

For Translation Purposes Only

Real Estate Investment Fund Issuer:
Mori Hills REIT Investment Corporation
(Securities Code: 3234)
1-8-7 Roppongi, Minato-ku, Tokyo
Hideyuki Isobe, Executive Director

Asset Manager:
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MHR Announces Transaction with Interested Party (Mori Building Co., Ltd.)

Mori Hills REIT Investment Corporation (hereafter “MHR”) announced the decision to conduct a transaction with an interested party, etc. as stipulated in the Act on Investment Trusts and Investment Corporations (hereafter “Investment Trust Act”). The details are as follows.

1. Overview of Transaction with Interested Party, etc.

MHR will renew a Memorandum on Self Use with Mori Building Co., Ltd. concerning MHR’s portfolio property below. The memorandum allows Mori Building, the master lessee of the property, to use a portion of the property for its own purposes.

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|------------------------------|---|--|
| (1) Leased property | : | Koraku Mori Building |
| (2) Leased area | : | A portion of the second floor |
| (3) Leased floor area | : | 365.27m ² (110.49 tsubos) |
| (4) User | : | Mori Building Co., Ltd. |
| (5) Purpose of use | : | To continue shop operation under a shop operations consignment |
| (6) Use | : | Shop (work cafeteria: Koraku Kizenbo) |
| (7) Rent (monthly) | : | 5% of shop revenues (same terms as before renewal) |
| (8) Deposits | : | None (same deposit as before renewal) |
| (9) Lease term after renewal | : | April 1, 2014 – March 31, 2016 (two years) |
| (10) Date of execution | : | March 31, 2014 (planned) |

Note: The above figures have been taken from the contract. MHR owns the Property’s trust beneficial interests totaling 80% of the entire assets in trust.

2. Overview of Interested 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, 2013)
Established	June 2, 1959
Relationship with MHR and Asset Manager (as of March 27, 2014)	
Capital relationship	Mori Building is a major unitholder (17.7% stake) of MHR. Mori Building is also the wholly owning parent company (100% stake) of the Asset Manager, and thus constitutes an interested party, etc. as defined in the Act on Investment Trusts and Investment Corporations (Investment Trusts Act).
Personnel relationship	Two of the officers and employees of the Asset Manager are seconded from Mori Building.
Business relationship	Mori Building has concluded a support agreement with MHR and the Asset Manager and an advisory business consignment agreement with the Asset Manager, and conducts support, etc. in regard to property acquisitions, etc. In addition, Mori Building has concluded 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 concludes a building lease agreement (so-called master lease agreement) with a trust fiduciary, and leases the entire property as a master lessee. Mori Building also concluded 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 company of MHR. In addition, it is a parent company of the Asset Manager.

3. Procedures Concerning Transactions with Interested Parties, 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.

4. Outlook

There are no changes to be made in MHR's forecasts of financial results for the sixteenth fiscal period ending July 2014 (February 1, 2014 to July 31, 2014) and seventeenth fiscal period ending January 2015 (August 1, 2014 to January 31, 2015) as there is no impact as a result of the transaction.

- 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/>