

For Translation Purposes Only

Real Estate Investment Fund Issuer:
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(Securities Code: 3234)
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MHR Announces Issuance of New Investment Units and
Primary and Secondary Offerings

Mori Hills REIT Investment Corporation (hereinafter “MHR”) announced that it has determined, at MHR’s Board of Directors’ meeting held today, to issue new investment units as well as primary and secondary offerings of investment units as follows:

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

- (1) Number of units to be offered: 67,000 units
- (2) Issue price (offer price): To be determined (The issue price (offer price) shall be provisionally calculated by multiplying the Tokyo Stock Exchange (hereinafter “TSE”) closing price of MHR’s investment units (hereinafter “the investment unit”) on any date from Monday, March 15, 2010 to Wednesday, March 17, 2010 (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), and then decided 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 of payment price (issue price): To be determined
- (5) Offering method: The investment units shall be offered via a primary offering, and investment units concerned with the primary offering shall be underwritten in full by Mizuho Securities Co., Ltd. (hereinafter “lead manager”), as well as Daiwa Securities Capital Markets Co., Ltd., Nikko Cordial Securities Inc. and UBS Securities Japan Ltd. (collectively referred together with the lead manager as the “underwriters”).

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- (6) Underwriting agreement: The underwriters purchase the investment units at the same amount as the issue price to be determined on the pricing date and offer them at prices that vary from such underwriting price (issue price). The underwriters pay MHR the total underwriting price on the payment date, and the difference between the aggregate amount of the issue price and aggregate amount of the underwriting price shall be the proceeds for the underwriters.
- (7) Book building period: From Thursday, March 11, 2010 to the pricing date
- (8) Subscription unit: One unit or more in increments of one unit
- (9) Subscription period: From Thursday, March 18, 2010 to Friday, March 19, 2010
The subscription period may be moved up in consideration of demand and other factors. In that case, the earliest subscription period would be from Tuesday, March 16, 2010 to Wednesday, March 17, 2010.
- (10) Payment date: Thursday, March 25, 2010
The payment date may be moved up in consideration of demand and other factors. In that case, the earliest payment date would be Tuesday, March 23, 2010.
- (11) The issue price (offer price), amount to be paid in (purchase price) and other necessary items related to the issuance of new investment units shall be approved 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.
- (12) Concerning each of the abovementioned categories, the effect of the security registration statement based on the Financial Instruments and Transactions Law stands.

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

- (1) Seller and the number of units offered: Mizuho Securities Co., Ltd.: 6,700 units
The abovementioned number of units 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 6,700 units from Mori Building Co., Ltd., a unitholder of MHR. The abovementioned number of units indicates the maximum number of units to be offered via the second offering. Depending on demand and other factors, there may be cases where this number of units is reduced or the secondary offering (over-allotment) itself is not conducted.
- (2) Offer price: To be determined (It will be decided on the pricing date, and shall be the same as the issue price of the primary offering.)
- (3) Total amount of offer price: To be determined
- (4) Offering method: Depending on demand and other factors of the primary offering, Mizuho Securities Co., Ltd. shall offer the investment units by borrowing a maximum of 6,700 units from Mori Building Co., Ltd., a unitholder of MHR, separately from the primary offering.
- (5) Subscription period: It shall be the same as the primary offering.
- (6) Delivery date: One business day after the payment date of the primary offering
- (7) Subscription unit: One unit or more in increments of one unit
- (8) The offer price and other necessary items related to the secondary offering shall be approved 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.

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(9) Concerning each of the abovementioned categories, the effect of the security registration statement based on the Financial Instruments and Transactions Law stands.

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

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| (1) Number of units to be offered: | 6,700 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) Gross proceeds (total purchase price): | To be determined |
| (4) Allottee and number of units: | Mizuho Securities Co., Ltd.: 6,700 units |
| (5) Subscription unit: | One unit or more in increments of one unit |
| (6) Subscription period: | Thursday, April 22, 2010 |
| (7) Payment date: | Friday, April 23, 2010 |
- (8) Investment units for which no application for subscription has been made during the subscription period shall not be issued.
- (9) The amount to be paid in (purchase price) and other necessary items related to the issuance of new units shall be approved 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) Concerning each of the abovementioned categories, the effect of the security registration statement based on the Financial Instruments and Transactions Law stands.

<For Reference>

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

- (1) Depending on demand and other factors of the primary offering, Mizuho Securities Co., Ltd. may offer the investment units (hereinafter “borrowed investment units”) by borrowing a maximum of 6,700 units from Mori Building Co., Ltd. (secondary offering through over-allotment).
- (2) With regard to the secondary offering through over-allotment, a third-party allotment of 6,700 units with Mizuho Securities Co., Ltd. as the allottee (hereinafter “the third-party allotment”) and Friday, April 23, 2010 as the payment date has been decided at the Board of Directors Meeting held today for the acquisition of investment units required for the return of borrowed investment units.
- (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 (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, April 16, 2010 (the “syndicated cover transaction period”). All of the investment units 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 units that is smaller than the number of 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

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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 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 would not be conducted either.

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

Current total number of investment units issued:	159,200 units
Increase in investment units following the primary offering:	67,000 units
Total number of investment units following the primary offering:	226,200 units
Increase in investment units following the third-party allotment:	6,700 units (Note)
Total number of investment units following the third-party allotment:	232,900 units (Note)

(Note) In the event that the entire issuance of new investment units through the third-party allotment 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 raised in Article 2 paragraph 1 of the Law Concerning Investment Trusts and Investment Corporations; hereinafter the same), after examining market trends, financial health, distribution levels and other factors.

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

(1) Amount Obtained through Funding (Estimated Paid-in Amount)

18,192,108,000 yen (maximum)

(Note 1) The aggregate of the estimated paid-in amount through the primary offering of 16,538,280,000 yen and the maximum estimated paid-in amount through the third-party allotment of 1,653,828,000 yen are indicated.

(Note 2) The abovementioned amount is an estimated amount calculated based on the closing price on the TSE as of February 22, 2010.

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

Funds obtained through the issuance will be used to acquire the assets-to-be-acquired mentioned below, and the remainder will be used for repayment of loans, etc. Details on the assets-to-be-acquired are as indicated in the separate press release “MHR Announces Asset Acquisition in Japan, Roppongi Hills Mori Tower, ARK Mori Building (Fixed II)” announced today.

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Property number	Assets-to-be-acquired	Planned acquisition price (millions of yen) (excluding acquisition costs, fixed asset tax, city planning tax, consumption tax, etc.)	Planned acquisition date
O-0	Roppongi Hills Mori Tower	6,810	March 2010
O-1-3	Ark Mori Building (Fixed II)	3,400	March 2010

5. Designated Destination of Distribution

None

6. Outlook

Please refer to “MHR Announces Forecasts for Period Ending July 2010” announced today.

7. Management Results and Equity Finance for the Three Most Recent Fiscal Periods

(1) Management Results for the Three Most Recent Fiscal Periods

	Fiscal period ended July 2008	Fiscal period ended January 2009	Fiscal period ended July 2009
Net Profit per Unit (Note)	14,117 yen	14,550 yen	12,726 yen
Dividend per Unit	14,117 yen	13,688 yen	12,726 yen
Actual Dividend Payout Ratio	99.9%	99.9%	99.9%
Net Assets per Unit	573,989 yen	562,449 yen	561,451 yen

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

(2) Recent Investment Unit Prices

① The Three Most Recent Fiscal Periods

	Fiscal period ended January 2009	Fiscal period ended July 2009	Fiscal period ended January 2010
Opening price	462,000 yen	265,000 yen	352,000 yen
Highest price	489,000 yen	387,000 yen	361,000 yen
Lowest price	221,500 yen	223,400 yen	235,200 yen
Closing price	265,000 yen	352,000 yen	264,900 yen

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② The Previous Six Months

	September 2009	October	November	December	January 2010	February
Opening price	360,000 yen	320,000 yen	281,500 yen	240,100 yen	290,100 yen	265,000 yen
Highest price	361,000 yen	325,000 yen	295,400 yen	286,500 yen	309,000 yen	276,000 yen
Lowest price	320,000 yen	269,700 yen	235,200 yen	240,100 yen	262,200 yen	261,000 yen
Closing price	320,000 yen	285,600 yen	239,900 yen	285,100 yen	264,900 yen	262,900 yen

③ Investment Unit Price One Business Day Prior to the Issuance Resolution Day

	As of March 4, 2010
Opening price	267,000 yen
Highest price	267,000 yen
Lowest price	265,300 yen
Closing price	265,300 yen

(3) Equity Finance for the Previous Three Years

• Capital increase through third-party allotment

Issuance date	September 29, 2008
Funding amount	14,700,000,000 yen
Offer price	500,000 yen per unit
Number of outstanding investment units at the time of offering	129,800 units
Number of units issued through this offering	29,400 units
Number of outstanding investment units after this offering	159,200 units
Allottee	Mori Building Co., Ltd.
Initial use of funds at the time of issuance	Funds to acquire trust beneficiary rights whose primary trust assets are portions of Ark Mori Building and Akasaka Tameike Tower, respectively, as of September 30, 2008
Planned payment period at the time of issuance	September 2008
Current condition of appropriation	All of the abovementioned amount has been appropriated.

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8. Other

- (1) Stabilizing transactions: Mizuho Securities Co., Ltd. may possibly engage in stabilizing transactions related to the primary offering and the secondary offering (over-allotment).
- (2) Lock-up agreement with issuer: Upon the primary offering, MHR and the lead manager 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 listing date of investment units concerning the primary offering (hereinafter “additional listing date”) without prior written consent by the lead manager.
- (3) Lock-up agreement with Mori Building: Upon the primary offering, Mori Building Co., Ltd. has agreed with the lead manager 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 additional listing date, except for the case where the lead manager gives 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 Club, and the Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications.
- MHR’s web site address: [http:// www.mori-hills-reit.co.jp/](http://www.mori-hills-reit.co.jp/)

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