

For Translation Purposes Only

Real Estate Investment Fund Issuer:
Mori Hills REIT Investment Corporation
(Securities Code: 3234)
1-8-7 Roppongi, Minato-ku, Tokyo
Hiroshi Mori, Executive Director

Asset Manager:
Mori Building Investment Management Co., Ltd.
Hideyuki Isobe, President & CEO
Inquiries: Yoshimi Nishibeppu
General Manager, Administration Department
TEL: +81-3-6234-3234

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.

MHR will change the building management expenses under the property management agreement for Koraku Mori Building (hereinafter, the "Property") as follows:

- (1) Consigner: The Sumitomo Trust & Banking Co., Ltd. (the Property's trust fiduciary)
- (2) Consignee: Mori Building Co., Ltd.
- (3) Subject operations: Building management operations concerning facility management, security, parking lot and cleaning
- (4) Subject property: Koraku Mori Building
- (5) Content of change in terms and conditions:

Decrease in amount of building management expenses

(monthly amount, excluding consumption taxes) (thousand yen)

Property name	Before change	After change	Amount of decrease
Koraku Mori Building (Note)	10,200	8,375	1,825

(Note) The above figures have been taken from the contract. Furthermore, MHR owns the Property's trust beneficiary rights totaling 80% of the entire trust assets. Accordingly, the building management expenses in terms of MHR's interest in the trust beneficiary rights is (Before change) 8,160 thousand yen, (After change) 6,700 thousand yen, and (Amount of decrease) 1,460 thousand yen.

(6) Reason for change in terms and conditions:

An agreement was reached to decrease the amount of building management expenses, yet still maintain high-quality management services, by restructuring the facility management operations structure and changing the specifications for certain cleaning operations.

(7) Effective date of change in terms and conditions: February 1, 2011



HILLS REIT

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>