

For Translation Purposes Only

Real Estate Investment Fund Issuer:  
Mori Hills REIT Investment Corporation  
(Securities Code: 3234)  
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Hideyuki Isobe, Executive Director

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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 January 22, 2014.

#### 1. Overview of Investment Corporation Bonds

##### (1) Name of investment corporation bonds

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

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

Hereafter, the Tenth Series Investment Corporation Bond and Eleventh Series Investment Corporation Bond will collectively be referred to as the “Investment Corporation Bonds.” There will be no particular mention as to which bond, if the item is common to both the Tenth Series Investment Corporation Bond and Eleventh Series Investment Corporation Bond.

##### (2) Total issue amount of the investment corporation bonds

Tenth Series Investment Corporation Bond: 3 billion yen

Eleventh Series Investment Corporation Bond: 2 billion yen

Total: 5 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 Bonds. Thus, investment corporation bond certificates will not be issued for the Investment Corporation Bonds.

##### (4) Payment price

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

##### (5) Redemption price

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

- (6) Interest rate  
Tenth Series Investment Corporation Bond: 0.414%per annum  
Eleventh Series Investment Corporation Bond: 0.688%per annum
- (7) Amount of respective investment corporation bonds  
100 million yen
- (8) Offering method  
Primary offering
- (9) Subscription period  
February 7, 2014
- (10) Payment date  
February 24, 2014
- (11) Collateral and guarantee  
The Investment Corporation Bonds are unsecured and unguaranteed. There is also no particular asset retained for the Investment Corporation Bonds.
- (12) Redemption method and maturity  
Tenth Series Investment Corporation Bond: The total amount of the Investment Corporation Bond will be redeemed on February 22, 2019.  
Eleventh Series Investment Corporation Bond: The total amount of the Investment Corporation Bond will be redeemed on February 24, 2021.

Redemption by purchase of the Investment Corporation Bonds 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 August 24, 2014, and thereafter on February 24 and August 24 of each year. (However, August 25, 2018 will be the interest payment date for the Tenth Series Investment Corporation Bond during the period from February 22, 2019 (including this date) to its redemption date, February 22, 2019 (including this date))  
(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  
Mizuho Securities Co., Ltd.  
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

## 2. Reason for Issuance

For allocation to the redemption of 5 billion yen in Fifth Series Unsecured Investment Corporation Bond whose redemption date is February 25, 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): 4,968 million yen
- (2) Specific use of funds to be procured and planned execution period
- 1) Specific use of funds: For allocation to the redemption of 5 billion yen in Fifth Series Unsecured Investment Corporation Bond whose redemption date is February 25, 2014
  - 2) Amount (millions of yen): 4,968 million yen (cash on hand is planned to be allocated to cover the difference of 32 million yen)
  - 3) Planned execution period: February 25, 2014

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

(unit: millions of yen)

	Before the Issuance	After the Issuance	Change
Short-term loans payable	0	0	0
Long-term loans payable	101,200	101,200	0
Total loans payable	101,200	101,200	0
Investment corporation bonds	25,000	25,000	0
Total of loans payable and investment corporation bonds	126,200	126,200	0
Total interest-bearing debt	126,200	126,200	0

(Note 1) Indicates the borrowings, etc. as of February 25, 2014 after the issuance of the Investment Corporation Bonds (after redemption of 5 billion yen in Fifth 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

As for risks regarding redemption of the Investment Corporation Bonds, etc. there are no material changes from the content of the investment risks indicated in the Semiannual Securities Report (Japanese) for the fourteenth fiscal period (ended July 31, 2013) submitted on October 30, 2013.

- 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/>