

For Translation Purposes Only

Real Estate Investment Fund Issuer:
Mori Hills REIT Investment Corporation
(Securities Code: 3234)
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Toichiro Suzuki, Executive Director

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MHR Announces Changes Regarding Transactions with Interested Parties, etc.
(Mori Building Co., Ltd.)

Mori Hills REIT Investment Corporation (MHR) resolved at their Board of Directors Meeting and the Board of Directors Meeting at Mori Building Investment Management Co., Ltd. (MIM) held today to execute the following regarding transactions with interested parties, etc. stipulated in the Investment Trusts and Investment Corporations Law (Investment Trusts Law) (hereafter, "Interested Parties").

1. Amendment of Memorandum Regarding Building Management Expenses Attached to Property Management Agreement with Mori Building Co., Ltd.

MHR will change the terms and conditions of building management expenses under the property management agreements for Roppongi Hills Gate Tower, Koraku Mori Building, Moto-Azabu Hills and ARK Forest Terrace as follows:

- (1) Consigner: The Sumitomo Trust and Banking Co., Ltd. (Trustee in accordance with establishment of said property's beneficiary right)
- (2) Consignee: Mori Building Co., Ltd.
- (3) Type of work: Building management operations concerning facility management, security, parking lot, front desk and cleaning
- (4) Content of change in terms and conditions: Increase in building management expenses

(Consumption tax not included/Monthly amount: thousand yen)

| Property Name | Before change | After change | Increase |
|-----------------------------|---------------|--------------|----------|
| Roppongi Hills Gate Tower | 16,800 | 19,200 | 2,400 |
| Koraku Mori Building (Note) | 7,200 | 8,160 | 960 |
| Moto-Azabu Hills | 9,540 | 10,000 | 460 |
| ARK Forest Terrace | 4,200 | 5,100 | 900 |
| Total | 37,740 | 42,460 | 4,720 |

(Note) Equivalent amount in terms of MHR's equity in beneficiary right (80%)

- (5) Reason for change in terms and conditions: The following factors are the reasons for the price increases: (i) Personnel expense increase at subcontractor, (ii) Introduction of collective periodical maintenance system to the building management system (outsourced) and (iii) increase in costs pursuant to upgrading of some specifications in operations concerning facility management, security and cleaning (outsourced). MHR deemed the change necessary to maintain high quality management services.

- (6) Effective date for change in terms and conditions: September 1, 2007



2. Overview of Interested Parties, etc.

| | |
|--|--|
| Name | Mori Building Co., Ltd. |
| Location of headquarters | 6-10-1, Roppongi, Minato-ku, Tokyo |
| Representative | Minoru Mori, President and CEO |
| Capital | 1,000 million yen |
| Scope of business | Real estate business |
| Relationship with MHR | Mori Building is a major investor in MHR |
| Relationship with asset management company | Mori Building is the sole shareholder of the asset management company, and is applicable to Interested Parties stipulated under the Investment Trusts Law. |

3. Future Prospects

Forecasts for earnings following the changes in management expenses have been incorporated and disclosed as part of forecasts for operations for the 3rd Term (term ending January 2008) in MHR's earnings report for the 2nd Term (term ended July 2007) disclosed today.

- 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>