

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 (hereinafter “MHR”) announced that Mori Building Investment Management Co., Ltd. (hereinafter “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 (hereinafter “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 August 1, 2021 of Roppongi Hills Mori Tower owned by MHR.

2. Summary of the Renewal and Reasons

Upon expiration of the agreement term, through the comprehensive consideration and discussion between the parties, whether continuing with the fixed-rent master lease scheme or changing to a pass-through master lease scheme, based on the appraisal on continuing rent from Japan Real Estate Institute, MHR has decided to renew the agreement under the same conditions as below, which are equivalent to the level of rent per area for other floors of the property under the fixed-rent master lease scheme.

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|------|----------------------------------|---|
| (1) | Leased property | : Roppongi Hills Mori Tower, 23rd and 24th floors |
| (2) | Leased area | : 8,993.45 m ² |
| (3) | Lessee | : Mori Building Co., Ltd. |
| (4) | Leasing scheme | : Fixed-rent master lease |
| (5) | Term of agreement before renewal | : From August 1, 2011 to July 31, 2021 |
| (6) | Term of agreement after renewal | : From August 1, 2021 to July 31, 2026 |
| (7) | Monthly rent before renewal | : 114,641,652 yen |
| (8) | Monthly rent after renewal | : 99,298,930 yen |
| (9) | Security deposits before change | : 1,146,416,520 yen |
| (10) | Security deposits after change | : 992,989,300 yen |
| (11) | Planned date of change | : August 1, 2021 |
| (12) | Date of execution | : February 19, 2021 |

3. Overview of Related Party, etc.

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|---|---|
| Name | Mori Building Co., Ltd. |
| Location | 6-10-1 Roppongi, Minato-ku, Tokyo |
| Representative | Shingo Tsuji, President & CEO |
| Scope of business | General developer |
| Capital | 79,500 million yen (as of September 30, 2020) |
| Established | June 2, 1959 |
| Major shareholder | Mori Kiyō Co., Ltd. etc. (as of September 30, 2020) |
| Net assets | 404,816 million yen (as of September 30, 2020) |
| Total assets | 1,809,414 million yen (as of September 30, 2020) |
| Relationship with MHR and Asset Manager (as of February 19, 2021) | |
| 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 director and one auditor of the Asset Manager are sent from this company. |
| 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. 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.

5. Outlook

For the forecast of business results, please refer to the “MHR Announces Forecast for the Fiscal Period Ending January 2022” separately announced today.

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