



November 21, 2006

For Translation Purposes Only

Real estate investment trust issuer:
Mori Hills REIT Investment Corporation
(Securities Code: 3234)
6-10-1 Roppongi, Minato-ku, Tokyo
Tsutomu Horiuchi, Executive Director

Asset Manager
Mori Building Investment Management Co., Ltd.
Tsutomu Horiuchi, President & C.E.O.
Inquiries: Shuji Nakamura
General Manager, Financial Department
TEL: +81-3-6406-9300

MHR Announces Pricing for the Issue of New Investment Units and
Primary and Secondary Offerings

Mori Hills REIT Investment Corporation (hereinafter “MHR”) announced today that it has determined, at a Board of Directors’ meeting held today, the issue price of new investment units and the offer price of investment units and the number of investment units issued and offered on international markets for the primary offering and the secondary offering that was approved at a Board of Directors’ meeting held on October 30, 2006.

1. Issue of new investment units through public offering (primary offering)

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|-----------------------------------|--|
| (1) Number of units to be issued: | 34,550 units
7,315 units of the above issued units will be offered on international markets, mainly European (excluding the U.S.A.) |
| (2) Offer price: | 750,000 yen per unit |
| (3) Total amount of offer price: | 25,912,500,000 yen |
| (4) Price to underwriters: | 723,750 yen per unit |
| (5) Total underwriting value: | 25,005,562,500 yen |
| (6) Application unit: | One unit or more in multiples of one unit |
| (7) Application period: | From Wednesday, November 22, 2006 to
Monday, November 27, 2006 |
| (8) Payment date: | Wednesday, November 29, 2006 |
| (9) Delivery and settlement date: | Thursday, November 30, 2006 |

2. Secondary offering of investment units (secondary offering)

Note: This document is a public announcement 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, and to undertake any investment decision at their own judgment and responsibility. Furthermore, this press release is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer or a selling security holder and that will contain detailed information about the issuer and management, as well as financial statements. No public offering of securities will be made in the United States in connection with the above-mentioned transactions.



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- (1) Number of units offered: 57,552 units
12,185 units of the above offered units will be offered on international markets, mainly European (excluding the U.S.A.)
- (2) Sellers and number of units offered:
- | | |
|---|--------------|
| Mori Building Co., Ltd. | 29,500 units |
| The Norinchukin Bank | 9,201 units |
| Aozora Bank, Ltd. | 9,101 units |
| Yamato Life Insurance Co. | 3,250 units |
| Nipponkoa Insurance Co., Ltd. | 2,600 units |
| Axa Life Insurance | 1,300 units |
| Japan Trustee Services Bank, Ltd. (trust account) | 1,300 units |
| Mitsui Sumitomo Insurance Co., Ltd. | 1,300 units |
- (3) Offer price: 750,000 yen per unit
- (4) Total amount of offer price: 43,164,000,000 yen
- (5) Price to underwriters: 723,750 yen per unit
- (6) Total underwriting value: 41,653,260,000 yen
- (7) Application unit: One unit or more in multiples of one unit
- (8) Application period: From Wednesday, November 22, 2006 to Monday, November 27, 2006
- (9) Delivery date: Thursday, November 30, 2006

3. Secondary offering of investment units (over-allotment)

- (1) Seller and the number of units offered: Mizuho Securities Co., Ltd. 4,500 units
- (2) Offer price: 750,000 yen per unit
- (3) Total amount of offer price: 3,375,000,000 yen
- (4) Application unit: More than one unit in multiples of one unit
- (5) Application period: From Wednesday, November 22, 2006 to Monday, November 27, 2006
- (6) Delivery date: Thursday, November 30, 2006

4. Basis for calculating the offer price

In determining the offer price for the issue of new investment shares and public offering, MHR conducted a book-building procedure mainly for institutional investors based on the indicative pricing range (between 740,000 and 750,000 yen).

The said book-building resulted in the following 3 points:

- (1) The total demand well exceeded the proposed number of investment units to be offered.
- (2) A substantial number of applications were filed.
- (3) A considerable number of applications were filed at the top end of the indicative range.

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As a result of the above book-building, the offer price was set at 750,000 yen after comprehensively taking into consideration of the following: (1) that even at the maximum price of the indicative range, MHR can expect demand to exceed the number of investment units subscribed to and offered; (2) that the number of investors will meet the required number at listing; as well as (3) market environments, including the real estate investment trust market and price fluctuation risk during the period prior to the listing date.

In addition, the price to underwriters was set at 723,750 yen.

Furthermore, the offer price for the secondary offering and over-allotment has been set at 750,000 yen, the same as the offer price for the public offering of new investment units.

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- MHR's web site address: <http://www.mori-hills-reit.co.jp>

This document is an English translation of the Japanese language press release issued on the above date, and was prepared solely for the convenience of and reference by investors. The Japanese language press release should always be referred to as originals of this document. MHR will not be responsible or liable for the completeness or accuracy of this English translation.

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