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Real Estate Investment Fund Issuer:
Mori Hills REIT Investment Corporation
(Securities Code: 3234)
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MHR Announces Transaction with Interested Party (Mori Building Co., Ltd.)

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

1. Overview of Transaction with Interested Party, etc.

Of a MHR portfolio property ARK Mori Building (hereinafter, the “Property”), MHR will change the “fixed-term building lease (master lease) agreement and property management agreement for the 12th and 22nd floor portions” and “building lease (master lease) and property management agreement for the 13th floor portion” (each are hereinafter referred to as the “MLPM agreement” and the property management operations entrusted to Mori Building Co., Ltd. based on MLPM agreements are hereinafter referred to as the “PM operations”) as outlined below.

(1) MLPM Agreement for the 12th and 22nd Floors of ARK Mori Building

- (i) Lessor (Consigner): Mizuho Trust & Banking Co., Ltd. (the Property’s trust fiduciary)
- (ii) Lessee (Consigner): Mori Building Co., Ltd.
- (iii) Content of main change: Change of leasing scheme and fee structure for PM operations (property management fee structure)

Item	Before change	After change
Leasing scheme	Pass-through master lease (Note 1)	Fixed master lease (Note 1)
Property management fees	Certain percentage of NOI (Note 2)	Fixed amount

(Note 1) A master lease scheme is a scheme in which the trust fiduciary or MHR leases to the master lessee (sublessor) and the master lessee subleases to an end tenant (sublessee). A pass-through master lease scheme is one scheme of the master lease scheme in which the rent paid by the master lessee is always the same amount as the rent paid by the end tenant. A fixed master lease scheme is one scheme of the master lease scheme in which the rent paid by the master lessee is set at a fixed amount regardless of the rent paid by the sublessee to the master lessee. Please note that the type of agreement is changed from a fixed-term building lease agreement to a regular building lease agreement upon a leasing scheme change from a pass-through master lease to a fixed master lease.

(Note 2) Net operating income (NOI) is the amount of Real estate rent revenue + Other lease business revenue – Expenses related to rent business + Depreciation (the same hereinafter).

- (iv) Reason for change: To stabilize revenue as part of MHR's distribution policy
 (v) Effective date of change: February 1, 2011
 (vi) Main impact of change:

NOI will vary as follows:

Item	Before change	After change
NOI	228 million yen / fiscal period (actual results of eighth fiscal period)	263 million yen / fiscal period (Note)

(Note) Expenses related to rent business after the change are calculated based on the actual results of the eighth fiscal period.

(2) MLPM Agreement for the 13th Floor (Fixed I) of ARK Mori Building

- (i) Lessor (Consigner): Mizuho Trust & Banking Co., Ltd. (the Property's trust fiduciary)
 (ii) Lessee (Consigner): Mori Building Co., Ltd.
 (iii) Content of main change: Change of rent revision method

Item	Before change	After change
Rent revision method	Linked to market rent	Revise upon negotiation

*Annual rent is 297 million yen.

*Building management expenses, etc. will continue to be borne by the master lessee Mori Building Co., Ltd.

- (iv) Reason for change: To stabilize revenue as part of MHR's distribution policy
 (v) Effective date of change: February 1, 2011

2. Overview of Interested Party, etc.

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 (as of March 31, 2009)
Scope of business	General developer
Relationship with MHR	Mori Building is a main unitholder of MHR.
Relationship with asset manager	Mori Building is the parent company, etc. of the asset manager, and thus constitutes an interested party, etc. as stipulated in the Law Concerning Investment Trusts and Investment Corporations.

3. Procedures Concerning Transaction with Interested Party, etc.

To comply with applicable laws and regulations and with the asset management agreement, as well as to prevent the interests of MHR from being negatively impacted, the Asset Manager has taken steps pursuant to the Related Parties Transaction Guidelines.

4. Future Prospects

The forecast of MHR's business results following the abovementioned change will be factored into and announced as the "Forecast of Results for the Tenth Fiscal Period Ending July 31, 2011 (February 1, 2011 – July 31, 2011)" in the "Financial Report for the Ninth Fiscal Period Ended January 31, 2011" that is scheduled to be released at a later date.



- 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>