

For Translation Purposes Only

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

Asset Manager:
 Mori Building Investment Management Co., Ltd.
 Hiroshi Mori, President
 Inquiries: Takahiro Shimizu
 General Manager, Financial Department
 TEL: +81-3-6406-9300

MHR Announces Transaction with Interested Party
(A Board Member of Mori Building Co., Ltd.)

Mori Hills REIT Investment Corporation (MHR) announced it intends to conduct the following transaction with a Board Member of Mori Building Co., Ltd. This transaction is with an interested party as stipulated in the Related Parties Transaction Guidelines of the asset management company.

1. Overview of Transaction with Interested Party

MHR will conclude a contract to renew the master lease contract made between MHR and a Board Member of Mori Building Co., Ltd., due to the expiration of the original contract. The Board Member of Mori Building Co., Ltd., was already the tenant of the property, which is described below, when MHR acquired the Property.

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| (1) Leased property: | One room at Moto-Azabu Hills Forest Tower |
| (2) Leased floor area: | 78.81 m ² (23.8 tsubos) |
| (3) Use: | Residence |
| (4) Monthly rent under renewed contract: | 590,000 yen (including common area charges) |
| (5) Security deposit for renewed contract: | 2,360,000 yen |
| (6) Contract period for renewed contract: | October 1, 2008 to September 30, 2011 |
| (7) Date of conclusion of contract renewal: | Scheduled for conclusion no later than September 30, 2008 |

2. Overview of Company for Which Interested Party Serves as a Board Member

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| Name | Mori Building Co., Ltd. |
| Location of headquarters | 6-10-1, Roppongi, Minato-ku, Tokyo |
| Representative | Minoru Mori, President & CEO |
| Capital | 65,000 million yen |
| Scope of business | Real estate business |
| Relationship with asset management company | Mori Building is a major investor in MHR. Mori Building is the sole shareholder (Investment ratio: 100%) of the asset management company, and thus constitutes an interested party, etc. as stipulated in the Law Concerning Investment Trusts and Investment Corporations (Investment Trust Law). |



3. Procedures Concerning Transaction with Interested Parties

Based on its Related Parties Transaction Guidelines, the asset management company made resolutions concerning the Property at its Compliance Committee meeting held on August 21, 2008 and the Board of Directors meeting held on August 26, 2008.

- 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>