mori-hills-reit.co.jp/en/>) after the closing of the general meeting of unitholders in lieu of mailing.

- ◎ In light of the domestic situation with the new coronavirus, we will take measures to prevent the spread of infection. For details, please refer to the next page.

- ◎ We have decided not to organize the "business results briefing" held by the Investment Corporation's asset manager, Mori Building Investment Management Co., Ltd., which we held after the general meeting of unitholders in previous years, so as to shorten your time in the meeting venue. We would like to ask for your kind understanding regarding this arrangement. Regarding the business results for the fiscal year ending January 2021, please refer to the website (<https://www.mori-hills-reit.co.jp/en/>) for Presentation Video on current state of the Businesses, and Presentation Materials.

About the response to the prevention of the spread of the new coronavirus infection

Due to the situation regarding the new coronavirus in Japan, we plan to take the following measures in order to ensure the safety of the unitholders, and to prevent the spread of the infection of new coronavirus. We would like to ask for your kind understanding regarding the meeting arrangement at this time.

In addition, depending on changes to the future situation, we may post a notice of changes to the measures for the prevention of the spread of the coronavirus infection at the general unitholders meeting on the website (<https://www.mori-hills-reit.co.jp/en/>). Accordingly, we would like to ask you to check our website for any future changes.

Requests to unitholders

- You may exercise your voting rights in writing. In consideration of safety, please consider exercising your voting rights by using the enclosed Voting Rights Exercise Form instead of attending the general unitholders meeting.
- Unitholders who are considering to attend the general unitholders meeting, are asked to pay attention to your health, the epidemic situation of the new coronavirus infection as of the date of the meeting, and the information of the government agencies.
- If you are elderly, having underlying medical conditions, or are pregnant, please consider not attending the general unitholders meeting.
- The general unitholders meeting may be postponed due to unavoidable reasons such as sudden restrictions on the use of the venue, changes to future situations, and so on. We may post a notice of the postponement of the general unitholders meeting, and therefore, please check for updates on the website (<https://www.mori-hills-reit.co.jp/en/>).

Requests to unitholders who will attend the General Unitholders Meeting

- At the venue on the day of the meeting, there is a possibility that we may not be able to secure enough seats because we will have fewer seats available than usual so as to ensure more space among the unitholders, directors, and operational staff members of Mori hills REIT. If we cannot make a seat available, you may not be able to enter the venue. We ask for your understanding of this possible arrangement in advance.
- Directors, and operational staff members will be wearing masks. We ask for your understanding of this arrangement.
- If you are attending the meeting, please wear a mask. Please cooperate by disinfecting your hands with alcohol disinfectant located at the reception of the meeting venue. At the reception, we will check your temperature. Please note in advance that if a unitholder's temperature is 37.5°C or more when we measure the temperature, we may ask the unitholder to refrain from attending the general unitholders meeting. In addition, please also note in advance that an operational staff member may come to talk to a unitholder if the unitholder looks unwell, and the staff member may ask such unitholder to refrain from attending the meeting.
- Due to the above measures, we expect the reception area of the meeting venue to be crowded. Accordingly, we would like to ask you to arrive at the meeting venue as early as possible.
- Furthermore, we may have additional necessary measures in place in order to maintain the order of the general unitholders meeting. We ask for your kind understanding.

Under the current situation, we would like to ask for your kind understanding and cooperation.

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) Pursuant to Article 93 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter the “Investment Trusts Act”), Article 15, Paragraph 1 of the current Articles of Incorporation provides to the effect that 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 conflicting proposals) (so-called system of deemed affirmative vote).

On the other hand, recent debate over proposals from minority unitholders of REITs has brought to light the possibility of significant proposals (such as proposals that could have substantial impact on the interests of unitholders and the investment corporation’s governance structure and for which submission of conflicting proposals is difficult by nature, and proposals that are highly likely to cause a serious conflict of interest between unitholders and the investment corporation’s directors or the asset manager) being approved not based on decisions that are in accordance with the intentions of the majority of unitholders made through careful consideration by unitholders as a whole, if the unitholders who have not exercised their voting rights to significant proposals by themselves are deemed to have voted affirmatively to the significant proposals by application of the abovementioned “deemed affirmative vote.”

Such has led to the conclusion that it would be appropriate in light of the above to make amendments so that “deemed affirmative vote” does not apply if minority unitholders or MHR express clear intentions of opposition in advance based on prescribed procedures in the case of significant proposals. Specifically, significant proposals shall refer to (1) Appointment or dismissal of an executive director or supervisory director, (2) Dissolution, (3) Consent to the termination of the asset management entrustment agreement by the asset manager, or (4) Approval or termination of the asset management entrustment agreement by the investment corporation.

From the perspective of impartiality and fairness, those entitled to express opposition in advance shall be minority unitholders who meet certain eligibility requirements and MHR.

The procedural requirement when expressing opposition shall be (i) In the case of minority unitholders, to notify MHR (or both MHR and the person who has the right to convene the meeting, if the person who has the right to convene the meeting is not an executive director or supervisory director) within a certain period, or (ii) In the case of MHR, to state in the notice of convocation or announce on its website.

The provisions concerning “deemed affirmative vote” will be amended to provide for certain exceptions to the application of “deemed affirmative vote” of the abovementioned content and make necessary corresponding amendments. (Related to proposed amendments of Article 15, Paragraph 3 and Paragraph 4)

- (2) In order to further enhance the link between the amount of the asset management fees payable to the asset manager and the interests of unitholders, the existing Management Fee 1 and Management Fee 2 will be abolished, and a fee based on the amount of distribution per unit will be newly set as Management Fee 1, a fee based on the NAV per unit as Management Fee 2, and a fee based on the performance of the investment units against the TSE REIT Index (the difference found upon a comparison of the extent of change in MHR’s investment unit price with the extent of change in the TSE REIT Index (without dividends)) as Management Fee 3. Provisions will also be added to the effect that necessary adjustments will be made to the calculation formulas for the management fees in the event that MHR acquires treasury investment units or in certain other cases in order to neutralize the impact of such cases on the management fees. In addition, a Merger Fee will be newly introduced for the case where the asset manager researches and evaluates the assets held by the other party to a merger and performs other merger-related work in the event of a merger to which MHR is party. (Proposed amendments of Attachment 1)

- (3) Transitional provisions will be established to clarify the effective date of the amendments outlined in (2) above. (Proposed amendments of Article 41)
- (4) In addition to the above, terminology will be revised to address amendments to laws and regulations and such, expressions will be changed, and words and phrases will be revised and such as necessary to arrange the text.

2. Details of Amendment

The details of the amendment are as follows:

(Amended parts are underlined)

Current Articles of Incorporation	Proposed Amendment
<p>Article 15 Deemed Affirmative Vote 1.~2. (Omitted) (Newly established)</p> <p>(Newly established)</p>	<p>Article 15 Deemed Affirmative Vote 1.~2. (No change)</p> <p>3. <u>The provisions of the preceding two paragraphs shall not apply where (i) within two weeks from the earlier of the date on which the Investment Corporation announces on its website or the date on which the person who has the right to convene the meeting announces in a similar manner that a proposal concerning one of the following items will be submitted to the general meeting of unitholders, unitholders who have continuously held investment units of at least 1% of the total number of investment units issued and outstanding for six months or more notify the Investment Corporation (or both the Investment Corporation and the person who has the right to convene the meeting, if the person who has the right to convene the meeting is not an executive director or supervisory director) of their opposition to the proposal or (ii) the Investment Corporation states in the notice of convocation or announces on its website its opposition to a proposal concerning one of the following items.</u></p> <p><u>(1) Appointment or dismissal of an executive director or supervisory director</u></p> <p><u>(2) Dissolution</u></p> <p><u>(3) Consent to the termination of the asset management entrustment agreement by the asset management company (as defined in Article 38)</u></p> <p><u>(4) Approval or termination of the asset management entrustment agreement by the Investment Corporation</u></p> <p>4. <u>The provisions of Paragraphs 1 and 2 shall not apply to proposals to revise this Article.</u></p>
<p>Article 34 Method of Asset Valuation, Criteria, and Record Date 1. (1)~(6) (Omitted) (7) Rights to derivative transactions set forth in Article 31, Paragraph 4, Item (4)</p>	<p>Article 34 Method of Asset Valuation, Criteria, and Record Date 1.(1)~(6) (No changed) (7) Rights to derivative transactions set forth in Article 31, Paragraph 4, Item (4)</p>

Current Articles of Incorporation	Proposed Amendment
<p>(i) Claims and obligations arising from transactions of derivatives listed on a financial instruments exchange</p> <p>The valuation shall be made using the value calculated based on the closing price on the financial instruments exchange (meaning the final price; if there is no final price, the value calculated based on the indicative price, i.e. either the final lowest indicative offer price published or the final highest indicative bid price published; if both prices are published, the middle rate shall be used). If no closing price is available on the relevant date, the valuation shall be made by the value calculated based on the most recent closing price.</p> <p>(ii) (Omitted)</p> <p>(8)~(9) (Omitted)</p> <p>2.~3. (Omitted)</p>	<p>(i) Claims and obligations arising from transactions of derivatives listed on a financial instruments exchange</p> <p>The valuation shall be made using the value calculated based on the closing price on the financial instruments exchange (meaning the final price; if there is no final price, the value calculated based on the indicative price, i.e., either the final lowest indicative offer price published or the final highest indicative bid price published; if both prices are published, the middle rate shall be used, <u>the same shall apply hereinafter</u>). If no closing price is available on the relevant date, the valuation shall be made by the value calculated based on the most recent closing price.</p> <p>(ii) (No changed)</p> <p>(8)~(9) (No changed)</p> <p>2.~3. (No change)</p>
<p>Article 37 Policy for Cash Distributions</p> <p>(1)(a) (Omitted)</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, reserve, or deal otherwise with a long-term repair reserve, payment reserve, distribution reserve and any other similar reserves and allowances, etc., as well as other necessary amounts 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</p> <p>(1)(a) (No change)</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 <u>(if there is any change in the calculation of this amount due to amendment of laws, regulations, etc., the amount after the change shall be used)</u>. The Investment Corporation may accumulate, reserve, or deal otherwise with a long-term repair reserve, payment reserve, distribution reserve and any other similar reserves and allowances, etc., as well as other necessary amounts that are deemed necessary to maintain and improve the value of the Operating Assets from the Distributable Amount.</p> <p>(2)~(5) (No changed)</p>
<p>(Newly established)</p>	<p><u>Article 41 Transitional Provisions</u></p> <p><u>The revisions to Attachment 1 of these Articles of Incorporation shall take effect on August 1, 2021. This Article shall be deleted after this effective date.</u></p>

<p>Attachment 1</p> <p>The method of calculation and timing of payment of the asset management fees payable to the Asset Management Company shall be as follows and the Investment Corporation shall pay such asset management fees by way of remitting to the bank account designated by the Asset Management Company.</p>	<p>Attachment 1</p> <p>The method of calculation and timing of payment of the asset management fees payable to the Asset Management Company shall be as follows and the Investment Corporation shall pay such asset management fees by way of remitting to the bank account designated by the Asset Management Company.</p>
<p>1. Asset Management Fee System</p> <p>(1) Management Fee 1</p>	<p>1. Asset Management Fee System</p> <p>(1) Management Fee 1</p>
<p>(i) Management Fee 1 for the relevant fiscal period shall be <u>defined as the amount calculated by multiplying the total amount of the appraised value of the assets that are attributable to the Investment Corporation (the “Operating Assets”) as of the prior Fiscal Period Closing Date by a ratio separately agreed upon and not exceeding 0.2%, prorated by dividing the actual number of days in the fiscal period by 365 (rounded down to the nearest whole yen).</u></p>	<p>(i) Management Fee 1 for the relevant fiscal period shall be <u>the amount (rounded down to the nearest whole yen) obtained when the amount of distribution per unit calculated every Fiscal Period Closing Date is multiplied by 1,000,000 and by a rate separately agreed upon of up to 9.0%.</u></p>
<p>(ii) <u>The total amount of the appraised value of Operating Assets at the Fiscal Period Closing Date shall be the total amount of the value of the Real Estate-Related Assets appraised in accordance with each item of Article 34(2) hereof.</u></p>	<p>(ii) <u>The amount of distribution per unit in (i) above shall be calculated by dividing the amount of Distributable Profits calculated every Fiscal Period Closing Date by the total number of investment units issued and outstanding as of the relevant Fiscal Period Closing Date.</u></p>
<p>(Newly Established)</p>	<p>(iii) <u>The amount of Distributable Profits in (ii) above shall be the amount of income before income taxes before deduction of Management Fee 1 and non-deductible consumption tax, etc. related to Management Fee 1 calculated in accordance with generally accepted corporate accounting practices (in cases where there are any losses carried forward, the amount after deducting the entire amount thereof).</u></p>
<p>(2) Management Fee 2</p>	<p>(2) Management Fee 2</p>
<p>(i) Management Fee 2 for the relevant fiscal period shall be <u>defined as the amount calculated by multiplying the amount of the Distributable Profits calculated for the relevant fiscal period by a rate agreed on separately to a maximum of 2.0% (rounded down to the nearest whole yen).</u></p>	<p>(i) Management Fee 2 for the relevant fiscal period shall be <u>the amount (rounded down to the nearest whole yen) obtained when the amount of the NAV per unit as of the prior Fiscal Period Closing Date multiplied by 1,000,000 and by a rate separately agreed upon of up to 0.4% is multiplied by the actual number of days in the fiscal period and divided by 365.</u></p>

<p>(ii) <u>The amount of the Distributable Profits shall be the amount of (a) net income before tax before subtracting (b) Management Fee 2 calculated in accordance with generally accepted corporate accounting practices (in cases where there are any loss carried forward, an amount after deducting the entire amount thereof).</u></p>	<p>(ii) <u>The NAV per unit in (i) above shall be calculated by dividing the adjusted NAV as of the prior Fiscal Period Closing Date by the total number of investment units issued and outstanding as of the same date.</u></p>
<p>(Newly Established)</p>	<p>(iii) <u>The adjusted NAV in (ii) above shall be calculated in accordance with the following formula.</u> <u>Calculation Formula:</u> <u>Adjusted NAV = (a) + (b) – (c)</u> <u>Where:</u> <u>(a) =The amount of net assets on the balance sheet as of the prior Fiscal Period Closing Date</u> <u>(b) =The amount obtained by subtracting the book value of the assets that are attributable to the Investment Corporation (the “Operating Assets”) as of the prior Fiscal Period Closing Date (the total amount of items corresponding to Real Estate-Related Assets on the balance sheet) from their appraised value at the prior Fiscal Period Closing Date (the total amount of the value of the Real Estate-Related Assets appraised in accordance with each item of Article 34, Paragraph 2)</u> <u>(c) =The amount of distribution stated in the statement of cash distributions for the prior fiscal period.</u></p>
<p>(Newly Established)</p>	<p><u>(3) Management Fee 3</u> <u>(i) Management Fee 3 for the relevant fiscal period shall be the amount (rounded down to the nearest whole yen) obtained when the performance of the investment units against the TSE REIT Index is multiplied by the market capitalization of the investment units and by a rate separately agreed upon of up to 0.15%. In the event that the amount of Management Fee 3 is not positive, Management Fee 3 shall be set to zero and the absolute value shall be further deducted from Management Fee 1 or Management Fee 2.</u></p>

(Newly Established)

(ii) The performance of the investment units against the TSE REIT Index in (i) above shall be calculated in accordance with the following formula.

Calculation Formula:

Performance of investment units against TSE REIT Index = (a) – (b)

Where:

(a)=[Final price of investment units of the Investment Corporation on the relevant Fiscal Period Closing Date (if there is no final price on that day, the final price on the most recent day prior to that day) – Final price of investment units of the Investment Corporation on the prior Fiscal Period Closing Date] ÷ Final price of investment units of the Investment Corporation on the prior Fiscal Period Closing Date

(b)=[Closing price of the Tokyo Stock Exchange (TSE) REIT Index (without dividends) on the relevant Fiscal Period Closing Date – Closing price of the TSE REIT Index (without dividends) on the prior Fiscal Period Closing Date] ÷ Closing price of the TSE REIT Index (without dividends) on the prior Fiscal Period Closing Date

However, if the closing price of the TSE REIT Index (without dividends) on the relevant Fiscal Period Closing Date is not available due to the TSE not publishing the TSE REIT Index (without dividends) or any other reason, the closing price of the TSE REIT Index (without dividends) shall be calculated using the figure calculated by the Investment Corporation in accordance with the calculation method of the TSE REIT Index (without dividends) announced at the most recent time on the closing date

(iii) The market capitalization of the investment units in (i) above shall be calculated in accordance with the following formula.

Calculation Formula:

Market capitalization of investment units = Final price of investment units of the Investment Corporation on the relevant Fiscal Period Closing Date × Total number of investment units issued and outstanding as of the relevant Fiscal Period Closing Date

<p>(3) Acquisition Fee</p> <p>In cases where the Investment Corporation acquires Specified Assets, the Acquisition Fee shall be the amount (rounded down to the nearest whole yen) obtained when the purchase price thereof (excluding consumption tax, local consumption tax, and expenses arising in connection with the acquisition) is multiplied by a rate separately agreed upon of up to 1.0% (for acquisition from related parties (as set forth in the rules of the Asset Management Company relating to related-party transactions), 0.1%).</p>	<p>(4) Acquisition Fee</p> <p>In cases where the Investment Corporation acquires Specified Assets, the Acquisition Fee shall be the amount (rounded down to the nearest whole yen) obtained when the purchase price thereof (excluding consumption tax, local consumption tax, and expenses arising in connection with the acquisition) is multiplied by a rate separately agreed upon of up to 1.0% (for acquisition from related parties (as set forth in the rules of the Asset Management Company relating to related-party transactions), 0.1%).</p>
<p>(Newly Established)</p>	<p>(5) Merger Fee</p> <p><u>In the event of an incorporation-type merger or an absorption-type merger to which the Investment Corporation is party (including cases where the Investment Corporation becomes the corporation surviving in an absorption-type merger or the corporation dissolving in an absorption-type merger; the “Merger”), if the Asset Management Company researches and evaluates the assets held by the other party to the Merger and performs other Merger-related work for the Investment Corporation and the Merger takes effect, the Merger Fee shall be the amount (rounded down to the nearest whole yen) obtained when the appraised value of the Specified Assets succeeded to or held by the corporation established in an incorporation-type merger or the corporation surviving in an absorption-type merger out of the Specified Assets held by the other party to the Merger as of the effective date of the Merger is multiplied by a rate separately agreed upon of up to 1.0%.</u></p>
<p>(Newly Established)</p>	<p><u>2. Adjustment Clause</u></p> <p>(1) <u>In the event that the Investment Corporation acquires treasury investment units and holds undisposed or unretired treasury investment units at each Fiscal Period Closing Date, the total number of investment units issued and outstanding at each Fiscal Period Closing Date shall be the number of investment units excluding the treasury investment units held.</u></p>

(Newly Established)

(2) In the event of a consolidation or split of the investment units of the Investment Corporation on or after August 1, 2021, the total number of investment units issued and outstanding as at the Fiscal Period Closing Date for the fiscal period in which the consolidation or split takes place and after shall be the number of investment units adjusted to the number of investment units before the consolidation or split by the consolidation ratio or split ratio when calculating Management Fee 1 and Management Fee 2. Regarding Management Fee 3, when calculating the performance of the investment units against the TSE REIT Index, the final price of the investment units of the Investment Corporation as at the Fiscal Period Closing Date for the fiscal period in which the consolidation or split takes place shall be calculated by adjusting by the consolidation ratio or split ratio.

(Newly Established)	<p><u>(3) In the event that new investment units are issued through the exercise of new investment unit subscription rights pertaining to an allotment without contribution to unitholders (a “Rights Offering”) and the total number of investment units issued and outstanding increases, Management Fee 1 and Management Fee 2 after the date of issuance pertaining to the Rights Offering shall be calculated by multiplying the allotment ratio by the amount of distribution per unit and NAV per unit. The allotment ratio shall be calculated by dividing the total number of investment units issued and outstanding immediately after the Rights Offering by total number of investment units issued and outstanding immediately before the Rights Offering, having deducted the deemed number of units issued at market value (the number of investment units increased by the Rights Offering multiplied by the ratio obtained by dividing the paid-in amount per unit at the time of exercise of the new investment unit subscription rights by the market price per unit (in the case of a Rights Offering, the final price of ordinary trading of the investment units of the Investment Corporation on the TSE on the last day of the exercise period of the new investment unit subscription rights allotted without contribution in the Rights Offering). Regarding Management Fee 3, when calculating the performance of the investment units against the TSE REIT Index, the final price of the investment units of the Investment Corporation as of the Fiscal Period Closing Date for the fiscal period in which the Rights Offering is conducted shall be adjusted by multiplying it by the allotment ratio.</u></p>
<p><u>2. Timing of Payment of Asset Management Fees</u> (1)~(2) (Omitted)</p>	<p><u>3. Timing of Payment of Asset Management Fees</u> (1)~(2) (No changed)</p>
(Newly Established)	<p><u>(3) Management Fee 3</u> <u>Within three (3) months after the end of the relevant Fiscal Period Closing Date</u></p>
<p><u>(3) Acquisition Fee</u> (Omitted)</p>	<p><u>(4) Acquisition Fee</u> (No changed)</p>
(Newly Established)	<p><u>(5) Merger Fee</u> <u>No later than the last day of the month immediately following the month which includes the effective date of the merger.</u></p>

Proposal No. 2: Appointment of one Executive Director

For the purpose of adjusting the term of office, executive director Hideyuki Isobe has tendered the resignation as the role at the time of the end of MHR's 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 Investment Trusts Act 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 16, 2021, 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 March 17, 2021.

The candidate for executive director is as follows.

Name (Date of Birth)	Brief Profile
Hideyuki Isobe (December 1, 1970)	<p>April 1993 Joined Mitsui Fudosan Co., Ltd.</p> <p>May 2002 MBA from the Wharton School, University of Pennsylvania</p> <p>June 2002 Joined Colony Capital Asia Pacific</p> <p>November 2003 Joined Mori Building Urban Fund Management Co., Ltd. (presently, Mori Building Investment Management Co., Ltd.)</p> <p>April 2005 General Manager, Business Development Department</p> <p>October 2005 General Manager, Investment Development Department</p> <p>July 2007 General Manager, Investment Advisory Department</p> <p>November 2007 Mori Building Co., Ltd. General Manager, Finance Planning Department, Finance Division</p> <p>April 2008 General Manager, Business Development Department, Finance Division</p> <p>June 2010 Mori Building Investment Management Co., Ltd. President & CEO (current post)</p> <p>April 2011 Mori Hills REIT Investment Corporation Executive Director (current post)</p>
<ul style="list-style-type: none"> • Number of the Investment Corporation investment units held: 0 units • Fact falling under significant concurrent holding of positions: President & CEO, Mori Building Investment Management Co., Ltd. • 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. • Directors and Officers Liability Insurance: The Investment Corporation has concluded a liability insurance contract with an insurance company, by the insurance contract, will compensate partial or all of the damages incurred by the responsibility for the execution of Executive Director’s duty or receiving a claim relating to the duty. If the proposal of the appointment of Executive Director candidate is approved, the Executive Director candidate will be included in the insured of the insurance contract. In addition, we plan to update with the same content at the next renewal. 	
<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 four Supervisory Directors

For the purpose of adjusting their respective terms of office, two supervisory directors Masakuni Tamura and Koji Nishimura have tendered their resignation as their respective roles at the time of the end of MHR's general meeting of unitholders. Consequently, the Investment Corporation requests the appointment of four 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 four supervisory directors in this proposal shall be (i) from the date of the assumption of office of the supervisory directors, which is April 16, 2021, 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)	<p>April 1977 Joined Mitsui Construction Co., Ltd.</p> <p>September 1985 Seconded to Mitsui Trust Bank, Ltd. (presently, Sumitomo Mitsui Trust Bank, Ltd.), Real Estate Department</p> <p>October 1986 Joined Sigma Planning Institute, Inc.</p> <p>February 1990 Registered as Real Estate Appraiser</p> <p>September 1990 Sigma Planning Institute, Inc., Director</p> <p>April 1997 ARC Brain President (current post)</p> <p>April 2004 Meikai University, Faculty of Real Estate Sciences, Department of Real Estate Sciences and Meikai University, Graduate School of Real Estate Sciences, Part-Time Lecturer</p> <p>February 2006 Mori Hills REIT Investment Corporation Supervisory Director (current post)</p> <p>January 2018 Japan Medical Solutions Co., Ltd. Director (current post)</p> <p>May 2018 Meiji University, the Organization for the Strategic Coordination of Research and Intellectual Properties, Project Professor</p>
<ul style="list-style-type: none"> • 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. • Directors and Officers Liability Insurance: The Investment Corporation has concluded a liability insurance contract with an insurance company, by the insurance contract, will compensate partial or all of the damages incurred by the responsibility for the execution of Supervisory Director's duty or receiving a claim relating to the duty. If the proposal of the appointment of Supervisory Director candidate is approved, the Supervisory Director candidate will be included in the insured of the insurance contract. In addition, we plan to update with the same content at the next renewal. 		

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 & Kosugi)</p> <p>April 2004 Chuo University Faculty of Law Full-time Lecturer (current post)</p> <p>November 2004 Matsuo & Kosugi Partner (current post)</p> <p>December 2014 Seraku Co., Ltd. External Director (current post)</p> <p>April 2017 Mori Hills REIT Investment Corporation Supervisory Director (current post)</p> <p>June 2018 Ocean Network Express Holdings, Ltd. Auditor (current post)</p> <p>October 2020 Plus Alpha Consulting Co., Ltd., External Director (current post)</p>
<ul style="list-style-type: none"> • Number of the Investment Corporation investment units held: 0 units • Fact falling under significant concurrent holding of positions: Partner, Matsuo & Kosugi • Particular vested interest in the Investment Corporation: Not applicable. • Directors and Officers Liability Insurance: The Investment Corporation has concluded a liability insurance contract with an insurance company, by the insurance contract, will compensate partial or all of the damages incurred by the responsibility for the execution of Supervisory Director's duty or receiving a claim relating to the duty. If the proposal of the appointment of Supervisory Director candidate is approved, the Supervisory Director candidate will be included in the insured of the insurance contract. In addition, we plan to update with the same content at the next renewal. 		

Candidate No.	Name (Date of Birth)	Brief Profile
3	Miyako Ishijima (December 27,1956)	<p>April 1990 Registered as attorney</p> <p>April 1990 Joined Kizawa Fujiwara Law Offices (presently, Hashimoto Sogo Law Offices)</p> <p>September 2015 Member of Housing Dispute Examination committee in Tokyo Bar Association (current post)</p> <p>June 2019 Member of Committee on Housing Dispute Settlement Agencies in Japan Federation of Bar Associations (current post)</p> <p>September 2020 Opened Ishijima Law Office (current post)</p>
<ul style="list-style-type: none"> • Number of the Investment Corporation investment units held: 0 units • Fact falling under significant concurrent holding of positions: Representative, Ishijima Law office • Particular vested interest in the Investment Corporation: Not applicable. 		
<ul style="list-style-type: none"> • Directors and Officers Liability Insurance: The Investment Corporation has concluded a liability insurance contract with an insurance company, by the insurance contract, will compensate partial or all of the damages incurred by the responsibility for the execution of Supervisory Director's duty or receiving a claim relating to the duty. If the proposal of the appointment of Supervisory Director candidate is approved, the Supervisory Director candidate will be included in the insured of the insurance contract. In addition, we plan to update with the same content at the next renewal. 		

Candidate No.	Name (Date of Birth)	Brief Profile
4	Emi Kitamura (June 4, 1963)	<p>April 1987 Joined Yasuda Trust & Banking Co., Ltd.</p> <p>December 1990 Registered as Real Estate Appraiser</p> <p>September 1995 Joined Mimura Tax & Accounting</p> <p>December 1998 Registered as Certified Public Accountant</p> <p>August 1999 Registered as Certified Public Tax Accountant</p> <p>October 2005 Mimura Tax & consulting, Partner</p> <p>September 2010 Mimura Tax & consulting, Representative (current post)</p> <p>June 2013 Miyairi Valve Mfg. Co., Ltd. Auditor (current post)</p> <p>May 2017 TSUNAGU GROUP HOLDINGS Inc. Auditor (current post)</p>
<ul style="list-style-type: none"> • Number of the Investment Corporation investment units held: 0 units • Fact falling under significant concurrent holding of positions: Representative, Mimura Tax & Consulting • Particular vested interest in the Investment Corporation: Not applicable. • Directors and Officers Liability Insurance: The Investment Corporation has concluded a liability insurance contract with an insurance company, by the insurance contract, will compensate partial or all of the damages incurred by the responsibility for the execution of Supervisory Director's duty or receiving a claim relating to the duty. If the proposal of the appointment of Supervisory Director candidate is approved, the Supervisory Director candidate will be included in the insured of the insurance contract. In addition, we plan to update with the same content at the next renewal. 		

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 Investment Trusts Act 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.

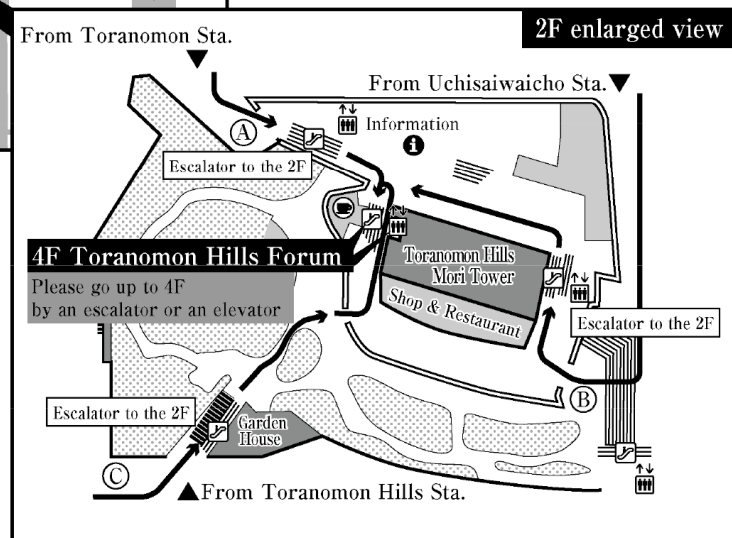
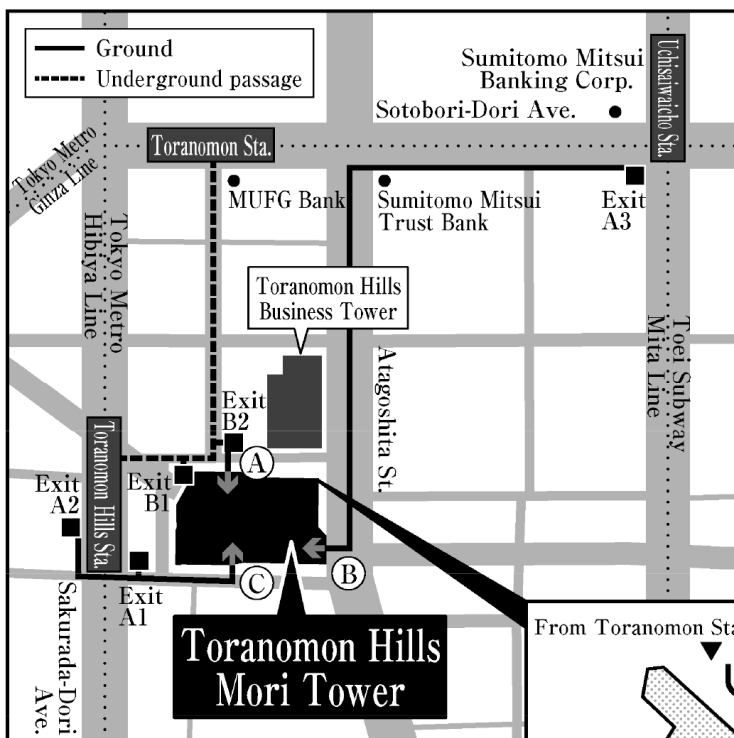
Map to Venue of the General Meeting of Unitholders

Venue: Toranomon Hills Forum Hall B
Toranomon Hills Mori Tower 4F
1-23-3 Toranomon, Minato-ku, Tokyo
TEL: +81-3-6406-6226

Asset Manager: Mori Building Investment Management Co., Ltd.
TEL: +81-3-6234-3200

<Access>

- Tokyo Metro Ginza Line
1-minute walk from Exit B2 of Toranomon Sta.
- Tokyo Metro Hibiya Line
Directly connected to B1 Exit.
2-minute walk from A1 Exit of Toranomon Hills Sta (Nakameguro gates).
2-minute walk from A2 Exit of Toranomon Hills Sta (Kita-Senju gates).
- Toei Subway Mita Line
8-minute walk from Exit A3 of Uchisaiwaicho Sta.



Traffic and parking congestion is expected around the venue.

Please refrain from driving to the venue.