

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
Inquiries: Ryosuke Kanazawa
General Manager, Planning Department
TEL: +81-3-6234-3234

MHR Announces Issuance of Investment Corporation Bond

Mori Hills REIT Investment Corporation (hereafter “MHR”) hereby announces that it decided to issue investment corporation bond in accordance with the Act on Book Entry of Corporate Bonds and Shares based on the “Comprehensive Resolution Related to Issuance of Investment Corporation Bonds” at the Board of Directors Meeting held on July 22, 2016, as follows.

1. Overview of Investment Corporation Bond

- (1) Name of investment corporation bond
MHR Nineteenth 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 bond
2 billion yen
- (3) Certificates
The stipulation of the Act on Book Entry of Corporate Bonds and Shares 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 for each investment corporation bond
- (5) Redemption price
100 yen per face value of 100 yen for each investment corporation bond
- (6) Interest rate
0.500% per annum
- (7) Investment corporation bond amount
100 million yen per investment corporation bond
- (8) Offering method
Primary offering
- (9) Subscription period
June 7, 2017

(10) Payment date
June 30, 2017

(11) Collateral and guarantee
The Investment Corporation Bond is unsecured and unguaranteed. Furthermore, there is 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 June 30, 2027. Redemption by purchase of 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 December 31, 2017, and thereafter on June 30 and December 31 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.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

2. Reason for Issuance

For allocation to funds for acquisitions of “Toranomom Hills Mori Tower” and “Holland Hills Mori Tower” (hereafter “Assets to be Acquired”) to be acquired on August 1, 2017.

(Note) Please refer to the press releases “MHR Announces Asset Acquisitions and Lease (Toranomom Hills Mori Tower: New Acquisition) (Holland Hills Mori Tower: New Acquisition)” dated March 17, 2017 for details.

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): 1,983 million yen

(2) Specific use of funds to be procured and planned expenditure period

For allocation to funds for acquisitions of assets to be acquired on August 1, 2017.

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

(unit: millions of yen)

	Before the Issuance	After the Issuance	Change
Long-term loans payable	126,022	126,022	—
Investment corporation bonds	28,000	30,000	2,000
Total interest-bearing debt	154,022	156,022	2,000

(Note 1) Indicates the borrowings, etc. as of June 30, 2017 after the issuance of Investment Corporation Bond.

(Note 2) Long-term loans payable and investment corporation bonds include the current portion of long-term loans payable within a year and investment corporation bonds.

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

As for risks regarding redemption of Investment Corporation Bond, etc. there are no material changes from the content of the investment risks indicated in the Semiannual Securities Report (Japanese) for the twenty-first fiscal period (ended January 31, 2017) submitted on April 27, 2017.

- 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: <http://www.mori-hills-reit.co.jp/en/>