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For Translation Purposes Only

Real Estate Investment Fund Issuer:  
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(Securities Code: 3234)  
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MHR Announces Asset Transfer  
Roppongi Hills Gate Tower: Transfer

Mori Hills REIT Investment Corporation (MHR) announced its intention to complete the following transfer (hereafter, the “Transfer”).

1. Overview of Transfer

- |                             |                             |
|-----------------------------|-----------------------------|
| 1) Asset-to-be-transferred: | Trust beneficiary right     |
| 2) Property name:           | Roppongi Hills Gate Tower   |
| 3) Book value:              | 35,681 million yen (Note 1) |
| 4) Transfer price:          | 35,920 million yen (Note 2) |
| 5) Gain (loss) on transfer: | 185 million yen (Note 3)    |
| 6) Sales agreement date:    | August 1, 2011              |
| 7) Scheduled transfer date: | August 1, 2011              |
| 8) Buyer:                   | Mori Building Co., Ltd      |

(Note 1) Book value was an estimate of the price of the asset-to-be-transferred as of the scheduled sales agreement date based on the book value as of the end of May 31, 2011. The amount will be finalized after taking into account depreciation and amortization until the scheduled transfer date. The same shall apply hereinafter.

(Note 2) The transfer price does not include transfer-related costs, consumption taxes and other expenses. The same shall apply hereinafter.

(Note 3) The gain (loss) on transfer represents the value obtained by deducting the book value above and transfer-related costs from the transfer price. The same shall apply hereinafter.

2. Reason for the Transfer

MHR is proceeding with asset swap in which it conducts “sales of low yield properties” and “acquisitions of high-yield properties” concurrently, as part of its measures under its basic policy of “dividend-driven management.” Accordingly, MHR has decided to implement asset swaps with Mori Building Co., Ltd., its sponsor, in which additional portions of Roppongi Hills Mori Tower and ARK Mori Building will be acquired by MHR (Note 1) and Roppongi Hills Gate Tower will be transferred to Mori Building, as of August 1, 2011

As it conducts asset swaps, MHR aims to improve the portfolio NOI yield while maintaining the present portfolio policy that focuses on premium properties (Note 2). Based on this policy, it has decided to transfer Roppongi Hills Gate Tower.

(Note 1) Please refer to “MHR Announces Asset Acquisitions (Roppongi Hills Mori Tower: Additional Acquisition, ARK Mori Building: Additional Acquisition)” separately announced today. This shall apply hereinafter.

(Note 2) “Premium Properties” are defined in the management guidelines stipulated by Mori Building Investment Management Co., Ltd. (hereafter, the “Asset Manager”) as being office, residential or retail properties located in the central five wards of Tokyo (Minato Ward, Chiyoda Ward, Chuo Ward, Shinjuku Ward and Shibuya Ward) and their vicinity that are able to maintain sufficient competitiveness in the future in terms of quality, size, specifications, etc.

### 3. Details of the Asset-to-be-Transferred

Property name		Roppongi Hills Gate Tower				
Type of specified asset		Trust beneficiary right				
Trust fiduciary		The Sumitomo Trust & Banking Co., Ltd.				
Trust beneficiary		MHR				
Location		6-11-1 Roppongi, Minato-ku, Tokyo (Residential address)				
Use		Offices, Residences, Shops				
Area (Note 1)	Land	4,560.15 m <sup>2</sup>				
	Building	29,111.78 m <sup>2</sup>				
Structure		Reinforced concrete, steel-framed reinforced concrete and steel-framed structure, 15 floors above ground and 2 floors below ground				
Construction completion		October 2001				
Form of ownership	Land	Ownership				
	Building	Sectional ownership (Note 2)				
Book value		35,681 million yen				
Transfer price		35,920 million yen				
Gain (loss) on transfer		185 million yen				
Appraisal	Appraisal value	31,900 million yen(Note 3)				
	Appraisal date	July 15, 2011				
	Appraiser	Japan Real Estate Institute				
Transfer date		August 1, 2011				
Details of tenants (as of June 30, 2011)						
Total number of tenants		42 (Note 4)				
Gross rent income (annual rent)		1,874,707,956 yen (Note 5)				
Deposits/Guarantees		1,681,937,626 yen				
Total leasable floor area		16,657.52 m <sup>2</sup>				
Total leased floor area		16,173.39 m <sup>2</sup>				
Occupancy rate		End of January 2009	End of July 2009	End of January 2010	End of July 2010	End of January 2011
		98.1%	93.8%	96.0%	98.7%	97.1%
Other special consideration		Not applicable				

(Note 1) Area refers to the area of the entire parcel, and the total floor area of the entire building, both based on the record in the real estate registry.

(Note 2) The property’s building is for sectional ownership, but MHR holds the trust beneficiary right in a trust that holds title to the entire sectional ownership of the building.

(Note 3) The type of price in the appraisal is an ordinary price (fair value that reflects market value, thought to be formed in the market upon fulfilling conditions that are deemed logical under current social conditions) and not a specific price (price that reflects investor break-even price to show to investors).

(Note 4) Of the total number of end tenants (42), there are 38 end tenants for residential sections.

(Note 5) The gross rent income (annual income) represents the figure obtained by multiplying the combined

amount of the monthly rents described in the lease agreements with the end tenants in relation to the property held in trust (including percentage-of-sales rents invoiced to the end tenants from June 1 to June 30, 2011) and the proceeds for monthly common expenses (excluding income from parking lots, utilities and sources) by 12.

#### 4. Profile of Buyer

Name	Mori Building Co., Ltd.
Location	6-10-1 Roppongi, Minato-ku, Tokyo
Representative	President and CEO, Shingo Tsuji
Scope of business	General developer
Capital	67,000 million yen (as of March 31, 2011)
Established	June 2, 1959
Major shareholder and ratio of shareholding	Morikiyo Co., Ltd. etc. (as of March 31, 2011)
Net assets	294,075 million yen (as of March 31, 2011)
Total assets	1,071,973 million yen (as of March 31, 2011)
Relationship with MHR or Asset Manager (as of July 29, 2011)	
Capital relationship	Mori Building is the main unitholder (21.1% stake) of MHR. Mori Building is also the main shareholder (100% stake) of the Asset Manager, and thus constitutes an interested party, etc. as defined in the Law Concerning Investment Trusts and Investment Corporations (Investment Trust Law).
Personnel relationship	Two of the officers and employees of the Asset Manager are seconded from Mori Building.
Business relationship	Mori Building has concluded a support agreement with MHR and the Asset Manager and an advisory business consignment agreement with the Asset Manager, and conducts support, etc. in regard to property acquisitions, etc. In addition, Mori Building has concluded a brand licensing contract with MHR and grants the license to use the brand name "Mori Hills REIT" and the "m" mark. Furthermore, as for assets MHR owns in the form of trust beneficiary rights, Mori Building concludes a building lease agreement (so-called master lease agreement) with a trust fiduciary, and leases the entire property as a master lessee. The company also concluded a property management agreement and conducts property management of the property.
Application of status as a related party	Mori Building falls under the category of other interested party of MHR. In addition, it is a parent company of the Asset Manager.

#### 5. Broker Profile

Not applicable.

#### 6. Transaction with Interested Parties, etc.

A transaction with an interested party, etc. will occur with the transfer of the Property.

Accordingly, 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 with respect to the transfer price and other terms and conditions, the Asset Manager has taken steps pursuant to the Related Parties Transaction Guidelines.

Transfer of the asset	The buyer constitutes an interested party, etc. of the Asset Manager and the transaction constitutes a transaction with an interested party, etc. as defined in the Investment Trust Law. In accordance with the provisions of the Investment Trust Law, the Asset Manager will deliver a written notice to MHR.
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#### 7. Payment Method

Lump sum payment upon delivery

MHR plans to use the capital acquired through the transfer to fund the acquisition of assets

separately announced today.

#### 8. Schedule to be transferred

Scheduled sales agreement date	August 1, 2011 (planned)
Payment and delivery date	August 1, 2011 (planned)

#### 10. Future Prospect

The asset transfer will give no impact on MHR's business results for the fiscal period ending July 2011 (February 1, 2011 – July 31, 2011). For the forecast of business results for the fiscal period ending January 2012 (August 1, 2011 – January 31, 2012), please refer to "MHR Announces Forecast for Period Ending January 2012" separately announced today.

[Attachments]

Attachment: Portfolio List After the Transfer and Acquisition of Roppongi Hills Mori Tower and ARK Mori Building

- 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/>

[Attachment] Portfolio List After the Transfer and Acquisition of Roppongi Hills Mori Tower and ARK Mori Building

Main Type	Region	Property no.	Property name	Acquisition date	Scheduled Acquisition price (millions of yen) (Note 2)	Investment ratio (%) (Note 3)
Office Building	Central five wards in Tokyo and their vicinity	O-0	Roppongi Hills Mori Tower	March 23, 2010 August 1, 2011	25,490 (Note 4)	12.1
		O-1	ARK Mori Building	March 22, 2006 March 28, 2008 September 30, 2008 March 23, 2010 March 18, 2011 August 1, 2011	58,970 (Note 4)	27.9
		O-3	Roppongi First Building	March 22, 2006 April 13, 2006	21,000	9.9
		O-4	Koraku Mori Building	April 13, 2006	27,200	12.9
		O-6	Akasaka Tameike Tower	September 30, 2008 March 18, 2011	43,930	20.8
		Sub total				
Residential	Central five wards in Tokyo and their vicinity	R-1	Moto-Azabu Hills	March 22, 2006	1,706	0.8
		R-2	ARK Forest Terrace	April 13, 2006	5,300	2.5
		R-3	Roppongi First Plaza	April 13, 2006	2,100	1.0
		R-4	Roppongi View Tower	March 22, 2006 April 13, 2006	4,000	1.9
		Sub total				
Retail	Central five wards in Tokyo and their vicinity	S-1	Laforet Harajuku (Land)	September 15, 2010	21,820	10.3
Sub total					21,820	10.3
Portfolio total					211,516	100.0

(Note 1) The table represents the portfolio list after the property acquisitions (Roppongi Hills Mori Tower and ARK Mori Building) and the property transfer (Roppongi Hills Gate Tower) to be conducted as of August 1, 2011.

(Note 2) Figures of the (scheduled) acquisition price have been rounded down to the nearest million yen.

(Note 3) Figures in the investment ratio are the ratios of respective (scheduled) acquisition prices to the portfolio total, and have been rounded to the first decimal place.

(Note 4) Figures include the scheduled acquisition prices of the additional portions in the announced acquisitions (Roppongi Hills Mori Tower: 18,680 million, ARK Mori Building: 17,200 million yen).