

For Translation Purposes Only

Real Estate Investment Fund Issuer:
Mori Hills REIT Investment Corporation
(Securities Code: 3234)
6-10-1 Roppongi, Minato-ku, Tokyo
Toichiro Suzuki, Executive Director

Asset Manager:
Mori Building Investment Management Co., Ltd.
6-10-1 Roppongi, Minato-ku, Tokyo
Hiroshi Mori, President
Inquiries: Shuji Nakamura
General Manager, Financial Department
TEL: +81-3-6406-9300

MHR Announces Issuance of Investment Corporation Bonds

Mori Hills REIT Investment Corporation (MHR) decided to issue investment corporation bonds in accordance with the Act on Transfer of Bonds, etc. based on the “Resolution concerning items regarding the offering of investment corporation bonds to underwriters” at the Board of Directors Meeting held November 14, 2007.

1. Names of Investment Corporation Bonds

MHR First Series Unsecured Investment Corporation Bond (subject to a limited pari passu clause between specified investment corporation bonds) (hereafter, “First Series Investment Corporation Bond”)

MHR Second Series Unsecured Investment Corporation Bond (subject to a limited pari passu clause between specified investment corporation bonds) (hereafter, “Second Series Investment Corporation Bond”)

Hereafter, the First Series Investment Corporation Bond and Second Series Investment Corporation Bond will collectively be referred to as the “Investment Corporation Bonds.” There will be no particular mention as to which bond if the item is common to both the First Series Investment Corporation Bond and Second Series Investment Corporation Bond.

2. Total amount of the Investment Corporation Bonds

First Series Investment Corporation Bond:	7 billion yen
Second Series Investment Corporation Bond:	3 billion yen

3. Application of the Act on Transfer of Bonds, etc.

The Act on Transfer of Bonds, etc. will be applied to the Investment Corporation Bonds. Thus, investment corporation bond certificates will not be issued.

4. Payment Price

100 yen per face value of 100 yen in respective Investment Corporation Bonds

5. Redemption Price

100 yen per face value of 100 yen in respective Investment Corporation Bonds

6. Interest Rate

First Series Investment Corporation Bond:	1.56% per annum
Second Series Investment Corporation Bond:	1.77% per annum

7. Amount of respective Investment Corporation Bonds



100 million yen

8. Offering Method
Public offering

9. Subscription Period
November 22, 2007

10. Payment Date
November 29, 2007

11. Collateral, etc.
The Investment Corporation Bonds are unsecured and unguaranteed. There is also no particular asset retained for the Investment Corporation Bonds.

12. Redemption Method and Maturity
First Series Investment Corporation Bond: The total amount of the Investment Corporation Bond will be redeemed on November 29, 2012.
Second Series Investment Corporation Bond: The total amount of the Investment Corporation Bond will be redeemed on November 28, 2014.

Redemption by purchase of the Investment Corporation Bonds is allowed at all times starting on the following day of the payment date, unless otherwise specified by the depository trust company.

13. Interest Payment Date
The first payment date will be May 29, 2008 and thereafter, May 29 and November 29 of each year

14. Special Financial Agreement
Negative pledge is applied

15. Credit Rating
JCR (New bond rating): AA-
Moody's Investors Service Inc. (Long-term debt rating): A3

16. Depository Trust Company
Japan Securities Depository Center, Inc.

17. Fiscal Agent, Issuing Agent and Paying Agent
Mitsubishi UFJ Trust and Banking Corporation

18. Underwriting Securities Companies
First Series Investment Corporation Bond
Mizuho Securities Co., Ltd.
Goldman Sachs Japan Co., Ltd.
UBS Securities Japan Co., Ltd.
Mitsubishi UFJ Securities Co., Ltd.
Daiwa Securities SMBC Co., Ltd.
Second Series Investment Corporation Bond
Mizuho Securities Co., Ltd.

19. Use of Funds



Repayment of borrowings

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