

February 15, 2013

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:
Mori Building Investment Management Co., Ltd.
Hideyuki Isobe, President & CEO
Inquiries: Yoshimi Nishibeppu
General Manager, Administration Department
TEL: +81-3-6234-3234

MHR Announces Asset Acquisitions in Japan
Atago Green Hills: Additional Acquisition
ARK Mori Building: Additional Acquisition

Mori Hills REIT Investment Corporation (MHR) announced its intention to complete the following acquisitions.

1. Overview of Acquisitions

(1) Atago Green Hills

- | | | |
|----|------------------------|--|
| 1) | Asset-to-be-acquired: | Trust beneficial interests (Note 1) |
| 2) | Property name: | Atago Green Hills |
| 3) | Acquisition price: | 16,490 million yen (Note 3) |
| 4) | Appraisal value: | 17,900 million yen |
| 5) | Sales agreement date: | February 15, 2013 |
| 6) | Acquisition date: | April 1, 2013 (planned) |
| 7) | Seller: | Mori Building Co., Ltd. |
| 8) | Acquisition financing: | Capital acquired through the issuance of new investment units, borrowings, and cash on hand, (planned) |

(2) ARK Mori Building

- | | | |
|----|-----------------------|-------------------------------------|
| 1) | Asset-to-be-acquired: | Trust beneficial interests (Note 2) |
| 2) | Property name: | ARK Mori Building |
| 3) | Acquisition price: | 3,510 million yen (Note 3) |
| 4) | Appraisal value: | 3,550 million yen |
| 5) | Sales agreement date: | February 15, 2013 |
| 6) | Acquisition date: | April 1, 2013 (planned) |
| 7) | Seller: | Mori Building Co., Ltd. |

Note: This document is a press release regarding the asset acquisitions, and has not been prepared as an inducement or invitation to investment. We caution readers to refer to MHR's Offering Circular for the Issuance of New Investment Units and Primary and Secondary Offerings and the Notices of Amendments thereto (if issued), and to undertake any investment decision at their own judgment and responsibility.

- 8) Acquisition financing: Capital acquired through the issuance of new investment units, borrowings, and cash on hand, (planned)

- (Note 1) Of Atago Green Hills, 46.5% co-ownership interest in a sectional ownership of three buildings (MORI Tower, Forest Tower and Plaza) and co-ownership interest in ownership of the site, as well as quasi co-ownership interest in leasehold right and easement, (hereafter, the “Co-Ownership Interest”) which were solely owned by Mori Building Co., Ltd. are trust assets. MHR is planning to additionally acquire 29% quasi co-ownership interest of the trust beneficial interests (hereafter, the “Quasi Co-Ownership Interest”) to own 74% combining with existing 45%. The remaining 26% of the quasi co-ownership interest of the trust beneficial interests continues to be owned by Mori Building Co., Ltd.
- (Note 2) Trust beneficial interests which places sectional ownership of the area used as District Heating and Cooling (hereafter, “DHC”) from the 4th basement floor through the 1st floor of the building and the ownership of its site as a trust asset.
- (Note 3) The indicated acquisition price does not include acquisition-related costs, consumption taxes and other expenses. The same shall apply hereafter.

2. Reason for the Acquisitions

MHR decided on additional acquisitions of two properties, (hereafter the “Acquisitions”) from Mori Building Co., Ltd., its sponsor, as part of its measures under its basic policy of “dividend-driven management.”

MHR aims to improve the portfolio NOI yield while maintaining the present portfolio policy that focuses on premium properties (Note 1). Based on this policy, it has decided to undertake the Acquisitions. The NOI cap rate of the Properties is at a level that exceeds the average NOI cap rate of MHR’s portfolio. This factor is expected to enhance the portfolio size and increase distributions.

As for ARK Mori Building, in conjunction with the additional acquisition, MHR is planning to conclude a building lease (master lease) and property management agreement with Mori Building Co., Ltd. with an aim to conduct leasing based on the fixed master lease scheme of approximately 10 years (Note 2), and stable earnings over the long term are projected. As for Atago Green Hills, this is an additional acquisition of co-ownership interest in trust beneficial interests, and leasing terms and conditions (fixed master lease scheme) will not be changed.

- (Note 1) “Premium Properties” are defined in the management guidelines stipulated by Mori Building Investment Management Co., Ltd. (hereafter, the “Asset Manager”) as being office, residential or retail properties (retail or other use) located in the central five wards of Tokyo (Minato Ward, Chiyoda Ward, Chuo Ward, Shinjuku Ward and Shibuya Ward) and their vicinity that are able to maintain sufficient competitiveness in the future in terms of quality, size, specifications, etc. This shall apply hereafter.
- (Note 2) A master lease scheme is a scheme in which the trust fiduciary or MHR leases to the master lessee (sublessor) and the master lessee subleases to an end tenant (sublessee). A pass-through master lease scheme is one scheme of the master lease scheme in which the rent paid by the master lessee and the rent paid by the end tenant are always the same amount. A fixed master lease scheme is one scheme of the master lease scheme in which the master lessee pays a fixed amount regardless of the amount paid by the sublessee to the master lessee. This shall apply hereafter.

Furthermore, MHR placed a particularly high value on the following points when deciding on the acquisitions.

(1) Atago Green Hills

The Property is a Premium Property comprised mainly of twin towers of offices and residences that are integrated with the nature, tradition and culture of Mt. Atago.

Completed in 2001, the Property carries on Mori Building Co., Ltd.’s ARK Hills development philosophy of building mixed-use developments that create open spaces by constructing high rise buildings, and thereby achieves “the objective of offices and residences existing side by side” in the city. It is a project that can be positioned as a step toward development of Roppongi Hills.

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

Within walking distance of Kamiyacho Station on the Tokyo Metro Hibiya Line, Toranomom Station on the Tokyo Metro Ginza Line and Onarimon Station on the Toei Subway Mita Line, the Property stands in a location that has easy access to the administrative district in Kasumigaseki as well as major business points in Tokyo such as Marunouchi, Hibiya and Ginza. In addition, with Shiba Koen (park) and Zojo-ji Temple located nearby, and the surrounding area dotted with hotels and embassies built on spacious sites that used to be samurai residences, the Atago Green Hills area retains a quiet and park-like atmosphere. Such an enriched and relaxing environment in which the four seasons can be sensed is particularly scarce in central Tokyo.

MORI Tower (office building) is based on a three-sided shape plan that positions the core portion at the center and provides ample depth. The standard leasable floor area (Note) is 1,533.66m², the ceiling height of a standard floor (Note) is 2,800mm and the height of raised flooring is 100mm (partly 200mm). Equipped with Japan's highest level of earthquake resistance by employing oil dampers, 24-hour security based on a card key system and other features, MORI Tower offers a cutting-edge work environment to meet the diversifying needs of tenants.

Forest Tower (residential building) consists of luxury rental housing with a total of 353 residential units comprised of 34 types (1BR-3BR) of residential units to meet a diverse range of lifestyles from single to family households. Providing a health counseling room for residents in partnership with the adjacent Jikei University School of Medicine, and the Green Hills Spa on the top floor (42nd floor) equipped with exercise machines and swimming pool, Forest Tower enables residents to lead a lifestyle of comfort and security. Furthermore, in addition to general rental housing, Forest Tower offers furnished rental housing (serviced apartments) to accommodate short-term contracts.

Plaza (retail building), with a lineup of restaurants and a supermarket, is a facility to support the business and lifestyle of not only the office workers and property residents, but also people living in the vicinity.

Since its completion, the Property has been managed and operated in a unified and systematic manner by Mori Building Co., Ltd. as the comprehensive operator while coordinating with land owners and leaseholders.

MHR decided on the acquisition because, as described above, the Property is one of Tokyo's signature urban spaces that embodies the philosophy of "offices and residences existing side by side" and is thus expected to maintain a competitive edge in the future.

(Note) "The standard leasable floor area" indicates the leasable floor area of a standard floor (standard floor for layout patterns), and the ceiling height of a standard floor indicates the height from the floor to the ceiling of a standard floor. The same shall apply hereafter.

(2) ARK Mori Building

This premium property is a landmark within ARK Hills with 37 floors above ground and 4 floors below comprised of offices, retail shops, etc.

ARK Hills, which was completed in 1986, was the first large-scale redevelopment project by the private sector in Japan combining offices and residences, a hotel, concert hall, etc. ARK Hills is the origin of the "Hills" concept that realizes the multi-functional combination of offices and residences existing side by side and sustains its value as a community with diverse appeal.

In addition, a wave of redevelopment projects are underway in the area surrounding ARK Hills, and through their harmonizing relationship with existing facilities, a comfortable and rich urban space is being fostered and is expected to enhance the value of the entire area.

The property is being used as the main plant for regional cooling and heating; providing cold water, steam, etc. for buildings and facilities for all of ARK Hills and the surrounding area.

Note: This document is a press release regarding the asset acquisitions, and has not been prepared as an inducement or invitation to investment. We caution readers to refer to MHR's Offering Circular for the Issuance of New Investment Units and Primary and Secondary Offerings and the Notices of Amendments thereto (if issued), and to undertake any investment decision at their own judgment and responsibility.

DHC businesses operate according to the Heat Supply Business Act upon meeting certain requirements concerning demand, scale, supply, business operator, etc..With respect to the Property, the heat supplying business is performed by DHC operators acquiring business licenses under the Heat Supply Business Act.

Since the heat supplying business is licensed according to service areas, there is a high degree of regional monopolization and suspending or terminating DHC operations based on the judgment of business operators is not allowed and business continuity is required by law.

The DHC operator supplies cold water, steam, etc. processed by plant facilities (flue pipe boilers, absorption refrigerators, turbo refrigerators) installed within the property to consumers. Supply for “ARK Hills South Tower,” which is currently undergoing reconstruction within the service area, is planned to resume in fiscal 2013.

Further, new supply for facility construction by the “Akasaka 1-Chome District City Redevelopment Project,” which is progressing in the adjacent neighborhood, is planned in fiscal 2016, and its role as a strategic point of energy supply within the area is anticipated.

In this way, this property addresses a critical public interest, supporting the prominent ARK Hills development and its surrounding area. Since stable business continuity over the long-term is expected, its acquisition has been decided upon.

3. Details of the Assets-to-be-Acquired

(1) Atago Green Hills

Property name		Atago Green Hills
Type of specified asset		Trust beneficial interests (29% of quasi co-ownership interest)
Trust fiduciary		Mitsubishi UFJ Trust and Banking Corporation
Trust beneficiary		MHR and Mori Building Co., Ltd.
Trust establishment		May 1, 2012
Trust maturity date		April 30, 2027
Location	Lot number	1-10-2 Atago, Minato-ku, Tokyo, etc. (total: 71 lots)
	Residential indication	MORI Tower: 2-5-1 Atago, Minato-ku, Tokyo Forest Tower: 2-3-1 Atago, Minato-ku, Tokyo Plaza: 3-21-5 Toranomom, Minato-ku, Tokyo
Use		Offices, Residences, Shops
Area (Note 1)	Land	13,014.36m ²
	Building	MORI Tower: 85,266.30m ² Forest Tower: 60,815.71m ² Plaza: 2,083.60m ²
Structure		MORI Tower: Steel-framed and steel-framed reinforced concrete structure, 42 floors above ground and 2 floors below ground Forest Tower: Steel-framed and steel-framed reinforced concrete structure, 43 floors above ground and 4 floors below ground Plaza: Reinforced concrete structure, 2 floors above ground and 1 floor below ground
Construction completion		MORI Tower and Plaza: July 2001 Forest Tower: October 2001
Designers		Mori Building Co., Ltd., first class architect office, and Irie Miyake Architects & Engineers

Note: This document is a press release regarding the asset acquisitions, and has not been prepared as an inducement or invitation to investment. We caution readers to refer to MHR's Offering Circular for the Issuance of New Investment Units and Primary and Secondary Offerings and the Notices of Amendments thereto (if issued), and to undertake any investment decision at their own judgment and responsibility.

Contractors		MORI Tower and Plaza: a consortium of Takenaka Corporation and Kumagai Gumi Co., Ltd. Forest Tower: Toda Corporation
Building verification agency		Tokyo Metropolitan Government
Form of ownership	Land (Note 2)	Ownership (co-ownership: approx. 46.1%) Leasehold right (quasi co-ownership: approx. 46.5%) Easement (quasi co-ownership: approx. 46.1%)
	Building (Note 3)	Sectional ownership (co-ownership: 46.5%)
Former owner		Mori Building Co., Ltd.
Acquisition price		16,490 million yen
Acquisition date		April 1, 2013 (planned)
Appraisal	Appraisal value	17,900 million yen
	Appraisal date	January 1, 2013
	Appraiser	Japan Real Estate Institute
PML(Note 4)		MORI Tower: 1.66% Forest Tower: 0.99% Plaza: 9.84%
Collateral		None
Property manager		Mori Building Co., Ltd.
Details of tenants (as of February 15, 2013)		
	Total number of end tenants	1 (Note 5)
	Gross rent income (annual rent)	871,383,613 yen (Note 6)
	Deposits/Guarantees	580,922,408 yen (Note 7)
	Total leasable floor area	11,626.48m ² (Note 8)
	Total leased floor area	11,626.48m ² (Note 9)
Other special consideration		Transfer of Quasi Co-Ownership Interest to a third party (with the exception of transfer to Mori Building Co., Ltd.) or the trust assets (with the exception of transfer of the Co-Ownership Interest to MHR upon maturity of the trust agreement) requires the approval of the owners of adjacent land. In addition, transfer of the trust assets (with the exception of transfer of the Co-Ownership Interest to MHR upon maturity of the trust agreement) requires the approval of the land owners that are the lessors of the leased land.

(Note 1) Area (building) is the total floor area of the entire building included in trust assets of the trust beneficial interests that MHR is planned to acquire as indicated in the real estate registry, and area (land) is the area of the entire site for which land use rights for the building are in place based on the Atago Green Hills Operational Council Bylaws (hereafter, the "Council Bylaws"); hereafter the same.

(Note 2) With regard to the land, sites are designated for each building in the Council Bylaws. The area of the site for the building corresponding to the quasi co-ownership interest of the trust beneficial interests that MHR is planned to acquire calculated based on the provisions of the Council Bylaws is about 1,467.32m². The area of site for the building corresponding to the quasi co-ownership interest of the trust beneficial interests that MHR is to own after the acquisition calculated based on the provisions of the Council Bylaws is about 3,744.20m².

(Note 3) The private-use floor area for the building corresponding to the quasi co-ownership interest of the trust beneficial interests that MHR plans to acquire as indicated in the real estate registry is about 13,475.59m². The private-use floor area interest ratio is about 12.9%. Furthermore, the private-use floor area for the building corresponding to the quasi co-ownership interest of the trust beneficial interests that MHR is to own after the acquisition as indicated in the real estate registry is about 34,385.99m². The private-use floor area interest ratio is about 32.9%

Note: This document is a press release regarding the asset acquisitions, and has not been prepared as an inducement or invitation to investment. We caution readers to refer to MHR's Offering Circular for the Issuance of New Investment Units and Primary and Secondary Offerings and the Notices of Amendments thereto (if issued), and to undertake any investment decision at their own judgment and responsibility.

- (Note 4) PML refers to the probability of the maximum loss expected to result from an earthquake. There is no standardized precise definition. Rather, definitions vary depending on the intended purpose and use. Herein, however, PML is defined as “the percentage of losses against building price which will not be exceeded based on a 90% probability, should the greatest earthquake that has a 10% probability occurring within the average useful life of a building of 50 years, occur.” The value as indicated on the earthquake risk PML assessment report dated December 19, 2012 by Tokyo Bldg-Tech Center Co., Ltd. is shown.
- (Note 5) MHR will grant the property’s lease rights to Mori Building Co., Ltd., the co-owner of the property and shall receive a fixed amount of rent from the company, regardless of the rent amount paid by end tenants. Due to this, Mori Building Co., Ltd. is treated as the end tenant in this Acquisition.
- (Note 6) The gross rent income (annual income) represents the figure obtained by multiplying the monthly rents described in the memorandum between co-owners (contract that grants Mori Building Co., Ltd., one of the co-owners) by 12, and multiplying that amount by the 29% quasi co-ownership interest.
- (Note 7) Deposits/Guarantees is the amount arrived at when the monetary balance described in the memorandum between co-owners (contract that grants Mori Building Co., Ltd., one of the co-owners) is multiplied by the 29% quasi co-ownership interest.
- (Note 8) Total leasable floor area which is the floor area deemed leasable to end tenants (excluding storage, parking lots, mechanical rooms, etc.) is multiplied by the 29% quasi co-ownership interest.
- (Note 9) Total leased floor area which is the floor area to be leased to end tenants (excluding storage, parking lots, mechanical rooms, etc.) is multiplied by the 29% quasi co-ownership interest.

(2) ARK Mori Building

Property name		ARK Mori Building
Type of specified asset		Trust beneficial interests
Trust fiduciary		Sumitomo Trust Bank, Limited
Trust beneficiary		MHR
Trust establishment		April 1, 2013 (planned)
Trust maturity date		March 31, 2028 (planned)
Location	Lot number	1-1 Akasaka, Minato-ku, Tokyo, and 1-1 Roppongi, Minato-ku, Tokyo
	Residential indication	1-12-32 Akasaka, Minato-ku, Tokyo
Use		District Heating and Cooling
Area	Land	39,602.42m ²
	Building	177,486.95m ²
Structure		Reinforced concrete, steel-framed reinforced concrete and steel-framed structure with flat roof, 37 floors above ground and 4 floors below ground
Construction completion		March 1986
Designers		Mori Building Co., Ltd., first class architect office, and Irie Miyake Architects & Engineers
Contractors		A consortium of Kajima Corporation, Toda Corporation and Fujita Engineering Co. Ltd.
Building verification agency		Tokyo Metropolitan Government
Form of ownership	Land	Ownership (Note 1)
	Building	Sectional ownership (Note 2)
Former owner		Mori Building Co., Ltd.
Acquisition price		3,510 million yen
Acquisition date		April 1, 2013 (planned)
Appraisal	Appraisal value	3,550 million yen
	Appraisal date	January 1, 2013
	Appraiser	Japan Real Estate Institute
PML (Note 4)		0.38%
Collateral		None
Property manager		Mori Building Co., Ltd.
Leasing scheme		Fixed master lease
Master lessee		Mori Building Co., Ltd.

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

Details of tenants (as of April 1, 2013)	
Total number of end tenants	1 (Note 3)
Gross rent income (annual rent)	215,538,816 yen
Deposits/Guarantees	107,769,408 yen
Total leasable floor area	3,212.41m ²
Total leased floor area	3,212.41m ²
Other special consideration	None

(Note 1) Land use rights for the property are in place. The lot size as indicated in the real estate registry corresponding to the trust beneficial interests that MHR is to acquire is about 7.02m². The land use right interest ratio is about 0.02%. Moreover, lot size as indicated in the real estate registry corresponding to the trust beneficial interests that MHR is to own after the Acquisition, is about 4,332.54m² and the land use right interest ratio is about 10.9%.

(Note 2) The private-use floor area as indicated in the real estate registry corresponding to the trust beneficial interests that MHR is to acquire is 3,212.41m². The private-use floor area interest ratio is about 2.3%. Moreover, private-use floor area as indicated in the real estate registry corresponding to the trust beneficial interests that MHR is to own after the Acquisition, is 24,850.89m² and the private-use floor area interest ratio is about 17.9%.

(Note 3) With regard to the property, MHR will outsource building lease operations to Mori Building Co., Ltd. and shall receive a fixed amount of rent from the company, regardless of the rent amount paid by end tenants. Due to this, Mori Building Co., Ltd. is treated as the end tenant in this Acquisition.

(3) Items Concerning Forward Commitments, etc.

The contract of sale corresponding to the property acquisitions corresponds to the forward commitments, etc. (postdated sale agreements where the conclusion and delivery of the property is scheduled over one month ahead of the contract date, and other similar agreements), provided in “Comprehensive supervisory guidelines for financial product transactors, etc.” Regarding the contract of sale corresponding to the property acquisitions, with the completion of necessary financial arrangements for the payment of the trading value by the investment corporation as a condition, liability of trading values will emerge. In addition, there are no penalty regulations or payments of security deposits.

Consequently, even in cases where forward commitments are unable to be fulfilled without completing financial arrangements, the likelihood of the investment corporation’s financial affairs being significantly impacted is low.

4. Profile of Seller and Property Manager

Name	Mori Building Co., Ltd.
Location	6-10-1 Roppongi, Minato-ku, Tokyo
Representative	President and CEO, Shingo Tsuji
Scope of business	General developer
Capital	67,000 million yen (as of March 31, 2012)
Established	June 2, 1959
Major shareholder and ratio of shareholding	Morikiyo Co., Ltd. etc. (as of March 31, 2012)
Net assets	299,540 million yen (as of March 31, 2012)
Total assets	1,166,035 million yen (as of March 31, 2012)
Relationship with MHR or Asset Manager (as of February 15, 2013)	
Capital relationship	Mori Building is the main unitholder (21.1% stake) of MHR. Mori Building is also the wholly owning parent company (100% stake) of the Asset Manager, and thus constitutes an interested party, etc. as defined in the Act on Investment Trusts and Investment Corporations (Investment Trust Act).
Personnel relationship	Two of the officers and employees of the Asset Manager are seconded from Mori Building.

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

Business relationship	Mori Building has concluded a support agreement with MHR and the Asset Manager and an advisory business consignment agreement with the Asset Manager, and conducts support, etc. in regard to property acquisitions, etc. In addition, Mori Building has concluded a brand licensing contract with MHR and grants the license to use the brand name “Mori Hills REIT” and the “m” mark. Furthermore, as for assets MHR owns in the form of trust beneficial interests, Mori Building concludes a building lease agreement (so-called master lease agreement) with a trust fiduciary, and leases the entire property as a master lessee. The company also concluded a property management agreement and conducts property management of the property.
Application of status as a related party	Mori Building falls under the category of other interested party of MHR. In addition, it is a parent company of the Asset Manager.

5. Status of Titleholders, etc. of the Properties

(1) Atago Green Hills

Property name (location)	Atago Green Hills (MORI Tower: 2-5-1 Atago, Minato-ku, Tokyo) (Forest Tower: 2-3-1 Atago, Minato-ku, Tokyo) (Plaza: 3-21-5 Toranomom, Minato-ku, Tokyo)	
Status of titleholders, etc. to the property	Prior titleholder	Titleholder before the prior titleholder
Name of company	Mori Building Co., Ltd.	—
Relationship with party having a particular vested interest	Refer to “4. Profile of Seller and Property Manager” above	—
Acquisition background and reason, etc.	MORI Tower and Plaza: Newly constructed in July 2001 Forest Tower: Newly constructed in October 2001	—
Acquisition price	—	—
Acquisition timing	MORI Tower and Plaza: Newly constructed in July 2001 Forest Tower: Newly constructed in October 2001	—

(2) ARK Mori Building

Property name (location)	ARK Mori Building (1-12-32 Akasaka, Minato-ku, Tokyo)	
Status of titleholders, etc. to the Property	Prior titleholder	Titleholder before the prior titleholder
Name of company	Mori Building Co., Ltd.	—
Relationship with party having a particular vested interest	Refer to “4. Profile of Seller and Property Manager” above	—
Acquisition background and reason, etc.	Newly constructed in March 1986	—
Acquisition price	—	—
Acquisition timing	Newly constructed in March 1986	—

6. Broker Profile

Not applicable.

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

7. Transaction with Interested Parties, etc.

A transaction with an interested party, etc. will occur with the acquisition of the Properties. Accordingly, 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 with respect to the acquisition price and other terms and conditions, the Asset Manager has taken steps pursuant to the Related Parties Transaction Guidelines.

Acquisition of the Asset	The Seller constitutes an interested party, etc. of the Asset Manager and the acquisition constitutes a transaction with an interested party, etc. as defined in the Investment Trust Act. In accordance with the provisions of the Investment Trust Act, the Asset Manager will deliver a written notice to MHR.
Building lease (master lease) and property management agreement	With regard to the acquisition of an additional portion of ARK Mori Building, the respective trust fiduciaries are planning to conclude building lease (master lease) and property management agreements with Mori Building Co., Ltd. In accordance with the provisions of the Investment Trust Act, the Asset Manager will deliver a written notice to MHR.

8. Payment Method

Lump sum payment upon delivery

As for property acquisitions, MHR plans to use capital acquired through the issuance of new investment units, borrowings, and cash on hand. For issuance of new investment units, please refer to “MHR Announces Issuance of New Investment Units and Primary and Secondary Offerings” separately announced today.

9. Schedule to be acquired

Scheduled sales agreement date	February 15, 2013
Payment and delivery date	April 1, 2013 (planned)

10. Future Prospect

For the forecast of business results, please refer to “MHR Announces Forecasts for the Periods Ending July 2013 and January 2014” separately announced today.

[Attachments]

Attachment 1: Summary of Appraisal Report

Attachment 2: Income and Expenditure Projections

Attachment 3: Portfolio List After the Acquisitions

Attachment 4: Map of the Properties (Portfolio Map of the Vicinity)

Attachment 5: Photos of the 2 properties

- 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/>

Note: This document is a press release regarding the asset acquisitions, and has not been prepared as an inducement or invitation to investment. We caution readers to refer to MHR's Offering Circular for the Issuance of New Investment Units and Primary and Secondary Offerings and the Notices of Amendments thereto (if issued), and to undertake any investment decision at their own judgment and responsibility.

[Attachment 1] Summary of Appraisal Report

[Atago Green Hills]

Appraiser	Japan Real Estate Institute	
Appraisal date	January 1, 2013	
Appraisal value	17,900,000,000 yen	
Price based on the direct capitalization method	18,067,000,000 yen	
	Cap rate	4.1%
Price based on the DCF method	17,777,000,000 yen	
	Discount rate	3.6%
	Terminal cap rate	4.3%

(Note) The prices based on the direct capitalization method and DCF method are the amounts arrived at when the amount as indicated in the appraisal report is multiplied by the quasi co-ownership interest of the trust beneficial interests that MHR is planning to acquire.

[ARK Mori Building]

Appraiser	Japan Real Estate Institute	
Appraisal date	January 1, 2013	
Appraisal value	3,550,000,000 yen	
Price based on the direct capitalization method	3,570,000,000 yen	
	Cap rate	5.5%
Price based on the DCF method	3,520,000,000 yen	
	Discount rate	5.2%
	Terminal cap rate	5.7%

Note: This document is a press release regarding the asset acquisitions, and has not been prepared as an inducement or invitation to investment. We caution readers to refer to MHR's Offering Circular for the Issuance of New Investment Units and Primary and Secondary Offerings and the Notices of Amendments thereto (if issued), and to undertake any investment decision at their own judgment and responsibility.

[Attachment 2] Income and Expenditure Projections

[Atago Green Hills]

(1)	Projected property income	871,383 thousand yen
(2)	Projected property expenses	90,723 thousand yen
(3)	Projected NOI ((1)-(2))	780,659 thousand yen
(4)	NOI yield ((3)/ acquisition price))	4.7%

(Note) The figures above are the Annual Income and Expenditure (excluding depreciation and amortization) after excluding factors specific to the fiscal year of acquisition and, the figures are not forecasted figures for the next fiscal period; hereafter the same.

Furthermore, the average maintenance and repair costs per annum for the next 15 years based on the Engineering Report (engineering report dated February 17, 2012 by Takenaka Corporation) is 74,844 thousand yen.

[ARK Mori Building]

(1)	Projected property income	215,538 thousand yen
(2)	Projected property expenses	10,934 thousand yen
(3)	Projected NOI ((1)-(2))	204,604 thousand yen
(4)	NOI yield ((3)/ acquisition price))	5.8%

(Note) The average maintenance and repair costs per annum for the next 15 years based on the Engineering Report (engineering report dated December 19, 2012 by Tokyo Bldg-Tech Center Co., Ltd.), is 15,160 thousand yen.

Note: This document is a press release regarding the asset acquisitions, and has not been prepared as an inducement or invitation to investment. We caution readers to refer to MHR's Offering Circular for the Issuance of New Investment Units and Primary and Secondary Offerings and the Notices of Amendments thereto (if issued), and to undertake any investment decision at their own judgment and responsibility.

[Attachment 3] Portfolio List After the Acquisitions (Note1)

Main Type	Region	Property no.	Property name	Acquisition date	Scheduled Acquisition price (millions of yen) (Note 2)	Investment ratio (%) (Note 3)
Office Building	Central five wards in Tokyo and their vicinity	O-0	Roppongi Hills Mori Tower	March 23, 2010 August 1, 2011	25,490	11.0
		O-1	ARK Mori Building	March 22, 2006 March 28, 2008 September 30, 2008 March 23, 2010 March 18, 2011 August 1, 2011 April 1, 2013 (planned)	62,480	27.1
		O-4	Koraku Mori Building	April 13, 2006	27,200	11.8
		O-6	Akasaka Tameike Tower	September 30, 2008 March 18, 2011	43,930	19.0
		O-7	Atago Green Hills	May 1, 2012 April 1, 2013 (planned)	42,090	18.2
		Sub total				
Residential	Central five wards in Tokyo and their vicinity	R-1	Moto-Azabu Hills	March 22, 2006	1,706	0.7
		R-3	Roppongi First Plaza	April 13, 2006	2,100	0.9
		R-4	Roppongi View Tower	March 22, 2006 April 13, 2006	4,000	1.7
Sub total					7,806	3.4
Retail	Central five wards in Tokyo and their vicinity	S-1	Laforet Harajuku (Land)	September 15, 2010	21,820	9.5
Sub total					21,820	9.5
Portfolio total					230,816	100.0

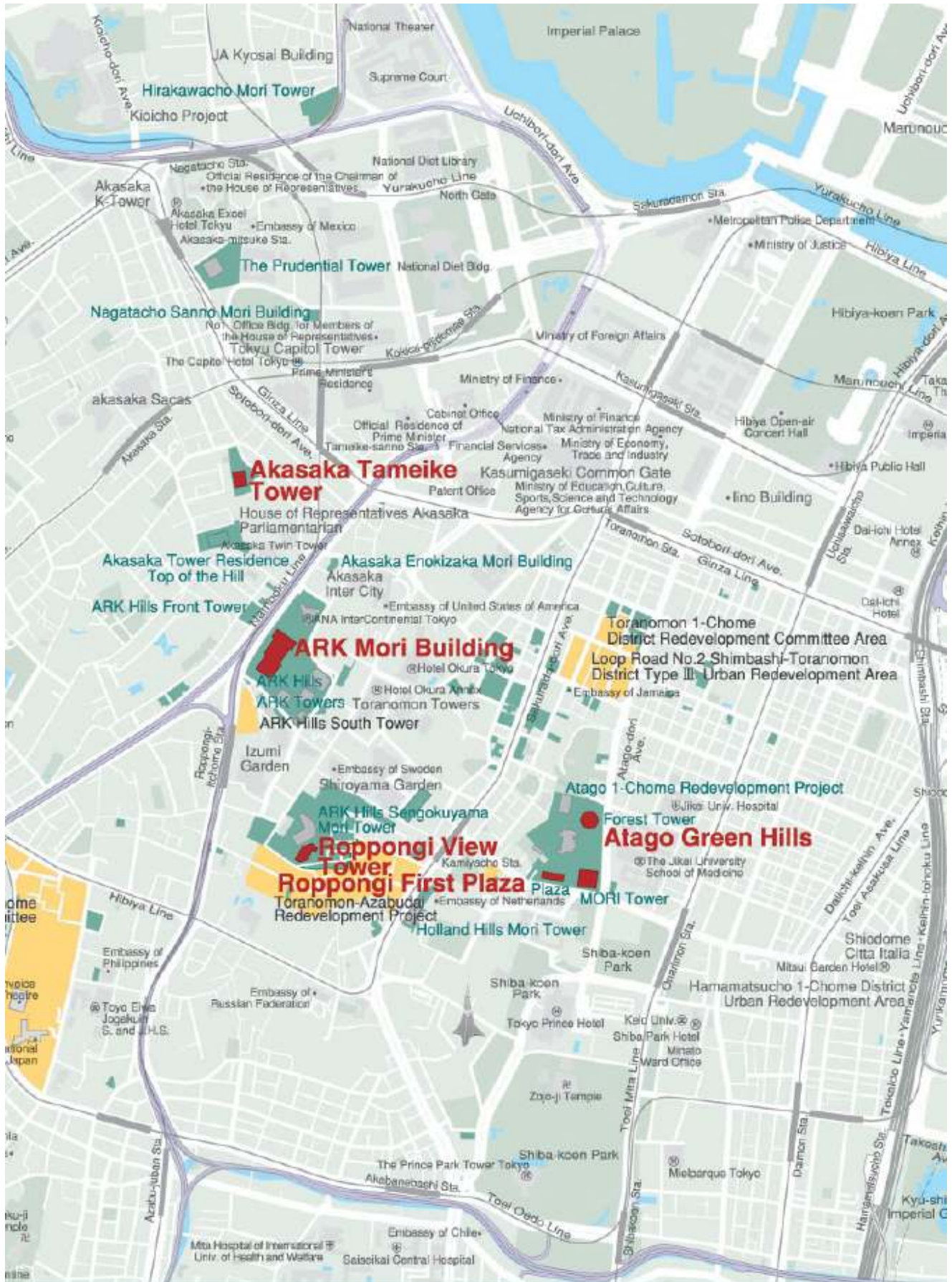
(Note 1) The table represents the portfolio list after the property acquisitions (Atago Green Hills: additional acquisition; ARK Mori Building: additional acquisition) to be conducted on April 1, 2013.

(Note 2) Figures of the (scheduled) acquisition price have been rounded down to the nearest million yen.

(Note 3) Figures in the investment ratio are the ratios of respective (scheduled) acquisition prices to the portfolio total, and have been rounded to the first decimal place.

Note: This document is a press release regarding the asset acquisitions, and has not been prepared as an inducement or invitation to investment. We caution readers to refer to MHR's Offering Circular for the Issuance of New Investment Units and Primary and Secondary Offerings and the Notices of Amendments thereto (if issued), and to undertake any investment decision at their own judgment and responsibility.

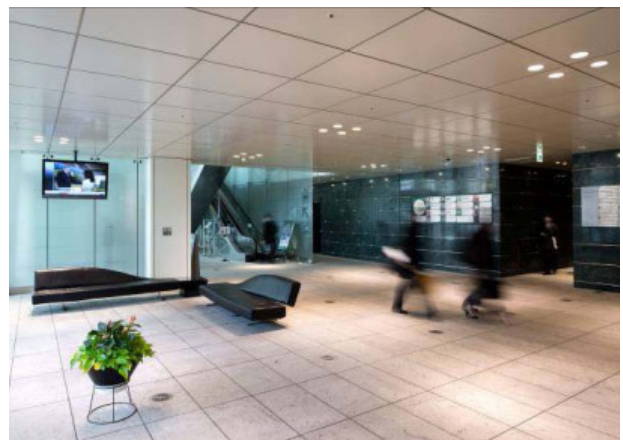
[Attachment 4] Map of the Properties (Portfolio Map of the Vicinity)



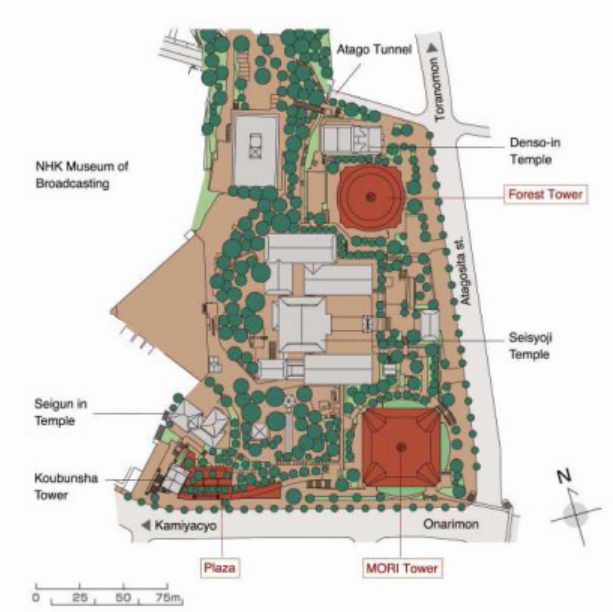
Note: This document is a press release regarding the asset acquisitions, and has not been prepared as an inducement or invitation to investment. We caution readers to refer to MHR's Offering Circular for the Issuance of New Investment Units and Primary and Secondary Offerings and the Notices of Amendments thereto (if issued), and to undertake any investment decision at their own judgment and responsibility.

[Attachment 5] Photos of the 2 properties

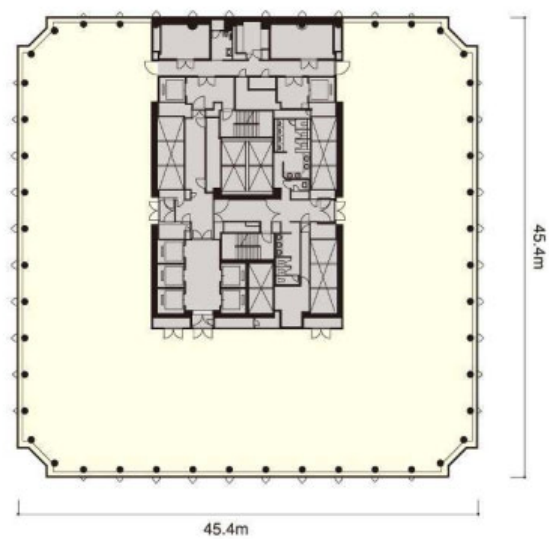
[Atago Green Hills MORI Tower]



Building Layout



Cross-sectional Diagram of the Standard Floor



Note: This document is a press release regarding the asset acquisitions, and has not been prepared as an inducement or invitation to investment. We caution readers to refer to MHR's Offering Circular for the Issuance of New Investment Units and Primary and Secondary Offerings and the Notices of Amendments thereto (if issued), and to undertake any investment decision at their own judgment and responsibility.

[Atago Green Hills Forest Tower]



[Atago Green Hills Plaza]



Note: This document is a press release regarding the asset acquisitions, and has not been prepared as an inducement or invitation to investment. We caution readers to refer to MHR's Offering Circular for the Issuance of New Investment Units and Primary and Secondary Offerings and the Notices of Amendments thereto (if issued), and to undertake any investment decision at their own judgment and responsibility.

[ARK Mori Building]



Building Layout



Note: This document is a press release regarding the asset acquisitions, and has not been prepared as an inducement or invitation to investment. We caution readers to refer to MHR's Offering Circular for the Issuance of New Investment Units and Primary and Secondary Offerings and the Notices of Amendments thereto (if issued), and to undertake any investment decision at their own judgment and responsibility.