

For Translation Purposes Only

Real Estate Investment Fund Issuer:
Mori Hills REIT Investment Corporation
(Securities Code: 3234)
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MHR Announces Issuance of Investment Corporation Bonds

Mori Hills REIT Investment Corporation (hereinafter “MHR”) 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 underwriter for investment corporation bonds offering” at the Board of Directors Meeting held on April 26, 2013.

1. Overview of Investment Corporation Bonds

(1) Name of Investment Corporation Bonds

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

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

Hereinafter, the Eighth Series Investment Corporation Bond and Ninth 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 Eighth Series Investment Corporation Bond and Ninth Series Investment Corporation Bond.

(2) Total issue amount of the Investment Corporation Bonds

Eighth Series Investment Corporation Bond: 3 billion yen

Ninth 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
Eighth Series Investment Corporation Bond: 0.85%per annum
Ninth Series Investment Corporation Bond: 1.26%per annum
- (7) Amount of Respective Investment Corporation Bonds
100 million yen
- (8) Offering Method
Public offering
- (9) Subscription Period
May 15, 2013
- (10) Payment Date
May 24, 2013
- (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
Eighth Series Investment Corporation Bond: The total amount of the Investment Corporation Bond will be redeemed on May 24, 2018.
Ninth Series Investment Corporation Bond: The total amount of the Investment Corporation Bond will be redeemed on May 22, 2020.

Redemption by purchase of the Investment Corporation Bonds by MHR is allowed at all times starting on the following day of the payment date, unless otherwise specified by the Institution for Book-entry Transfer mentioned under (16) below.

- (13) Interest Payment Date
The first payment date will be November 24, 2013, and thereafter on May 24 and November 24 of each year. (However, May 22, 2020 will be the interest payment date for the Ninth Series Investment Corporation Bond during the period from November 25, 2019 (including this date) to its redemption date, May 22, 2020 (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 Agreement
Negative pledge is applied
- (15) Credit Rating
JCR: AA-
- (16) Institution for Book-entry Transfer
Japan Securities Depository Center, Inc.
- (17) Fiscal Agent, Issuing Agent and Paying Agent
Mitsubishi UFJ Trust and Banking Corporation
- (18) Underwriting Securities Companies
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Barclays Securities Japan Limited

2. Reason for Issuance

For allocation to the redemption of 5 billion yen in Third Series Unsecured Investment Corporation Bond whose redemption date is May 27, 2013.

3. Amount Obtained through Funding, Use of Funds and Planned Payment Period Using the Acquired Funds

(1) Amount Obtained through Funding (estimated paid-in amount): 4,967 million yen

(2) Details on the Use of Funds Obtained through Funding and Planned Payment Period Using the Acquired Funds

1) Use of Funds: For allocation to the redemption of 5 billion yen in Third Series Unsecured Investment Corporation Bond whose redemption date is May 27, 2013

2) Amount (millions of yen): 4,967 million yen (cash on hand is planned to be allocated to cover the difference which equals 33 million yen)

3) Planned Payment Period: May 27, 2013

4. Borrowing Amount, etc. after the Issuance of the Investment Corporation Bonds

(unit: millions of yen)

	Before the Issuance	After the Issuance	Change
Short-term borrowings	2,978	2,978	0
Long-term borrowings	88,847	88,847	0
Total borrowings	91,825	91,825	0
Investment corporation bonds	25,000	25,000	0
Total of borrowings and investment corporation bonds	116,825	116,825	0
Total interest-bearing borrowings	116,825	116,825	0

(Note 1) Indicates the borrowing amount, etc. as of May 27, 2013 after the issuance of the Investment Corporation Bonds (after redemption of 5 billion yen in Third Series Unsecured Investment Corporation Bond mentioned under 3. (2) above).

(Note 2) Long-term borrowings include the current portion of long-term loans payable.

5. Other Mandatory Items for Investors to Appropriately Understand/Judge the Concerned Information

As for risk regarding redemption of the Investment Corporation Bonds, etc. there are no material changes from the content of investment risk indicated in the Semiannual Securities Report (Japanese) for the thirteenth fiscal period (ended January 31, 2013) submitted on April 26, 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/>