

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 Ryutsu System Co., Ltd.)

Mori Hills REIT Investment Corporation (hereafter “MHR”) announced the decision of 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 conclude a Memorandum to Revise Rent on Business-Use Fixed-Term Land Lease Right Agreement with lessee, Mori Building Ryutsu System Co., Ltd. concerning MHR’s portfolio property below based on the provision of rent revision in the Business-Use Fixed-Term Land Lease Agreement concluded with Mori Building Ryutsu System Co., Ltd.

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|----------------------------------|---------------------------------------|
| 1) Leased property:              | Laforet Harajuku (land)               |
| 2) Leased floor area:            | 2,565.06m <sup>2</sup>                |
| 3) Lessee:                       | Mori Building Ryutsu System Co., Ltd. |
| 4) Monthly rent before revision: | 107,800,000 yen                       |
| 5) Monthly rent after revision:  | 102,400,000 yen                       |
| 6) Date of revision:             | October 1, 2013 (planned)             |
| 7) Date of execution:            | To be executed by September 30, 2013  |

2. Overview of Interested Party, etc.

Name	Mori Building Ryutsu System Co., Ltd.
Location of headquarters	1-9-13 Jingumae, Shibuya-ku, Tokyo
Representative	Shingo Tsuji, President & CEO
Scope of business	Commercial developer primarily involved in management and Consulting of shopping center (Laforet Harajuku) and multi-purpose hall (Laforet Museum)
Capital	1,500 million yen (as of September 13, 2013)
Established	July 3, 1986

Relationship with MHR and Asset Manager	Morikiyo Co., Ltd., the parent company of Mori Building Co., Ltd., which is the shareholder of the Asset Manager (100% stake), invests in Mori Building Ryutsu System Co., Ltd., and thus constitutes an interested party, etc. as stipulated in the Investment Trust Act. Mori Building is a major unitholder of MHR (17.7% stake).
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3. Other

The appraisal value below shall be the revised amount, consulting with Mori Building Ryutsu System Co., Ltd.

Appraisal value of monthly rent (land fee) by Japan Real Estate Institute

Appraisal value: 102,400,000 yen

Appraisal date: September 1, 2013

4. Procedures Concerning Transaction with Interested 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 taken steps pursuant to the Related Parties Transaction Guidelines.

5. Outlook

There are no changes to be made in MHR's forecasts of financial results for the fifteenth fiscal period ending January 2014 (August 1, 2013 to January 31, 2014) and sixteenth fiscal period ending July 2014 (February 1, 2014 to July 31, 2014) 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/>