

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:
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MHR Announces Transaction with Interested Party
(Mori Bldg. Ryutsu System Co., Ltd.)

Mori Hills REIT Investment Corporation (MHR) announced the following transaction that is to be conducted with Mori Bldg. Ryutsu System Co., Ltd. falls under the definition of a transaction with an interested party, etc. as stipulated in the Related Parties Transaction Guidelines of the asset management company, Mori Building Investment Management Co., Ltd.

1. Overview of Transaction with Interested Party, etc.

MHR is renewing lease agreement dated June 15, 1994 (including changes added thereafter) with the following terms with Mori Bldg. Ryutsu System Co., Ltd., Sumitomo Realty & Development Co., Ltd. and Mori Building Co., Ltd., which were already tenants of the property, described below, when MHR acquired it.

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|------------------------------------|---|
| (1) Leased property: | Roppongi First Building |
| (2) Leased compartment: | Part of B1F and 1F |
| (3) Leased floor area: | 2,331m ² |
| (4) Use: | Multi-purpose hall (“Laforet Museum Roppongi”) |
| (5) Purpose of proprietary use: | To sublease as a rental hall for multi-purpose usage |
| (6) Contract rent (monthly): | 10,556,000 yen
(including common area charges but excluding consumption tax; based on assumption of occupancy rate as 100%)
(same terms as prior to renewal) |
| (7) Contract renewal deposit: | 63,336,000 yen
(equivalent to 6 months worth of monthly rent; based on assumption of occupancy rate as 100%; previous deposit)
(same terms as prior to renewal) |
| (8) Contract period after renewal: | 2 years from November 1, 2009 to October 31, 2011 |

(Note) The above figures have been taken from the contract. Furthermore, the said property is co-owned by six parties, and MHR owns trust beneficiary rights on equity equivalent to 46% of the co-ownership. Since the above lease contract does not set the trustees of respective

trust beneficiary rights as lessees, neither MHR nor its asset management company has decision-making authorities concerning the content of the above transaction. Nevertheless, the contract is treated as a transaction with a related party, since it is a lease transaction on a property managed by MHR.

2. Overview of Interested Party, etc.

Name	Mori Building Ryutsu System Co., Ltd.
Location of headquarters	1-9-13 Jingumae, Shibuya-ku, Tokyo
Representative	Minoru Mori, President and CEO
Capital	1,500 million yen
Scope of business	Commercial developer primarily involved in shopping center (Laforet Harajuku) and multi-purpose hall (Laforet Museum) management and consulting
Relationship with asset management company	President and CEO of Mori Building, which is the shareholder of MHR's asset management company (investment ratio: 100%), concurrently holds the position of President and CEO of Mori Bldg. Ryutsu System Co., Ltd. Thus, the contract party falls under the category of a related party as designated in the Related Parties Transactions Guidelines of the asset management company.

3. Procedures Concerning Transaction with Interested Party, etc.

Based on its Related Parties Transaction Guidelines and after having considered the reasonable level of rent for the compartment, etc., the asset management company made resolutions concerning the transaction at a meeting of its Compliance Committee held on October 14, 2009 and a meeting of its Board of Directors held on October 20, 2009.

- 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>