

For Translation Purposes Only

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Mori Hills REIT Investment Corporation
(Securities Code: 3234)
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MHR Announces Issuance of New Investment Units and
Primary and Secondary Offerings

Mori Hills REIT Investment Corporation (hereafter “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)

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| (1) Number of units to be offered: | 22,000 units |
| (2) Issue price (offer price): | To be determined (The issue price (offer price) shall be provisionally calculated by multiplying the Tokyo Stock Exchange (hereafter “TSE”) closing price of MHR’s investment units (hereafter “the investment unit”) on any date from Monday, February 25, 2013 to Wednesday, February 27, 2013 (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. and UBS Securities Japan Ltd. (hereafter “joint lead managers”), as well as SMBC Nikko Securities Inc. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (collectively referred together with the joint lead managers as the “underwriters”). |

Note: This document is a press release regarding the issue of new investment units and an offering thereof, and has not been prepared as an inducement or invitation to investment. We caution readers to refer to MHR’s Offering Circular for the Issue of New Investment Units and Offering and the Notices of Amendments thereto (if issued), and to undertake any investment decision at their own judgment and responsibility.

- (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. MHR will not pay any underwriting fee to the underwriters.
- (7) Book building period: From Thursday, February 21, 2013 to the pricing date
- (8) Subscription unit: One unit or more in increments of one unit
- (9) Subscription period: From Thursday, February 28, 2013 to Friday, March 1, 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 Tuesday, February 26, 2013 to Wednesday, February 27, 2013.
- (10) Payment date: Wednesday, March 6, 2013
The payment date may be moved up in consideration of demand and other factors. In that case, the earliest payment date would be Monday, March 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 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.
- (13) Concerning each of the abovementioned categories, the effect of the security registration statement based on the Financial Instruments and Exchange Act stands.

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

- (1) Seller and the number of units offered: Mizuho Securities Co., Ltd.: 1,100 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 1,100 units from Mori Building Co., Ltd., a unitholder of MHR. The abovementioned number of investment 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 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: Depending on demand and other factors of the primary offering, Mizuho Securities Co., Ltd. shall offer the investment units by borrowing a maximum of 1,100 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 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 Exchange Act stands.

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

- (1) Number of units to be offered: 1,100 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.: 1,100 units
(5) Subscription unit: One unit or more in increments of one unit
(6) Subscription period (subscription date): Tuesday, April 2, 2013
(7) Payment date: Wednesday, April 3, 2013
(8) Investment units for which no application for subscription has been made during the subscription period (subscription date) mentioned under (6) above 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 Exchange Act 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 (hereafter “borrowed investment units”) by borrowing a maximum of 1,100 units from Mori Building Co., Ltd. a unitholder of MHR (secondary offering through over-allotment).
- (2) With regard to the secondary offering through over-allotment, a third-party allotment of 1,100 units with Mizuho Securities Co., Ltd. as the allottee (hereafter “the third-party allotment”) and Wednesday, April 3, 2013 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, March 29, 2013 (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 through such stabilizing transactions may possibly be used, in whole or in part, in returning the borrowed investment units.

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- (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.
- (7) Concerning the abovementioned transactions, Mizuho Securities Co., Ltd. will conduct upon consultation with UBS Securities Japan Ltd.

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

Current total number of investment units issued:	231,520 units
Increase in investment units following the primary offering:	22,000 units
Total number of investment units following the primary offering:	253,520 units
Increase in investment units following the third-party allotment:	1,100 units (Note)
Total number of investment units following the third-party allotment:	254,620 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 Act on Investment Trusts and Investment Corporations; hereafter 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)

10,542,493,500 yen (maximum)

(Note 1) The aggregate of the estimated paid-in amount through the primary offering of 10,040,470,000 yen and the maximum estimated paid-in amount through the third-party allotment of 502,023,500 yen are indicated.

(Note 2) The abovementioned amount is an estimated amount calculated based on the closing price on the TSE as of January 31, 2013.

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

Funds procured through the issuance will be used to acquire the specified assets-to-be-acquired mentioned in the press release “MHR Announces Acquisitions of Assets in Japan, Atago Green Hills: Additional Acquisition, ARK Mori Building: Additional Acquisition” announced today.

Property No.	Property name	Acquisition Price	Acquisition Date
O-7	Atago Green Hills	16,490 million yen	April 1, 2013
O-1	ARK Mori Building	3,510 million yen	April 1, 2013

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5. Designated Destination of Distribution

None

6. Outlook

Please refer to “MHR Announces Forecasts for the Periods Ending July 2013 and January 2014” 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 2011	Fiscal period ended January 2012	Fiscal period ended July 2012
Net Profit per Unit (Note)	8,352 yen	8,622 yen	9,154 yen
Dividend per Unit	8,352 yen	8,622 yen	8,700 yen
Actual Dividend Payout Ratio	99.9%	100.0%	95.0%
Net Assets per Unit	448,966 yen	449,236 yen	449,768 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 2012	Fiscal period ended July 2012	Fiscal period ended January 2013
Opening price	268,100 yen	252,200 yen	334,000 yen
Highest price	284,500 yen	353,000 yen	488,000 yen
Lowest price	238,000 yen	249,700 yen	315,500 yen
Closing price	252,200 yen	330,500 yen	485,000 yen

② The Previous Six Months

	September 2012	October 2012	November 2012	December 2012	January 2013	February 2013(Note)
Opening price	338,000 yen	380,000 yen	391,500 yen	421,000 yen	479,000 yen	486,500 yen
Highest price	380,000 yen	400,000 yen	424,500 yen	479,500 yen	488,000 yen	491,000 yen
Lowest price	325,000 yen	362,000 yen	376,000 yen	405,500 yen	457,000 yen	450,000 yen
Closing price	380,000 yen	387,500 yen	421,000 yen	463,000 yen	485,000 yen	450,000 yen

(Note) The amounts are based on investment unit price of February 14, 2013.

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

	February 14, 2013
Opening price	459,500 yen
Highest price	459,500 yen
Lowest price	450,000 yen
Closing price	450,000 yen

(3) Equity Finance for the Previous Three Years

None

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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 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 listing date of investment units concerning the primary offering (hereafter “additional listing date”) without prior written consent by the joint lead managers.
- (3) Lock-up agreement with Mori Building: Upon 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 additional listing 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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