



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: Akira Nemoto
General Manager, Financial Department
TEL: +81-3-6234-3234

MHR Announces Transaction with a Related Party (Mori Building Co., Ltd.)
(Roppongi Hills Mori Tower)

Mori Hills REIT Investment Corporation (hereafter “MHR”) announced that Mori Building Investment Management Co., Ltd. (hereafter “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 (hereafter “Investment Trusts Act”). The details are as follows.

1. Transaction Overview

MHR has decided to renew the building lease (master lease) and property management agreement between Mori Building Co., Ltd. on September 16, 2020 of Roppongi Hills Mori Tower owned by MHR.

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.

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|------|----------------------------------|---|
| (1) | Leased property | : Roppongi Hills Mori Tower, 28th floor |
| (2) | Leased area | : 4,460.13 m ² |
| (3) | Lessee | : Mori Building Co., Ltd. |
| (4) | Leasing scheme | : Fixed-rent master lease |
| (5) | Term of agreement before renewal | : From September 16, 2015 to September 15, 2020 |
| (6) | Term of agreement after renewal | : From September 16, 2020 to September 30, 2025 |
| (7) | Monthly rent before renewal | : 49,245,410 yen |
| (8) | Monthly rent after renewal | : 49,245,410 yen |
| (9) | Security deposits before change | : 492,454,100 yen |
| (10) | Security deposits after change | : 492,454,100 yen |
| (11) | Planned date of change | : September 16, 2020 |
| (12) | Date of execution | : March 13, 2020 |

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	67,000 million yen (as of March 31, 2019)
Established	June 2, 1959
Major shareholder	Mori Kiyoko Co., Ltd. (as of March 31, 2019)
Net assets	357,236 million yen (as of March 31, 2019)
Total assets	1,673,400 million yen (as of March 31, 2019)
Relationship with MHR and Asset Manager (as of March 13, 2020)	
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 of the officers and employees of the Asset Manager is seconded from Mori Building.
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. An amount equivalent to the management association fee due to the aforementioned change in the payer of the fee will be added separately to finalize the monthly rents after the revision.

Appraisal value by Japan Real Estate Institute concerning continuous monthly rents	
Appraisal value	49,245,410 yen
Appraisal date	February 1, 2020

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

For the forecast of business results, please refer to the “Financial Report for the Twenty-seventh Fiscal Period Ended January 2020” separately announced today.

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