

For Translation Purposes Only

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 Law Concerning Investment Trusts and Investment Corporations.

1. Overview of Transaction with Interested Party, etc.

As of August 1, 2011, MHR will amend the building leasing agreement (master lease) and the property management agreement concluded with Mori Building Co., Ltd. for MHR's portfolio property Akasaka Tameike Tower (Property).

2. Overview and Reason of Change

Through changing the leasing scheme for Akasaka Tameike Tower (office) (the portion acquired as of September 30, 2008 primarily for office use) as follows, the downside risk of real estate rent revenue, etc. due to the moving out of end tenants and rent reductions will be avoided, a stable cash flow will be secured and MHR's performance will be stabilized.

Item	Before change	After change (Note 2)
Leasing scheme	Pass-through master lease (Note 1)	Fixed master lease (Note 1)

(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 and the rent paid by the end tenant are always the same amount. A fixed master lease scheme is one scheme of the master lease scheme in which the master lessee pays a fixed amount regardless of the amount paid by the sublessee to the master lessee (the same hereinafter).

(Note 2) With the change of leasing scheme, building management expenses, etc. will be made to be borne by the master lessee and management fees will be changed from NOI (Note 3) linked to fixed amount. In addition, though the leasing scheme of Akasaka Tameike Tower (residence) (the portion acquired as of March 18, 2011 primarily for residential use) which is operated with a fixed master lease will not be changed, with the amendment of the agreement for Akasaka Tameike Tower (office), building management expenses, etc. will be made to be borne by the master lessee and about the same amount will be reduced from the master lease rent. The impact of this on MHR's revenue is minimal.

(Note 3) Net operating income (NOI) is the amount of Rent revenue from real estate + Other lease business revenue – Expenses related to rent business + Depreciation.

3. Impact of Change

Item	Before change	After change (Note 2)
NOI	570 million yen / fiscal year (Note)	632 million yen / fiscal year (Note)

(Note 1) Calculated based on forecast figures of MHR's portfolio property Akasaka Tameike Tower (entirety) for the eleventh fiscal period (August 1, 2011 to January 31, 2012).

4. Overview of Interested Party, etc.

Name	Mori Building Co., Ltd.
Location of headquarters	6-10-1 Roppongi, Minato-ku, Tokyo
Representative	Shingo Tsuji, President & CEO
Scope of business	General developer
Capital	67,000 million yen (as of March 31, 2011)
Established	June 2, 1959
Relationship with MHR and asset manager	Mori Building is a main unitholder of MHR (21.1% share) and is the parent company (100% share) of MHR's asset manager, Mori Building Investment Management Co., Ltd. (Asset Manager) and thus constitutes an interested party, etc. as stipulated in the Law Concerning Investment Trusts and Investment Corporations.

5. 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.

6. Future Prospects

There will be no impact on the results of the tenth fiscal period (February 1, 2011 to July 31, 2011). As for the forecast of results for the eleventh fiscal period (August 1, 2011 to January 31, 2012), please refer to "Forecast for Period Ending January 2012" separately announced today.

- 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/>