

For Translation Purposes Only

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(Securities Code: 3234)
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MHR Announces Issuance of New Investment Units and
Secondary Offering of Investment Units

Mori Hills REIT Investment Corporation (hereafter “MHR”) announced that it has resolved at MHR’s Board of Directors Meeting held today, to issue new investment units as well as secondary offering of investment units, as follows.

1. Issuance of New Investment Units through Public Offering (Primary Offering)

- (1) Number of units to be offered: 21,300 units
- (2) Issue price (offer price): To be determined.
(The issue price (offer price) shall be provisionally determined by multiplying the Tokyo Stock Exchange (hereafter “TSE”) closing price of MHR’s investment units (hereafter Investment Unit”) on any date from Wednesday, August 28, 2013 to Monday, September 2, 2013 (hereafter “Pricing Date”) (or the closing price on the day immediately preceding the pricing date in the event that there is no closing price) by a factor of 0.90 to 1.00 (amounts less than ¥1 to be rounded down), in consideration of demand and other factors.)
- (3) Amount to be paid in (purchase price): To be determined.
(The price shall be determined by a resolution of the Board of Directors Meeting to be held on the pricing date. The amount to be paid in (purchase price) shall be proceeds per investment unit received from the underwriters mentioned under (5) below as payment of the investment units.)
- (4) Total amount to be paid in (purchase price): To be determined.
- (5) Offering method: The investment units shall be offered through primary offering, and all the investment units shall be underwritten and purchased in full by Mizuho Securities Co., Ltd., SMBC Nikko Securities Inc., UBS Securities Japan Co., Ltd. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (hereafter “Joint Lead Managers”), as well as Daiwa Securities Co., Ltd. (collectively referred to together with the joint lead managers as the “Underwriters”).

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- (6) Underwriting agreement: The underwriters shall purchase and underwrite the investment units at the same amount as the amount to be paid in to be determined on the pricing date and offer them at prices that vary from such underwriting price (issue price). The underwriters shall pay MHR the total underwriting price on the payment date, and the difference between the total issue price and total underwriting price shall be the proceeds for the underwriters. MHR will not pay any underwriting fee to the underwriters.
- (7) Book building period: From Monday, August 26, 2013 to the pricing date.
- (8) Subscription unit: One unit or more in increments of one unit.
- (9) Subscription period: From Tuesday, September 3, 2013 to Wednesday, September 4, 2013
The subscription period may be moved up in consideration of demand and other factors. In that case, the earliest subscription period would be from Thursday, August 29, 2013 to Friday, August 30, 2013.
- (10) Payment date: Monday, September 9, 2013
The payment date may be moved up in consideration of demand and other factors. In that case, the earliest payment date would be Wednesday, September 4, 2013.
- (11) Delivery date: The business day following the payment date.
- (12) The issue price (offer price), amount to be paid in (purchase price) and other items necessary for the issuance of new investment units shall be determined at a future Board of Directors Meeting. However, any modifications or other adjustments before a formal decision is made shall be determined at the discretion of the Executive Officer.
- (13) Each of the above items shall be subject to the effectiveness of the security registration under the Financial Instruments and Exchange Act.

2. Secondary Offering of Investment Units (Over-Allotment)

- (1) Seller and the number of investment units to be offered: Mizuho Securities Co., Ltd.: 1,065 units
The above number of investment units to be offered is for the secondary offering (over-allotment) conducted by Mizuho Securities Co., Ltd. Aside from and in connection with the primary offering and in consideration of demand and other factors of the primary offering. Mizuho Securities Co., Ltd. will borrow up to 1,065 units from Mori Building Co., Ltd., a unitholder of MHR. The above number of investment units to be offered indicates the maximum number of units to be offered through the secondary offering (over-allotment). Depending on demand and other factors, there may be cases where this number of investment units is reduced or the secondary offering (over-allotment) itself is cancelled.
- (2) Offer price: To be determined.
(It will be decided on the pricing date, and shall be the same as the issue price (offer price) of the primary offering.)
- (3) Total amount of offer price: To be determined
- (4) Offering method: In consideration of demand and other factors of the primary offering, Mizuho Securities Co., Ltd. shall offer the investment units by borrowing a maximum of 1,065 units from Mori Building Co., Ltd., a unitholder of MHR, separately from the primary offering.
- (5) Subscription unit: One unit or more in increments of one unit.
- (6) Subscription period: It shall be the same as the primary offering.
- (7) Delivery date: It shall be the same as the delivery date of the primary offering.
- (8) The offer price and other items necessary for the secondary offering shall be determined at a future

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Board of Directors Meeting. However, any modifications or other adjustments before a formal decision is made shall be determined at the discretion of the Executive Officer.

- (9) Each of the above items shall be subject to the effectiveness of the security registration under the Financial Instruments and Exchange Act.

3. Issuance of New Investment Units through Third-Party Allotment

- (1) Number of investment units to be offered: 1,065 units
- (2) Amount to be paid in (purchase price): To be determined.
(It shall be the same as the amount to be paid in (purchase price) of the primary offering.)
- (3) Total amount to be paid in (total purchase price): To be determined
- (4) Allottee and number of investment units allotted: Mizuho Securities Co., Ltd.: 1,065 units
- (5) Subscription unit: One unit or more in increments of one unit
- (6) Subscription period (subscription date): Tuesday, October 1, 2013
- (7) Payment date: Wednesday, October 2, 2013
- (8) If there is no subscription for investment units to be offered during the subscription period (subscription date) mentioned in (6), the issuance of such investment units shall be canceled.
- (9) The amount to be paid in (purchase price) and other items necessary for the issuance of new investment units shall be determined at a future Board of Directors Meeting. However, any modifications or other adjustments before a formal decision is made shall be determined at the discretion of the Executive Officer.
- (10) The issuance of new investment units through the third-party allotment shall not be conducted if the primary offering is suspended.
- (11) Each of the above items shall be subject to the effectiveness of the security registration under the Financial Instruments and Exchange Act.

<For Reference>

1. Details of the Secondary Offering (Over-allotment)

- (1) In consideration of demand and other factors of the primary offering, Mizuho Securities Co., Ltd. may offer the investment units (hereafter “Borrowed Investment Units”) by borrowing a maximum of 1,065 units from Mori Building Co., Ltd. a unitholder of MHR (secondary offering through over-allotment). The number of investment units to be issued through over-allotment is the maximum number of investment units to be offered, and there may be cases where this number of investment units is reduced or the secondary offering (over-allotment) itself is canceled, in consideration of demands and other factors.
- (2) For the purpose of obtaining the investment units necessary to return those Mizuho Securities Co., Ltd. borrowed from Mori Building Co., Ltd. in connection with the secondary offering (over-allotment), MHR has made resolution at its Board of Directors Meeting held today, to carry out an issuance of investment units through third-party allotment of 1,065 units of new investment units for which Mizuho Securities Co., Ltd. is the allottee (hereafter “Third-Party Allotment”) with the payment date for issuance to be Wednesday, October 2, 2013.
- (3) In order to apply for the return of the borrowed investment units, there may be cases where Mizuho Securities Co., Ltd. may also purchase the investment units up to the number of units of the secondary offering (over-allotment) in the TSE (hereafter the “Syndicated Cover Transaction”) during the period from the day following the close of the subscription period for the primary offering and the secondary offering (over-allotment) until Friday, September 27, 2013 (hereafter the “Syndicated Cover Transaction Period”). All of the investment units

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purchased by Mizuho Securities Co., Ltd. through the syndicated cover transaction shall be used to return the borrowed investment units. Furthermore, there may be cases where Mizuho Securities Co., Ltd., at its own judgment, may not conduct the syndicated cover transaction at all, or may complete the syndicated cover transaction with a number of investment units that is smaller than the number of investment units offered through the secondary offering (over-allotment).

- (4) Moreover, Mizuho Securities Co., Ltd. may engage in stabilizing transactions related to the primary offering and the secondary offering (over-allotment). The investment units purchased through such stabilizing transactions may possibly be used, in whole or in part, in returning the borrowed investment units.
- (5) For the number of investment units as a result of reducing the number of investment units purchased through the syndicated cover transaction and stabilizing transactions and used to return the borrowed investment units from the number of investment units for the secondary offering (over-allotment), Mizuho Securities Co., Ltd. intends to accept the allotment of the third-party allotment and acquire the investment units. Consequently, there may be cases where there will be no subscription to the investment units offered in the third-party allotment, in whole or in part, and accordingly the final number of investment units placed by the third-party allotment would decrease to that extent due to forfeiture, or such allotment itself will not take place at all.
- (6) Whether or not the secondary offering (over-allotment) will be conducted and the number of investment units offered in the event that it takes place will be determined on the pricing date. If the secondary offering (over-allotment) does not take place, Mizuho Securities Co., Ltd. will not borrow investment units from our unitholder. Consequently, Mizuho Securities Co., Ltd. would not accept allotment of the third-party allotment and would not subscribe, leading to forfeiture, and the issuance of new investment units through the third-party allotment would not be conducted at all. Syndicated cover transactions at TSE would not be conducted either.
- (7) Concerning the above transactions, Mizuho Securities Co., Ltd. will conduct upon consultation with SMBC Nikko Securities Inc., UBS Securities Japan Co., Ltd. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

2. History of Total Investment Units Following This Issuance of New Investment Units

Current total number of investment units issued:	254,620 units
Increase in investment units following the primary offering:	21,300 units
Total number of investment units following the primary offering:	275,920 units
Increase in investment units following the third-party allotment:	1,065 units (Note)
Total number of investment units following the third-party allotment:	276,985 units (Note)

(Note) In the event that subscription to all the new investment units through the third-party allotment and the issuance is conducted.

3. Purpose and Reason for Issuance

MHR has decided to issue new investment units in order to realize external growth through the acquisition of new specified assets (assets described in Article 2 Paragraph 1 of the Act on Investment Trusts and Investment Corporations), after examining market trends, financial soundness, distribution levels and other factors.

4. Amount to be Procured, Use of Funds and Scheduled Expenditure Date

(1) Amount Obtained through Funding (approximate net proceeds)

11,806,505,865 yen (maximum)

(Note 1) The aggregate of the estimated proceeds from the primary offering of 11,244,291,300 yen and the maximum estimated proceeds from the third-party allotment of 562,214,565 yen are indicated.

(Note 2) The abovementioned amount is an estimated amount calculated based on the closing price of the investment unit on the TSE as of August 5, 2013.

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(2) Details on the Use of Funds to be Procured and Scheduled Expenditure Date

Funds to be procured from the issuance will be used for part of acquisition of specified assets-to-be-acquired mentioned in the press release “MHR Announces Asset Acquisition in Japan, Roppongi Hills Mori Tower: Additional Acquisition” separately announced today. The remaining funds, if any, will be kept as cash on hand, and will be used for part of future acquisition of specified assets.

Property No.	Asset to be Acquired	Planned Acquisition Price (Note)	Planned Acquisition Date
O-0	Roppongi Hills Mori Tower	21,900 million yen	October 1, 2013

(Note) The indicated planned acquisition price does not include acquisition-related costs, consumption taxes and other expenses.

5. Designated Destination of Distribution

None

6. Outlook

Please refer to the press release “MHR Revises of the Forecast for the Period Ending January 2014 and Announces the Forecast for the Period Ending July 2014” separately announced today.

7. Management Status for the Past Three Fiscal Periods and Status of Equity Finance

(1) Management Status for the Past Three Fiscal Periods

	Fiscal period ended January 2012	Fiscal period ended July 2012	Fiscal period ended January 2013
Net Income per Unit (Note)	8,622 yen	9,154 yen	9,169 yen
Dividend per Unit	8,622 yen	8,700 yen	9,169 yen
Actual Dividend Payout Ratio	100.0%	95.0%	99.9%
Net Assets per Unit	449,236 yen	449,768 yen	450,237 yen

(Note) Figures are calculated by dividing the net income by the weighted average number of units outstanding.

(2) Status of the Most Recent Investment Unit Price

(a) Status During the Past Three Fiscal Periods

	Fiscal period ended July 2012	Fiscal period ended January 2013	Fiscal period ended July 2013
Opening price	252,200 yen	334,000 yen	486,500 yen
Highest price	353,000 yen	488,000 yen	734,000 yen
Lowest price	249,700 yen	315,500 yen	447,500 yen
Closing price	330,500 yen	485,000 yen	548,000 yen

(b) Status During the Past Six Month Period

	March 2013	April 2013	May 2013	June 2013	July 2013	August 2013(Note)
Opening price	532,000 yen	703,000 yen	677,000 yen	581,000 yen	620,000 yen	545,000 yen
Highest price	734,000 yen	733,000 yen	684,000 yen	617,000 yen	642,000 yen	584,000 yen
Lowest price	528,000 yen	594,000 yen	538,000 yen	522,000 yen	544,000 yen	541,000 yen
Closing price	701,000 yen	677,000 yen	601,000 yen	617,000 yen	548,000 yen	561,000 yen

(Note) The amounts are based on investment unit price as of August 16, 2013.

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(c) Investment Unit Price One Business Day Prior to the Issuance Resolution Day

	August 16, 2013
Opening price	564,000 yen
Highest price	570,000 yen
Lowest price	560,000 yen
Closing price	561,000 yen

(3) Status of Equity Finance During the Past Three Fiscal Periods

(a) Capital Increase through Public Offering

Issue date	Monday, March 4, 2013
Procured amount	10,433,808,000 yen
Amount to be paid in (purchase price)	474,264 yen
Number of investment units outstanding before the offering	231,520 units
Number of investment units issued through public offering	22,000 units
Total number of investment units issued after the offering	253,520 units
Initial use of funds at the time of issuance	To be used as part of the funds to acquire the assets-to-be-acquired, etc.
Scheduled expenditure date at the time of issuance	April 2013
Status of expenditure to date	The entire amount of procured funds has already been allocated at the scheduled expenditure date above.

(b) Capital Increase through Third-Party Allotment

Issue date	Wednesday, April 3, 2013
Procured amount	521,690,400 yen
Amount to be paid in (purchase price)	474,264 yen
Number of investment units outstanding before the allotment	253,520 units
Number of investment units issued through third-party allotment	1,100 units
Total number of investment units issued after the allotment	254,620 units
Allottee	Mizuho Securities Co., Ltd.
Initial use of funds at the time of issuance	To be used as part of the funds to acquire the assets-to-be-acquired, etc.
Scheduled expenditure date at the time of issuance	April 2013
Status of expenditure to date	The entire amount of procured funds has already been allocated at the scheduled expenditure date above.

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8. Other

- (1) Stabilizing transactions: Mizuho Securities Co., Ltd. may engage in stabilizing transactions related to the primary offering and the secondary offering (over-allotment).
- (2) Lock-up agreement with issuer: Concerning the primary offering, MHR and the joint lead managers have agreed that MHR will not additionally issue investment units (except for an additional issue in the case of the primary offering, third-party allotment, split of investment units, etc.) for a period of three months after the delivery date concerning the primary offering (hereafter “Delivery Date”) without prior written consent by the joint lead managers.
- (3) Lock-up agreement with Mori Building: Concerning the primary offering, Mori Building Co., Ltd. has agreed with the joint lead managers not to sell, transfer, pledge as collateral, lend or otherwise dispose of the investment units it owns, except for lending them to Mizuho Securities Co., Ltd. for the secondary offering (over-allotment), for a period of three months after the delivery date, except for the case where the joint lead managers give prior written consent.
- 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/>

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