

For Translation Purposes Only

Real Estate Investment Fund Issuer:  
Mori Hills REIT Investment Corporation  
(Securities Code: 3234)  
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MHR Announces Change in Leasing Scheme, etc. for Roppongi View Tower and  
Transaction with Interested Parties (Mori Building Co., Ltd.  
and Roppongi First Building Co., Ltd.)

Mori Hills REIT Investment Corporation (hereafter “MHR”) announced the decision of the change in leasing scheme, etc. for Roppongi View Tower (hereafter “Property”) and the transaction with interested parties, etc. as stipulated in the Act on Investment Trusts and Investment Corporations (hereafter “Investment Trusts Act”). The details are as follows.

1. Overview of Change in Leasing Scheme, etc. for Roppongi View Tower  
Sumitomo Mitsui Trust Bank, Limited, the trust fiduciary of trust beneficial interests owned by MHR, owns co-ownership interests in the Property (hereafter “Trust Fiduciary”). It has been decided that the six co-owners of the Property, including the Trust Fiduciary, will individually use the space allocated to each according to their ratio of co-ownership interest (hereafter “Allocated Space”) for revenue, and lease the entire Property (202 units) to Roppongi First Building Co., Ltd., and furthermore, will individually sublease each Allocated Space from Roppongi First Building Co., Ltd. The Allocated Space for MHR (92 units) will be managed under a pass-through master lease scheme with Mori Building Co., Ltd. as the master lessee.
2. Reason for Decision  
As a result of a consultation among the six co-owners of the Property, including the Trust Fiduciary, with the lease maturity of the lease agreement (fixed master lease scheme) concluded with Urban Renaissance Agency coming due on October 31, 2013, it is assumed that managing the Property, which is a rental housing property, under the six co-owners as the joint lessor will make it difficult for smooth leasing, and thus coming to the decision to manage the Allocated Space under the method described in 1 above.

Concerning the decision of the Allocated Space, the total effective floor area ratio of each Allocated Space is set to be equal to the ratio of co-ownership interest in the Property of each co-owner based on the effective floor area ratio of each space calculated by Japan Real Estate Institute. In addition, a method of division in kind is planned in case of a co-owned property split (compartmentalizing individual residential units) concerning the Property, in which each co-owner will acquire individual ownership concerning their own Allocated Space.

3. Overview of Transaction with Interested Parties, etc.
  - 1) Lease Agreement with Roppongi First Building Co., Ltd.  
Building lease agreement (1), an agreement which the entire Property will be leased to Roppongi First Building Co., Ltd. upon deciding the Allocated Space among the six

co-owners, will be concluded between the six co-owners and Roppongi First Building Co., Ltd. on November 1, 2013. In addition, building lease agreement (2), an agreement which the Allocated Space of MHR (92 units) will be subleased from Roppongi First Building Co., Ltd., will be concluded between Roppongi First Building Co., Ltd. and the Trust Fiduciary on November 1, 2013.

<Overview of Building Lease Agreement (1)>

1. Lessor : Six co-owners
2. Lessee : Roppongi First Building Co., Ltd.  
(Constitutes an interested party, etc. as stipulated in the Investment Trusts Act)
3. Agreement subject : Entire Roppongi View Tower (202 units)  
\*MHR owns 46% share
4. Agreement period : From November 1, 2013 to October 31, 2015 (2 years)
5. Leasing scheme : Pass-through master lease scheme  
(The rent receivable from lessee (Allocated Space of 92 units) based on building lease agreement (2) and the rent payable to Sumitomo Mitsui Trust Bank, Limited (Trust Fiduciary) will be offset, and there will be no transfer of cash).
6. Deposits : None

< Overview of Building Lease Agreement (2)>

1. Lessor : Roppongi First Building Co., Ltd.  
(Constitutes an interested party, etc. as stipulated in the Investment Trusts Act)
2. Lessee : Sumitomo Mitsui Trust Bank, Limited (Trust Fiduciary)
3. Agreement subject : Allocated Space (92 units)
4. Agreement period : From November 1, 2013 to October 31, 2015 (2 years)
5. Leasing scheme : Pass-through master lease scheme  
(The rent receivable and the rent payable to the lessor will be offset, and there will be no transfer of cash)
6. Deposits : None

2) Lease Agreement with Mori Building Co., Ltd.

Fixed-term building lease agreement, an agreement which the Allocated Space of MHR (92 units) will be subleased to Mori Building Co., Ltd., will be concluded between the Trust Fiduciary and Mori Building Co., Ltd. on November 1, 2013.

< Overview of Fixed-term Building Lease Agreement>

1. Lessor : Sumitomo Mitsui Trust Bank, Limited (Trust Fiduciary)
2. Lessee : Mori Building Co., Ltd.  
(Constitutes an interested party, etc. as stipulated in the Investment Trusts Act)
3. Agreement subject : Allocated Space (92 units)
4. Agreement period : From November 1, 2013 to March 3, 2023 (approx. 9 years)  
(Same as the remaining agreement period of the current property management agreement)
5. Leasing scheme : Pass-through master lease scheme  
(The rent receivable from the end tenants and the rent payable to the lessor will be offset, and there will be no transfer of cash)
6. Deposits : 53,886,800 yen

3) Agreement to Amend Property Management Agreement with Mori Building Co., Ltd.

Accompanying the change in leasing scheme, agreement to amend property management agreement (D), an agreement which the property management agreement concerning the Property concluded with Mori Building Co., Ltd. will be amended, and will be concluded between the Trust Fiduciary and Mori Building Co., Ltd. on November 1, 2013.

4) Secondary Letter of Confirmation Concerning the Individual Agreements among the Co-owners (Roppongi View Tower)

Secondary letter of confirmation concerning the individual agreements among the co-owners (Roppongi View Tower), which stipulates the contact and notice concerning

Roppongi View Tower dated March 3, 2003 and the cancellation of rent collection agency agreement, etc., will be concluded between the six co-owners, Roppongi First Building Co., Ltd. and Roppongi First Building Lease Support Y.K. on November 1, 2013.

4. Overview of Interested Parties, etc.

1) Mori Building Co., Ltd.

Name	Mori Building Co., Ltd.
Location of headquarters	6-10-1 Roppongi, Minato-ku, Tokyo
Representative	Shingo Tsuji, President & CEO
Scope of business	General developer
Capital	67,000 million yen (as of March 31, 2013)
Established	June 2, 1959
Relationship with MHR and Asset Manager (as of October 30, 2013)	
Capital relationship	Mori Building is the main unitholder (17.7% 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 Trusts Act).
Personnel relationship	Two of the officers and employees of the Asset Manager are seconded from Mori Building.
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. Mori Building 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 affiliated company of MHR. In addition, it is a parent company of the Asset Manager.

2) Roppongi First Building Co., Ltd.

Name	Roppongi First Building Co., Ltd.
Location of headquarters	1-9-9 Roppongi, Minato-ku, Tokyo
Representative	Jiyuichiro Shindo, Representative Director
Scope of business	Entrustment of use, operation, management and leasing of Roppongi First Building and Roppongi First Plaza Building.
Capital	20 million yen (as of March 31, 2013)
Established	September 16, 1993
Relationship with MHR and Asset Manager	Roppongi First Building falls under the category of affiliated company, etc. of the parent company of the Asset Manager.

5. Procedures Concerning Transaction with Interested Party, etc.

To comply with applicable laws and regulations and with the asset management agreement, as well as to prevent the interests of MHR from being negatively impacted, the Asset Manager has taken steps pursuant to the Related Parties Transaction Guidelines.

In addition, to comply with the regulation concerning transaction that may cause conflict of interests as described in the Act on Investment Trusts and Investment Corporations Article 203 Paragraph 2, the Asset Manager will deliver documents containing the details of the agreement after the conclusion to MHR.

6. Outlook of Business Results

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

(Reference) Forecast of Results for the Fifteenth Fiscal Period (as of September 13, 2013) and the Results for the Fourteenth Fiscal Period

	Operating Revenue	Operating Income	Ordinary Income	Net Income	Dividend per Unit (excluding dividend in excess of earnings)	Dividend in Excess of Earnings per Unit
Forecast for Fifteenth Fiscal Period	5,617 million yen	3,800 million yen	2,770 million yen	2,769 million yen	10,000 yen	0 yen
Results for Fourteenth Fiscal Period	5,052 million yen	3,430 million yen	2,433 million yen	2,432 million yen	9,552 yen	0 yen

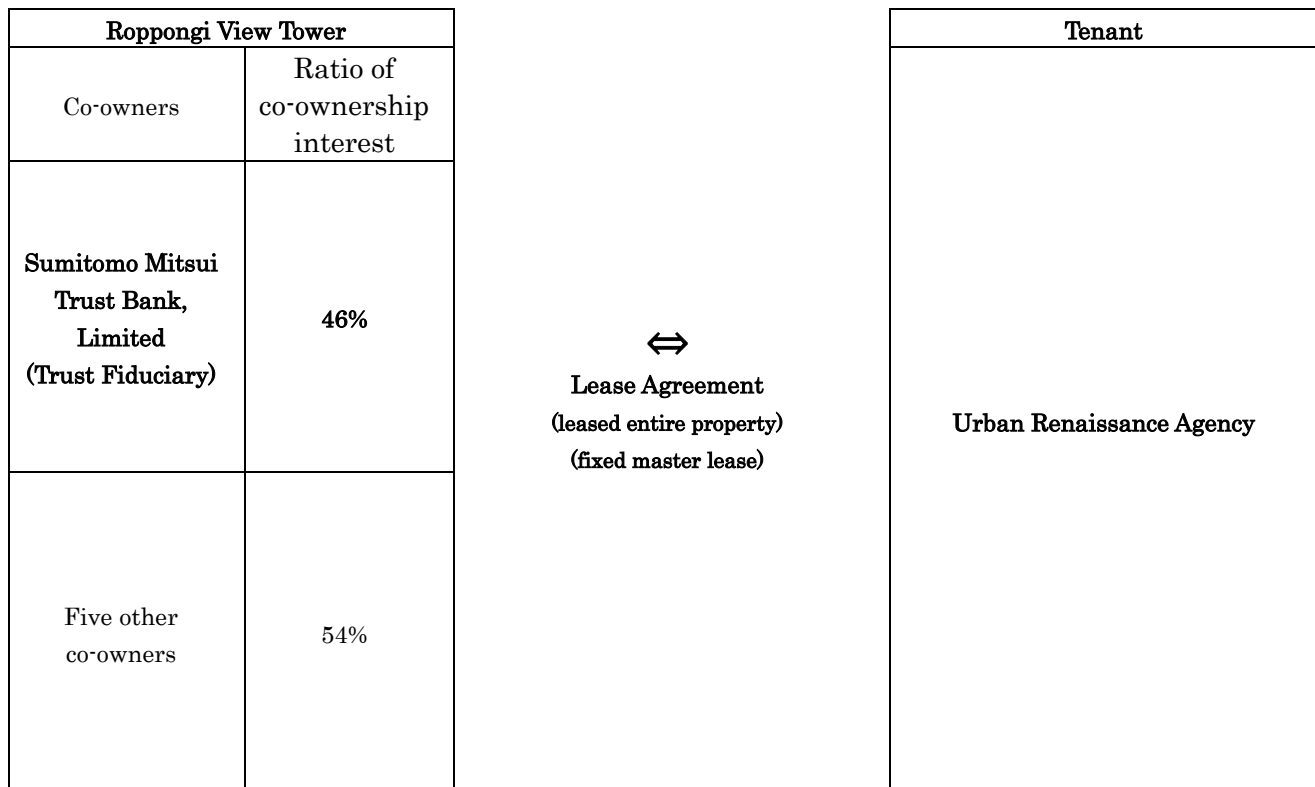
[Attachment]

Attachment: Scheme Map

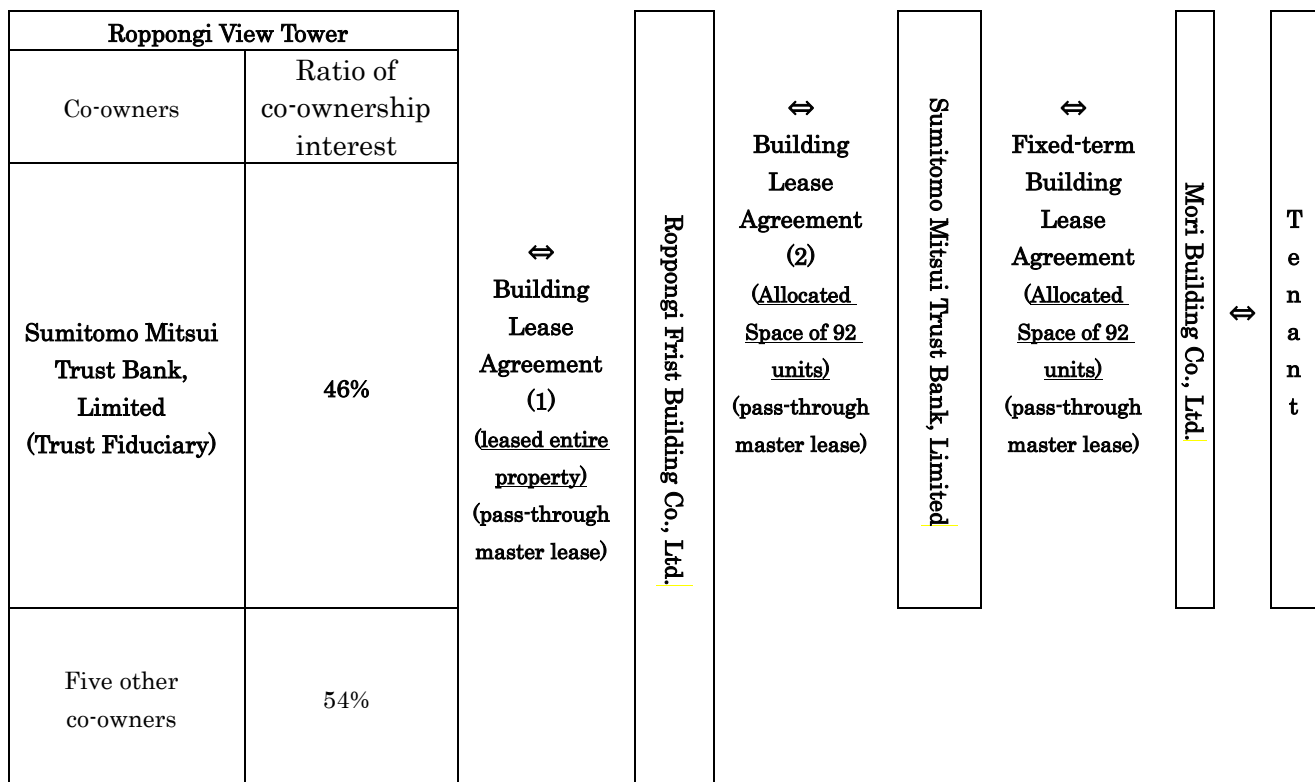
- This press release was distributed to the Kabuto Club (the press club of the Tokyo Stock Exchange), the Ministry of Land, Infrastructure, Transport and Tourism Press Club, and the Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications.
- MHR's website address is <http://www.mori-hills-reit.co.jp/>

(Attachment) Scheme Map

(until October 31, 2013)



(from November 1, 2013)



※ The scheme from building lease agreement (2) to the tenants indicates the agreements concerning Sumitomo Mitsui Trust Bank, Limited (Trust Fiduciary) alone.