

For Translation Purposes Only

Real Estate Investment Fund Issuer:  
Mori Hills REIT Investment Corporation  
(Securities Code: 3234)  
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Hiroshi Mori, Executive Director

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MHR Announces Compensation by Asset Management Company

Mori Building Investment Management Co., Ltd. (MIM), to which the asset management of Mori Hills REIT Investment Corporation (MHR) is consigned, resolved at their Board of Directors Meeting held today to conclude a memorandum with MHR regarding the following compensation.

1. Details of the Compensation

The payment of MHR's withholding tax (income tax) on cash distribution for the fiscal period ending January 2008 (August 1, 2007 to January 31, 2008) was delayed, and MHR was levied the following taxation: additional tax on nonpayment, delinquent tax and additional corporate tax. Instruction on the payment of withholding tax on cash distribution is an affiliated business of the asset management business as stated in the asset management agreement concluded between MHR and MIM, and so this tax payment delay was due to negligence of the above instruction on the part of MIM. Therefore, based on the asset management agreement, it was decided that MIM will compensate MHR for the aforementioned additional tax.

Amount: 9,166,682 yen

Scheduled Date of Compensation Payment: July 31, 2008

2. Impact on the Performance of MHR

This compensation will have no impact on the performance of MHR for the fiscal period ending July 2008 (February 1, 2008 to July 31, 2008) and forecasts made in the July 16, 2008 press release "MHR Revises Cash Distribution Forecast for Period Ending July 2008" will not be changed.

- 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>