Disclaimers

This document has been prepared solely for the purpose of providing U.K. and Dutch investors with certain information under Article 23 of the European Alternative Investment Fund Managers Directive (European Directive 2011/61/EU) (the "AIFMD") as implemented in their respective jurisdictions. Accordingly, you should not use this document for any other purpose.

Netherlands

The units of Mori Hills REIT Investment Corporation ("Mori Hills" or the "AIF") are being marketed in the Netherlands under Section 1:13b of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, or the "Wft"). In accordance with this provision, Mori Building Investment Management Co., Ltd. (the "AIFM") has submitted a notification with the Dutch Authority for the Financial Markets. The units of Mori Hills will not, directly or indirectly, be offered, sold, transferred or delivered in the Netherlands, except to or by individuals or entities that are qualified investors (*gekwalificeerde beleggers*) within the meaning of Article 1:1 of the Wft, and as a consequence neither the AIFM nor Mori Hills is subject to the license requirement pursuant to the Wft. Consequently, neither the AIFM nor Mori Hills is subject to supervision of the Dutch Central Bank (*De Nederlandsche Bank*, "DNB") or the Netherlands Authority for Financial Markets (*Autoriteit Financiële Markten*, the "AFM") and this Article 23 AIFMD Prospectus is not subject to approval by the AFM. No approved prospectus is required to be published in the Netherlands pursuant to Article 3 of the Regulation (EU) 2017/1129 (the "Prospectus Regulation") as amended and applicable in the Netherlands. The AIFM is therefore solely subject to limited ongoing regulatory requirements as referred to in Article 42 of the AIFMD.

United Kingdom

The units of Mori Hills are being marketed in the United Kingdom pursuant to Article 59 of the United Kingdom Alternative Investment Fund Managers Regulations 2013. In accordance with this provision, the AIFM has submitted a notification with the Financial Conduct Authority (the "FCA") in the United Kingdom.

For the purposes of the United Kingdom Financial Services and Markets Act 2000 ("FSMA"), Mori Hills is an unregulated collective investment scheme which has not been authorized by the FCA.

Accordingly, any communication of an invitation or inducement to invest in Mori Hills may be made to persons in the United Kingdom only if the communication falls within one or more of the categories of exempt financial promotions under the Financial Services and Markets Act (Financial Promotion) Order 2005 (the "Order"), such as financial promotions communicated to:

(1) persons who are investment professionals, as defined in article 19(5) of the Order;
(2) persons who are high net worth companies, unincorporated associations, or other entities listed in article 49(2) of the Order,

or if the communication is made to persons to whom such an invitation or inducement may otherwise lawfully be communicated. The distribution of this document to any person in the United Kingdom in circumstances not falling within one of the above categories is not permitted and may contravene FSMA. No person falling outside those categories should treat this document as constituting a promotion to him, or act on it for any purposes whatever.

European Economic Area

In addition to the restrictions under the AIFMD, the units of Mori Hills are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation, as amended. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the units of Mori Hills or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the units of Mori Hills, or otherwise making them available, to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Article 23 (1)(a)	
Objectives of the AIF	The core strategy of Mori Hills REIT Investment Corporation ("Mori Hills" or the "AIF") is "investment in the city", which is based on the belief that mixed-use urban spaces, combining uses such as work, residence, recreation, rest and study, create synergies that enhance customer satisfaction, attract more people traffic into the area and promote the area development as a whole. "City" in this context refers to not merely a geographic location with an aggregation of buildings, but a "space" which integrates various needs of the people's urban lifestyle and includes the entirety of the economic and cultural activities of the people that gather in such space. Mori Hills believes that "investment in the city" will continue to provide stable rental revenue and a solid foundation for portfolio growth to achieve its investment objective of maximizing the value of the unitholders' investments over a long term.
Investment strategy	Mori Hills aims to achieve its objectives through the following strategies: • *Continue to seek premium properties in central Tokyo*. Mori Hills seeks to continue its focus on investing in "premium properties", and in mixed-use urban spaces that combine uses such as work, residence, recreation, rest and study, to create synergies that enhance customer satisfaction, attract more people traffic into the area and promote the area development as a whole. • *Leverage the acquisition pipeline of the Sponsor and the Mori Building Group*. Mori Hills and Mori Building Investment Management Co., Ltd. (the "AIFM") intend to achieve continued growth in its portfolio by leveraging assistance from Mori Building Co., Ltd. (the "Sponsor") through the support agreement with the Sponsor. The Sponsor has agreed to give Mori Hills preferential negotiation rights and will provide Mori Hills with information on properties that meet its investment criteria before providing it to any other person, subject to certain exceptions. • *Utilize the asset management experience of the AIFM*. Mori Hills seeks to take advantage of the knowledge, experience and network of the AIFM in the real estate market to help it locate and acquire properties that fit its investment strategy. • *Focus on maintaining and increasing NOI yields and asset values.* Mori Hills intends to continue acquiring properties that will maintain or enhance portfolio net operating income yields. • *Leverage its relationship with the Sponsor as its property manager.* The Sponsor acts as the property manager for nearly all of Mori Hills' properties. Mori Hills will use its relationship with the Sponsor to ensure thoughtful and efficient management of its properties. • *Increase the number of pass-through master leases over the medium to long term.* Mori Hills will seek to increase the percentage of pass-through master leases and decrease the percentage of fixed-rent master leases in its portfolio over the medium to long term in order to capture the upside of market conditions. • *Optimize operating costs*. Mori Hills seeks to maintain operating costs at an appropriate level through efficient operational management and regular review of operating costs, while not sacrificing competiveness and tenant satisfaction.

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	• *Maintain strong tenant relations.* Mori Hills seeks to secure attractive tenants for its properties to increase the value of its portfolio over the medium to long term by maintaining long-term relationships of trust with qualified tenants. • *Improve leasing management.* The AIFM intends to continue to work with property managers to evaluate the operational and leasing status of the tenants and formulate and execute plans for improvement. • *Establish long-term maintenance and repair plans.* Mori Hills has established long-term plans for maintenance, repairs and renovations to maintain the value of the assets in its portfolio.
Types of assets the AIF may invest in	Real estate, trust beneficiary interests relating to real estate, real estate-related securities, specified assets and other assets, including assets that are incidental to real estate investment, such as trademark rights and copyrights.
Techniques it may employ and all associated risks	Mori Hills makes investments primarily in high-quality, large-scale properties exhibiting superior earthquake resistance in central Tokyo with a strategic focus on "premium properties", which are defined as office buildings, residential properties and retail and other facilities with competitive advantages in terms of quality, scale and other specifications that are expected to continue into the future. The principal risks with respect to investment in Mori Hills are as follows: • Any adverse conditions in the Japanese economy could adversely affect Mori Hills' properties; • Mori Hills may not be able to acquire properties to execute its growth and investment strategy in a manner that is accretive to earnings and the amount of dividends per unit; • The high concentration in Mori Hills' portfolio of premium properties in central Tokyo could have a material adverse effect on Mori Hills' business; • Increases in prevailing market interest rates, particularly following the Bank of Japan's announcement of a major new policy for monetary easing, would increase Mori Hills' interest expense and may result in a decline in the market price of Mori Hills' units; • Mori Hills' reliance on the Sponsor and other Mori Building Group companies could have a material adverse effect on Mori Hills' business; • Competition for tenants may adversely affect Mori Hills' ability to retain its current tenants, find new tenants and achieve favorable rental rates; • Mori Hills may suffer large losses if any of its properties incur damage from a natural or man-made disaster or acts of violence; • Mori Hills may incur unexpected expenses, expenditure or other losses for repair or maintenance of its properties; • Mori Hills may be strictly liable for any unforeseen loss, damage or injury suffered by a third party at its properties; • Because most of Mori Hills' operating expenses are largely fixed, it may suffer adverse consequences if its rental revenues decline; • Illiquidity in the real estate market may limit Mori Hills' ability to grow or adjust its portfolio; • Defects relating to Mori Hills' properties may adversely affect its financial condition and results of operations;

	• Mori Hills relies on expert reports for appraisals and PML percentages, and these reports are subject to significant uncertainties; • Mori Hills relies on industry and market data that are subject to significant uncertainties; • The environmental assessments of Mori Hills' properties made prior to its ownership may not have uncovered all environmental liabilities, and Japanese laws subject property owners to strict environmental liabilities; • To the extent Mori Hills' purchases or commits to purchase properties still in the development stage, it will be exposed to increased risks and uncertainties; • Mori Hills may lose rental revenues in the event of lease terminations, decreased lease renewals, defaults, nonpayment by tenants on rental obligations or requests or demands for reduction in rents or if tenants experience financial difficulties or insolvency; • Any of Mori Hills' current or future properties, may violate earthquake resistance or other building codes, and any such buildings may collapse in even minor earthquakes or may be required to be strengthened or demolished by Mori Hills at significant expense; • Master lease agreements expose Mori Hills to the risk of becoming an unsecured creditor of the Sponsor as our master lessee in the event of its insolvency; • Decreases in tenant lease and guarantee deposits would increase Mori Hills' funding costs; • Any inability to obtain financing for future acquisitions, or any restrictions on Mori Hills' activities under its financing arrangements, could adversely affect Mori Hills; • A high LTV ratio may increase Mori Hills' exposure to changes in interest rates and adversely affect Mori Hills; • Mori Hills may suffer impairment losses relating to its properties and may also suffer adverse tax effects upon recognizing impairments; • A downgrading of Mori Hills' credit rating may affect payments of principal of or interest on its bonds; • The past performance of the Sponsor is not an indicator or guarantee of Mori Hills' future results; and • Mori Hills' financial statements are prepared in accordance with Japanese GAAP, which differs in certain material respects from IFRS, U.S. GAAP and generally accepted accounting principles and financial reporting standards in other jurisdictions. In addition, Mori Hills is subject to the following risks: • Mori Hills' success depends on the performance of service providers to which it is required to assign various key functions; • There are potential conflicts of interest between Mori Hills and certain Mori Building Group companies, including the AIFM; • Mori Hills depends on the efforts of key personnel of the AIFM; • Unitholders have limited control over Mori Hills' investment policies; • J-REITs and their asset managers are subject to tight supervision by the regulatory authorities;

	• If unitholders do not exercise their voting rights, Mori Hills may count their votes in favor of proposals at a general meeting of unitholders; • Mori Hills' failure to satisfy a complex series of requirements pursuant to Japanese tax regulations would disqualify it from certain taxation benefits and significantly reduce its distributions to unitholders; • If the Japanese tax authorities disagree with the interpretations used by Mori Hills for prior periods, Mori Hills may be forced to pay additional taxes for those periods; • Mori Hills may not be able to benefit from reductions in certain real estate taxes enjoyed by qualified J-REITs; • Changes in Japanese tax laws may significantly increase Mori Hills' tax burden; • Mori Hills expects to be treated as a "passive foreign investment company" for U.S. federal income tax purposes; • Unitholders may be subject to U.S. Foreign Account Tax Compliance Act (FATCA) withholding tax after 2018; • Mori Hills' ownership rights in some of its properties may be declared invalid or limited; • Mori Hills may lose its rights in a property it owns if the purchase of the property is recharacterized as a secured financing; • Mori Hills' leasehold or subleasehold rights may be terminated or may not be asserted against a third party in some cases, or Mori Hills' leases with its tenants could be modified; • Properties for which third parties hold leasehold rights in the land and own the buildings may subject Mori Hills to various risks; • Many of Mori Hills' properties are in a form of compartmentalized ownership interests (*kubun shoyu-ken*) and Mori Hills' rights relating to such properties may be affected by the intentions of other owners; • Many of Mori Hills' properties are in the form of property co-ownership (*kyoyu*) or trust beneficiary interest coownership (*junkyoyu*) and Mori Hills' rights relating to such properties may be affected by the intentions of other owners; • Some of Mori Hills' properties are subject to preferential purchase rights, rights of first refusal and other similar rights held by lessees, tenants or other third parties; • Tax increases or adverse changes in applicable laws may affect Mori Hills' potential liabilities relating to Mori Hills' properties and operations; • Mori Hills' costs of complying with regulations applicable to its properties could adversely affect its results of operations; • Mori Hills owns a substantial portion of its properties through trust beneficiary interests and may suffer losses as a trust beneficiary; • The AIFMD may negatively affect Mori Hills' ability to market its units in the EEA and increase its compliance costs associated with marketing of its units in the EEA; and • Mori Hills' units may be deemed to constitute "plan assets" for ERISA purposes, which may lead to the rescission of certain transactions, tax or fiduciary liability and Mori Hills being held in violation of ERISA requirements.
Any applicable investment restrictions	Mori Hills is subject to investment restrictions under Japanese laws and regulations, including the Act on Investment Trusts and Investment Corporations (the "ITA") and the Financial Instruments and Exchange Act (the "FIEA"). These restrictions require that Mori

	Hills must invest primarily in specified assets as defined in the ITA. Specified assets include, but are not limited to, securities, real estate, leaseholds of real estate, and surface rights (*chijo-ken*) (i.e. the right to use land for the purpose of having a structure on it), as well as trust beneficiary interests in securities, real estate, leaseholds of real estate and surface rights. Furthermore, under the listing rules of the Tokyo Stock Exchange, any listed J-REIT such as Mori Hills must invest substantially all of its assets in real estate, real estate-related assets and liquid assets as provided by the listing requirements. Real estate in this context includes, but is not limited to, real estate, leaseholds of real estate, surface rights, and trust beneficiary interests for these assets, and real estate-related assets in this context include, but are not limited to, anonymous association (*tokumei kumiai*) interests for investment in real estate. A J-REIT that lists its units on the Tokyo Stock Exchange must also comply with the Investment Trusts Association, Japan rules, which require the J-REIT to invest more than 50% of its assets in real estate and asset backed securities investing primarily in real estate, which include, but are not limited to, real estate, leaseholds of real estate, surface rights or trust beneficiary interests for real estate, surface rights or leaseholds of land. Pursuant to the ITA, investment corporations may not independently develop land for housing or to construct buildings, but may outsource such activities in certain circumstances. In addition, the basic investment policy of Mori Hills is set out in Mori Hills' Articles of Incorporation. Moreover, the AIFM has established investment guidelines to provide more detailed policies based on this basic policy.
Circumstances in which the AIF may use leverage	Mori Hills may take out loans or issue long-term investment corporation bonds or short-term investment corporation bonds. Mori Hills may also enter into commitment line agreements and other agreements that involve a line of credit or ability to borrow from time to time. In addition, Mori Hills will borrow only from lenders that are certain qualified institutional investors as specified by the FIEA. Such financing activities may be undertaken for the purpose of acquiring new properties, maintaining or repairing existing properties, maintaining working capital, making distributions, and repaying tenant leasehold and security deposits, investment corporation bonds and short-term investment corporation bonds and other forms of debt.
The types and sources of leverage permitted and associated risks	Mori Hills currently has outstanding fixed and floating rate long-term loans and outstanding investment corporation bonds, as well as access to a commitment line, all of which are unsecured and unguaranteed. Mori Hills may be subject to restrictive covenants in connection with any indebtedness that may restrict Mori Hills' operations and limit its ability to make cash distributions to unitholders, to dispose of properties or to acquire additional properties. Furthermore, if Mori Hills were to violate such restrictive covenants, for example with regard to the maintenance of debt service coverage or loan-to-value ratios, lenders may be entitled to require Mori Hills to collateralize portfolio properties or demand that the entire outstanding balance be paid ahead of scheduled payments. Further, in the event of an increase in interest rates, to the extent that Mori Hills has taken on any debt with

	unhedged floating rates, interest payments may increase, which in turn could reduce the amount of cash available for distributions to unitholders. Higher interest rates may also limit Mori Hills' capacity for short- and long-term borrowings, which would in turn limit its ability to acquire properties, and could cause the market price of its units to decline.
Any restrictions on leverage	Under Mori Hills' Articles of Incorporation, the maximum principal amount of any particular borrowing or issuance of investment corporation bonds will be one trillion yen and the aggregate amount of all such debt will not exceed one trillion yen.
Any restrictions on collateral and asset reuse arrangements	No applicable arrangements.
Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF	Mori Hills has, in principle, set an upper limit of 65% for its loan-to-value, or LTV, ratio in order to operate with a stable financial condition. Mori Hills may, however, temporarily exceed any such levels as a result of property acquisitions or fluctuations in property appraisal value.
Article 23(1) (b)	
Procedure by which the AIF may change its investment strategy / investment policy	Changes to Mori Hills' basic investment policy require an amendment of the Articles of Incorporation. Such amendment requires a quorum of a majority of the total issued units and at least a two-thirds vote of the voting rights represented at a general meeting of unitholders.
Article 23(1) (c)	
Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including jurisdiction, applicable law, and the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established	Mori Hills is a corporate-type investment trust in the form of investment corporation (*toshi hojin*) provided for under the ITA. Therefore, the relationship between Mori Hills and its unitholders is governed by Mori Hills' articles of incorporation (as opposed to individual agreements), which can be amended from time to time upon resolution of a general unitholders' meeting. Mori Hills' articles of incorporation stipulate rules relating to general unitholders' meetings, including the convocation, setting of record date, exercise of voting rights, resolutions and election of Mori Hills' directors. The relationship between Mori Hills and its unitholders is also governed by, and is subject to the provisions of, Japanese law, including the ITA. The courts in Japan would recognize as a valid judgment any final and conclusive civil judgment for monetary claims (which, for this purpose, are limited to those of a purely civil nature and do not include monetary claims of the nature of criminal or administrative sanction, such as punitive damages, even though they take the form of civil claims) against Mori Hills obtained in a foreign court provided that (i) the jurisdiction of such foreign court is admitted under the laws of Japan, (ii) Mori Hills has received service of process for the commencement of the relevant proceedings, otherwise than by a public notice or any method comparable thereto, or has appeared without any reservation before such foreign court, (iii) neither such judgment nor the relevant proceeding is repugnant to public policy as applied in Japan, (iv) there exists reciprocity as to the recognition by such foreign court of a final judgment obtained in a Japanese court and (v) there is no conflicting judgement on the subject matter by any Japanese court.

	Mori Hills has entered into the following agreements with the AIFM and the Sponsor, each of which is governed by Japanese law: • Asset management agreement dated as of February 2, 2006, as amended, between Mori Hills and the AIFM. • Support agreement dated as of August 10, 2006 among Mori Hills, the AIFM and the Sponsor. The AIFM has entered into the following agreement with the Sponsor, which is governed by Japanese law: • Advisory business entrustment agreement dated as of August 10, 2006 between the AIFM and the Sponsor. Additionally, Mori Hills has entered into purchase and sale agreements with sellers and buyers in connection with the acquisition or disposition of properties, as well as trust agreements with major Japanese trust banks pursuant to which Mori Hills holds many of the properties in its portfolio in the form of trust beneficiary interests. Mori Hills is not involved in or threatened by any legal arbitration, administrative or other proceedings, the results of which might, individually or in the aggregate, be material.

Article 23(1) (d)	
The identity of the AIFM, AIF's depositary, auditor and any other service providers and a description of their duties and the investors' rights thereto	• Asset Manager (AIFM): Mori Building Investment Management Co., Ltd. • Auditor: Ernst & Young ShinNihon LLC • Asset Custodian: Sumitomo Mitsui Trust Bank, Limited • Administrative Agents: Sumitomo Mitsui Trust Bank, Limited and Heiseikaikeisha Tax Corporation • Unitholders' Register, Special Accounts and Bond Fiscal Agent: Mitsubishi UFJ Trust and Banking Corporation The AIFM's duties include formulating and executing Mori Hills' investment strategy, directing and supervising Mori Hills' on-site property managers' implementation of various programs, finding and identifying acquisition targets, purchasing and disposing of properties, reporting to Mori Hills regarding the status of the portfolio, and finance and accounting related services. The FIEA provides that the AIFM owes Mori Hills a fiduciary duty and must conduct its activities as asset manager in good faith. The FIEA also prohibits the AIFM from engaging in certain specified conduct, including entering into transactions outside the ordinary course of business or with related parties of the AIFM that are contrary to or violate Mori Hills' interests. Pursuant to the ITA, Mori Hills' unitholders have the right to approve the execution or termination of the asset management agreement at a general meeting of unitholders. The auditor's responsibilities include preparing an audit report on Mori Hills' financial statements for the fiscal periods ending January 31 and July 31 of each year. The asset custodian's responsibilities include acting as the custodian of Mori Hills' assets. The administrative agents' responsibilities include, with respect to Sumitomo Mitsui Trust Bank, Limited, administration of Mori Hills' board meetings and unitholder meetings and with respect to Heiseikaikeisha Tax Corporation, administration of accounting matters, preparation of financial documents and administration of tax payments. The unitholders' register, special accounts and bond fiscal agent's responsibilities include the provision of (i) agency services, such as the creation, administration and custody of the unitholder register and related documents, administration of issuance of Mori Hills' units, receipt of certain requests from unitholders, distribution of meeting convocation notices and the calculation and administration of distributions to unitholders and (ii) services related to the investment corporation bonds issued by Mori Hills, such as the administration of the preparation and keeping of Mori Hills' investment corporation bonds registry, the administration of payments of interest and redemption money to bondholders and the administration of issuance of Mori Hills' investment corporation bonds.

Article 23(1) (e)	
Description of how the AIFM complies with the requirements to cover professional liability risks (own funds / professional indemnity insurance)	Not applicable.
Article 23(1) (f)	
Description of any delegated management function such as portfolio management or risk management and of any safekeeping function delegated by the depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations	Not applicable. There is no delegation of such functions beyond the AIFM, which is responsible for portfolio and risk management, and the asset custodian, which is responsible for safekeeping activities.
Article 23(1) (g)	
Description of the AIF's valuation procedure and pricing methodology, including the methods used in valuing hard-to-value assets	Mori Hills values assets in accordance with its Articles of Incorporation. The methods and standards that Mori Hills uses for the valuation of assets are based on the Ordinance on Accountings of Investment Corporations, as well as the Regulations Concerning Real Estate Investment Trusts and Real Estate Investment Corporations and other regulations stipulated by ITA, as well as Japanese GAAP. J-REITs may only use the valuation methods prescribed in the rules of the Investment Trusts Association, Japan, which emphasize market price-based valuation. Hard to value assets include assets such as equity interests in real estate anonymous associations (*tokumei kumiai*), beneficiary interests in trusts of money principally invested in real estate anonymous associations and tenant leasehold and security deposits. Future cash flows of hard to value assets are difficult to estimate. Mori Hills values hard to value assets differently depending on the asset, but pursuant to the ITA, the Ordinance on Accountings of Investment Corporations and the evaluation rules of the Investment Trusts Association, Japan or in accordance with generally accepted accounting principles in Japan applicable to J-REITs. The valuation of such hard to value assets is discussed in the notes to our financial statements.
Article 23(1) (h)	
Description of the AIF's liquidity risk management,	Net cash provided by operating activities constitutes Mori Hills' primary source of liquidity to fund distributions, interest payments on outstanding loans payable, fees to the AIFM and other service providers, property taxes, repairs and maintenance, and capital

including redemption rights in normal and exceptional circumstances and existing redemption arrangements with investors	expenditures for its properties in the ordinary course of business. However, Mori Hills' ability to use cash flows from operations to finance property acquisitions is severely limited because Mori Hills is generally required to distribute in excess of 90% of its distributable profit, calculated in accordance with the Special Taxation Measures Act of Japan, for each fiscal period to its unitholders. Therefore, Mori Hills' financing for acquisitions depends primarily on outside financing, including equity offerings, loans and investment corporation bonds. Mori Hills controls liquidity-related risks by aiming to maintain its LTV ratio with an upper limit of 65%, diversifying the maturity dates of its repayment obligations, and maintaining a certain amount of highly liquid cash and deposits. Because Mori Hills is a closed-end investment corporation, unitholders are not entitled to request the redemption of their investment.
Article 23(1) (i)	
Description of all fees, charges and expenses and a maximum amount which is directly / indirectly borne by the investors	Directors' compensation: Mori Hills' articles of incorporation provide that Mori Hills may pay each of its executive directors up to ¥1 million per month and its supervisory directors up to ¥500,000 per month. Asset Management Fees: Mori Hills pays asset management fees to the AIFM as follows: • *Management fees*. The AIFM receives management fees, which comprises a type 1 management fee (Asset-based fee) and a type 2 management fee (Earnings-based fee), each payable within three months after each fiscal period as described below. ○ Type 1 management fee (Asset-based fee). We pay to the AIFM a type 1 management fee for each fiscal period. This type 1 asset management fee is up to 0.2% of the total appraisal value of our properties as of the end of the immediately preceding period, based on the actual number of days on a 365-day year basis. ○ Type 2 management fee (Earnings-based fee). We pay to the AIFM a type 2 management fee for each fiscal period. This type 2 management fee is up to 2.0% of the distributable profits as of the end of the relevant fiscal period. Distributable profits equals net operating income before income taxes, excluding type 2 management fee for such fiscal period calculated in accordance with Japanese GAAP, less any loss carried forward from the previous fiscal period, if any. In order to protect the interests of unitholders, we pay a lower acquisition fee to the AIFM for a transaction involving a related party. • *Acquisition Fees.* For each new property we acquire, the AIFM receives an acquisition fees, which are equal to up to 1.0%, or 0.1% in case of a transaction with a related party, of the purchase price (which means the trading value of the relevant property in the case of a sale and purchase transaction, excluding

	national and local consumption taxes and expenses for acquisition) (any fractional amount less than ¥1 obtained in the foregoing calculation will be discarded), payable by the end of the month immediately following the month of such acquisition. We also reimburse the AIFM for certain administrative and other costs, which are not included in our asset management fees. Auditor Fee: Mori Hills may pay the independent auditor up to ¥15 million per fiscal period. The board of directors is responsible for determining the actual compensation amount. Asset Custodian Fee: Mori Hills pays custodian fees to Sumitomo Mitsui Trust Bank, Limited a custodian fee for each fiscal period payable by the last day of the month immediately following the month when the claim for the payment is made by the custodian for each fiscal period (or the preceding business day if the last day of such month is not a bank business day), by means of a bank remittance to the bank account as designated by the custodian. (Any bank remittance charges and local and national consumption taxes to be imposed on such charges shall be borne by Mori Hills.) The custodian fee is determined as a percentage of the total amount of Mori Hills' assets as at the end of the previous fiscal period, not exceeding 0.03% of such total assets prorated over 12 months, to be calculated based on the composition of Mori Hills' assets and to be separately agreed upon between the custodian and Mori Hills and local and national consumption taxes to be imposed on the foregoing fees. Thus custodian fees will depend on the size of the property portfolio. Any fees payable for any other services which are not provided for in the asset custodian agreement shall be determined through discussions between the asset custodian and Mori Hills. Administrative Agent Fees: *Sumitomo Mitsui Trust Bank, Limited.* Mori Hills pays to Sumitomo Mitsui Trust Bank, Limited a general administration fee for each fiscal period payable by the last day of the month immediately following the month when the claim for the payment is made by this administrative agent (or the preceding business day if the last day of such month is not a bank business day), by means of a bank remittance to the bank account as designated by this administrative agent. (Any bank remittance charges and local and national consumption taxes to be imposed on such charges shall be borne by Mori Hills.) The general administration fee is determined as a percentage of the total amount of our assets as at the end of the previous fiscal period, not exceeding 0.03% of such total assets prorated over 12 months, to be calculated based on the composition of our assets and to be separately agreed upon between this administrative agent and Mori Hills and local and national consumption taxes to be imposed on the foregoing fees. Thus general administration fee will depend on the size of our property portfolio. Any fees payable for

	any other services which are not provided for in the administrative agent agreement shall be determined through discussions between this administrative agent and Mori Hills. *Heiseikaikeisha Tax Corporation.* Mori Hills pays to Heiseikaikeisha Tax Corporation fees for each month (or any fractional period less than one month, if any), payable by the end of the month immediately following the relevant month upon the claim for the payment made by this administrative agent, by means of a bank remittance to the bank account as designated by this administrative agent or a bank account transfer. (Any bank remittance charges and local and national consumption taxes to be imposed on such charges shall be borne by Mori Hills.). The monthly fees are calculated by taking the lower of the amounts defined in clauses (i) and (ii) below, subtracting ¥8,400,000, and dividing the result by 12, with rounding off any amount less than one thousand yen. (i) (Number of properties (including the underlying properties for trust beneficiary interests) for which Heiseikaikeisha Tax Corporation acts as administrative agent and which are held by Mori Hills as of the end of the relevant month - Number of properties which we owned as of April 30, 2006) X ¥750,000 + ¥14,400,000. (ii) Based on the total acquisition price (which shall be the acquisition price set forth in the relevant purchase agreement) of properties for which Heiseikaikeisha Tax Corporation acts as administrative agent and which are held by Mori Hills as of the end of the relevant month, either (a) ¥20 million if such total acquisition price is ¥180 billion or less; (b) ¥20 million + (total acquisition price - ¥180 billion) X 0.012% if such total acquisition price is greater than ¥180 billion and less than or equal to ¥300 billion; or (c) ¥34.4 million + (total acquisition price - ¥300 billion) X 0.009% if such total acquisition price is greater than ¥300 billion. Mori Hills also pays Heiseikaikeisha Tax Corporation settlement of accounts and filing of tax return service fees in the amount of ¥4.2 million per business period, plus applicable national and local consumption taxes. Mori Hills pays to this administrative agent such fees for each business period by the end of the month two months after the last day of the relevant business period upon the claim for the payment made by this administrative agent, by means of a bank remittance to the bank account as designated by this administrative agent or a bank account transfer. (Any bank remittance charges and local and national consumption taxes to be imposed on such charges shall be borne by Mori Hills.) In addition, upon the acquisition of new properties (including the case of any partial acquisition, such as an acquisition of compartmentalized ownership interests), Mori Hills pays a fee of ¥200,000 per property to Heiseikaikeisha Tax Corporation for the creation and registration of fixed asset ledgers with respect to such new properties. Mori Hills pays to this administrative agent such fee by the end of the month immediately following the month in which Mori Hills has confirmed the completion of creation and registration of fixed asset ledgers with respect to such new properties, by means of a bank remittance to

	the bank account as designated by this administrative agent or a bank account transfer. (Any bank remittance charges and local and national consumption taxes to be imposed on such charges shall be borne by Mori Hills.) Fees other than those described above may be paid to Heiseikaikeisha Tax Corporation in connection with other services (such as an observance of any tax inspection) based on mutual consultation. If the fees described above become inadequate due to changes in economic conditions or in the circumstances of Heiseikaikeisha Tax Corporation or Mori Hills, such fees may be revised after mutual consultation. Mori Hills is responsible for the payment of national and local consumption taxes to be imposed on the foregoing fees payable to this administrative agent. <u>Unitholders' Register, Special Accounts and Bond Fiscal Agent Fees</u>: Mori Hills pays Mitsubishi UFJ Trust and Banking Corporation under the relevant agreements for services provided by Mitsubishi UFJ Trust and Banking Corporation as administrative agent for Mori Hills' unitholders' register, special accounts and certain of its investment corporation bonds pursuant to a fee schedule based on type and quantity of services performed.
Article 23(1) (j)	
Description of the AIFM's procedure to ensure fair treatment of investors and details of any preferential treatment received by investors, including detailing the type of investors and their legal or economic links with the AIF or AIFM	Under Article 77 paragraph 4 of the ITA, which applies the requirements of Article 109 paragraph 1 of the Companies Act of Japan to investment corporations, investment corporations are required to treat unitholders equally depending on the number and content of units held. In addition, upon liquidation, the allotment of residual assets to unitholders is required to be made equally depending on the number of units held under Article 77 paragraph 2 item 2 and Article 158 of the ITA.
Article 23(1) (k)	
The latest annual report referred to in Article 22(1)	Additional information may be found in our most recent semi-annual report prepared in accordance with Article 22 of the AIFMD, which is available at the AIFM's office located at 12-32, Akasaka 1-chome, Minato-ku, Tokyo, Japan.
Article 23(1) (l)	
The procedure and conditions for the issue and sale of the units	Mori Hills is authorized under its Articles of Incorporation to issue up to 10,000,000 units. Its units have been listed on the Tokyo Stock Exchange since November 30, 2006. Secondary market sales and transfers of units will be conducted in accordance with the rules of the Tokyo Stock Exchange. Unit prices on the Tokyo Stock Exchange are determined on a real-time basis by the equilibrium between bids and offers.

<table>
<tr><td></td><td>The Tokyo Stock Exchange sets daily price limits, which limit the maximum range of fluctuation within a single trading day. Daily price limits are set according to the previous day's closing price or special quote.</td></tr>
<tr><td>Article 23(1) (m)</td><td></td></tr>
<tr><td>Latest net asset value of the AIF or latest market price of the unit or share of the AIF</td><td>Mori Hills' unit's latest market price is publicly available at the Tokyo Stock Exchange or from financial information venders (including Reuters, which can be viewed at http://www.reuters.com/finance/stocks/overview?symbol=3234.T).</td></tr>
<tr><td>Article 23(1) (n)</td><td></td></tr>
<tr><td>Details of the historical performance of the AIF, where available</td><td>The units of Mori Hills were listed on the Tokyo Stock Exchange on November 30, 2006. The performance of the units for the most recent five fiscal periods is as follows.
<table>
<tr><th>Fiscal period</th><th>Total Assets (JPY million)</th><th>Total Net Assets (JPY million)</th><th>Net Assets per unit (JPY)</th></tr>
<tr><td>22nd Fiscal Period (February 1, 2017 to July 31, 2017)</td><td>348,673</td><td>179,115</td><td>102,314</td></tr>
<tr><td>23rd Fiscal Period (August 1, 2017 to January 31, 2018)</td><td>354,740</td><td>179,202</td><td>102,363</td></tr>
<tr><td>24th Fiscal Period (February 1, 2018 to July 31, 2018)</td><td>362,345</td><td>179,366</td><td>102,457</td></tr>
<tr><td>25th Fiscal Period (August 1, 2018 to January 31, 2019)</td><td>394,539</td><td>195,578</td><td>104,310</td></tr>
<tr><td>26th Fiscal Period (February 1, 2019 to July 31, 2019)</td><td>392,256</td><td>195,336</td><td>104,181</td></tr>
</table></td></tr>
<tr><td>Article 23(1) (o)</td><td></td></tr>
<tr><td>Identity of the prime broker, any material arrangements of the AIF with its prime brokers, how conflicts of interest are managed with the prime broker and the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets, and information about any</td><td>No applicable prime broker.</td></tr>
</table>

transfer of liability to the prime broker that may exist	
Article 23(1) (p)	
Description of how and when periodic disclosures will be made in relation to leverage, liquidity and risk profile of the assets, pursuant to Articles 23(4) and 23(5)	The AIFM will disclose the matters described in Articles 23(4) and 23(5) periodically through Mori Hills' Internet website and semi-annual report.
Article 23(2)	
The AIFM shall inform the investors before they invest in the AIF of any arrangement made by the depositary to contractually discharge itself of liability in accordance with Article 21(13)	Not applicable.
The AIFM shall also inform investors of any changes with respect to depositary liability without delay	Not applicable.

Article 23(4)(a)	
Percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature. The percentage shall be calculated as the net value of those assets subject to special arrangements divided by the net asset value of the AIF concerned	There are no assets that are subject to special arrangements arising from their illiquid nature.
Overview of any special arrangements, including whether they relate to side pockets, gates or other arrangements	There are no such special arrangements.
Valuation methodology applied to assets which are subject to such arrangements	There are no such special arrangements.

How management and performance fees apply to such assets	There are no such special arrangements.
Article 23(4)(b)	
Any new arrangements for managing the liquidity of the AIF	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
For each AIF that the AIFM manages that is not an unleveraged closed-end AIF, notify to investors whenever they make changes to its liquidity management systems (which enable an AIFM to monitor the liquidity risk of the AIF and to ensure the liquidity profile of the investments of the AIF complies with its underlying obligations) that are material in accordance with Article 106(1) of Regulation (EU) No 231/2013 (ie. there is a substantial likelihood that a reasonable investor, becoming aware of such information, would reconsider its investment in the AIF, including because such information could impact an investor's ability to exercise its rights in relation to its investment, or otherwise prejudice the interests of one or more investors in the AIF).	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Immediately notify investors where they activate gates, side pockets or similar special arrangements or where they decide to suspend redemptions	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Overview of changes to liquidity arrangements, even if not special arrangements	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Terms of redemption and circumstances where management discretion applies, where relevant	Mori Hills is a closed-end investment corporation and unitholders are not entitled to request the redemption of their investment, except in the event of liquidation.
Also any voting or other restrictions exercisable, the length of any lock-up or any provision concerning 'first in line' or 'pro-rating' on gates and suspensions shall be included	There are no voting or other restrictions on the rights attaching to units.
Article 23(4)(c)	
The current risk profile of the AIF and the risk management systems	The AIFM stipulates basic provisions of risk management in its risk management rules. The appropriateness and effectiveness of the AIFM's

employed by the AIFM to manage those risks	risk management systems are regularly reviewed and evaluated by the AIFM. The use of long-term loans and investment corporation bonds to finance asset acquisitions and other purposes gives rise to liquidity risks. Mori Hills controls such risks by aiming to maintain an upper limit on the LTV ratio of 65%, diversifying financing methods and lenders, dispersing repayment deadlines, retaining a certain amount of liquid cash deposits and establishing commitment lines. Borrowings and investment corporation bonds are also exposed to a risk of rising interest rates. Mori Hills manages interest rate risks by diversifying debt to include more long-term borrowings and investment corporation bonds with varying maturity dates. Derivative transactions (interest rate swap transactions) may be used to hedge against the risks of increases in floating interest rates. Mori Hills' use of tenant leasehold and security deposits gives rise to liquidity risk since repayment of these deposits is triggered when tenants move out of Mori Hills' properties. This risk is controlled through such measures as preparing cash management plans and retaining cash and deposits sufficient to return deposits to tenants.
Measures to assess the sensitivity of the AIF's portfolio to the most relevant risks to which the AIF is or could be exposed	No such measures have been implemented.
If risk limits set by the AIFM have been or are likely to be exceeded and where these risk limits have been exceeded a description of the circumstances and the remedial measures taken	No such situation has occurred.
Article 23(5)(a)	
Any changes to the maximum amount of leverage which the AIFM may employ on behalf of the AIF, calculated in accordance with the gross and commitment methods. This shall include the original and revised maximum level of leverage calculated in accordance with Articles 7 and 8 of Regulation (EU) No 231/2013, whereby the level of leverage shall be calculated as the relevant exposure	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.

divided by the net asset value of the AIF.	
Any right of the reuse of collateral or any guarantee granted under the leveraging agreement, including the nature of the rights granted for the reuse of collateral and the nature of the guarantees granted	No such right or guarantee exists.
Details of any change in service providers relating to the above.	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Article 23(5)(b)	
Information on the total amount of leverage employed by the AIF calculated in accordance with the gross and commitment methods	The aggregate amount of debt with interest is ¥179,222 million as of July 31, 2019.