March 17, 2025



For Translation Purposes Only

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<u>MHR Announces Decisions on Repurchase of Own Investment Units and</u> <u>Amendment to Management Guidelines of Asset Management Company</u>

Mori Hills REIT Investment Corporation (hereinafter "MHR") announces that at MHR's Board of Directors' Meeting held today, it has decided on matters relating to the repurchase of its own investment units under Article 80-2 of the Act on Investment Trusts and Investment Corporations, which is applied by replacing the provisions of Article 80-5, Paragraph 2 of the same Act. In addition, as a prerequisite to the above, Mori Building Investment Management Co., Ltd., the asset management company of MHR, has decided at the Board of Directors' Meeting held today to amend its internal regulations, the Management Guidelines (hereinafter the "Management

amend its internal regulations, the Management Guidelines (hereinafter the "Management Guidelines"), with the objective of adding matters regarding the repurchase and retirement of own investment units to the Management Guidelines, as described below.

1. Reason for Repurchase of Own Investment Units

MHR conducted a comprehensive review of its investment unit price level, available cash on hand, financial market trends, the financial condition, and other factors. As a result, MHR has determined that increasing capital efficiency and returning profits to unitholders through the repurchase and retirement of own investment units will lead to an increase in unitholder value over the medium to long term, and has therefore decided to repurchase its own investment units.

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(1) Total number of investment units to be repurchased	30,700 units (maximum) 1.6% of the total number of issued and outstanding investment units (excluding the number of own investment units)		
(2) Total amount of investment units repurchased	4,000 million yen (maximum)		
(3) Repurchase method	Market purchase on the Tokyo Stock Exchange pursuant to a discretionary transaction agreement with a securities company regarding the repurchase of own investment units		
(4) Repurchase period	March 18, 2025 to July 11, 2025		

2. Details of the Repurchase

MHR's repurchase of own investment units is expected to end when either the maximum total

number of investment units to be repurchased or the maximum total amount of investment units repurchased is reached, or upon the expiration of the repurchase period listed above. For the total amount of investment units repurchased, MHR has determined the size of the repurchase taking into account the currently available cash on hand, future capital needs, the LTV level after execution of the repurchase of own investment units, and the time required to complete the repurchase by the end of the fiscal period ending July 31, 2025, among other factors.

- (Note) Depending on MHR's investment unit price levels, liquidity of investment units, market trends, and other factors, neither the total number of units to be repurchased nor the total amount repurchased may reach the maximum level, or no repurchase may be made at all.
- 3. Retirement of Own Investment Units

MHR plans to retire all the repurchased investment units by resolution of MHR's Board of Directors during the fiscal period ending July 31, 2025.

4. Details of Amendment to Management Guidelines

The provisions relating to "Financial Policy" in Article 14 of the Management Guidelines shall be amended to add a new provision pertaining to the repurchase and retirement of own investment units, as shown in the table below comparing the old and new versions of the Management Guidelines. The amended parts are underlined.

Current Management Guidelines	Amended Management Guidelines	
Article 14 Financial Policy	Article 14 Financial Policy	
1. Basic Principles	1. Basic Principles	
(Omitted)	(No change)	
2. Implementation Standards, etc.	2. Implementation Standards, etc.	
(1) (Omitted)	(1) (No change)	
(2) (Omitted)	(2) (No change)	
(3) <u>(Deleted)</u>	(3) <u>Repurchase and Retirement of Own</u>	
	Investment Units	
	The repurchase and retirement of own	
	investment units may be implemented	
	with the objective of increasing the	
	Investment Corporation's capital	
	efficiency and enhancing unitholder	
	value over the medium to long term,	
	while carefully assessing investment	
	<u>unit price levels, available cash on hand,</u>	
	<u>financial market trends, financial</u>	
	condition, and other factors, and giving	
	due consideration to the size of the	
	investment unit, the impact on market	
	conditions, and other factors.	
(4) (Omitted)	(4) (No change)	
(5) (Omitted)	(5) (No change)	

5. Effective Date of Amendment to Management Guidelines March 17, 2025

(Reference)

Ownership Status of Own Investment Units as of March 17, 2025

Total number of issued and outstanding investment units (excluding own investment units)	1,916,330 units
Number of own investment units	0 units

• MHR's website address is https://www.mori-hills-reit.co.jp/en/