

For Translation Purposes Only

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(Securities Code: 3234)
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MHR Announces Completion of Asset Transfer
(Moto-Azabu Hills: Partial Transfer)

Mori Hills REIT Investment Corporation (MHR) announced that it has completed the transfer (hereafter “the Transfer”) of the following asset disclosed in the press release “MHR Announces Asset Acquisition and Transfer” dated September 16, 2008.

1. Overview of Transferred Asset

Transferred asset	Real estate (Note 1)
Property name	Moto-Azabu Hills
Transfer price (Note 2)	423,000,000 yen
Date of conclusion of the real estate sale and purchase agreement	October 31, 2008
Transfer date	October 31, 2008
Buyer	Mori Building Co., Ltd.

(Note 1) MHR transferred said real estate upon termination of a trust contract for the sectional ownership to 1 unit (about 0.5% of total private-use floor area) of Moto-Azabu Hills that it acquired on March 22, 2006.

(Note 2) Excluding transfer costs, property taxes, city planning taxes and consumption taxes.

For other information, overview of the transferred asset, reason for the transfer and details of the transferred asset, please refer to the press release “MHR Announces Asset Acquisition and Transfer” dated September 16, 2008.

2. Change in Transaction with Interested Party, etc. in relation to the Transfer

In regards to the management costs on the property management agreement with Mori Building Co., Ltd., which is an interested party to MHR’s asset management company, MHR will revise the memorandum, etc. attached to said agreement on October 31, 2008. MHR will thereby reduce the amount that accompanies the reduction of the targeted area for rendering of services in relation to this transfer (the total reduction for this fiscal period for this transfer is 415,500 yen).



The asset management company performed procedures based on its Related Parties Transaction Guidelines in order to comply with applicable laws and regulations and with the asset management agreement as well as to prevent the interests of MHR from being undermined in relation to the terms and conditions, etc.

3. Outlook of Business Results

The gain on sales arising from this transfer for the fifth fiscal period ending January 31, 2009 is already reflected in the forecasts of results for that same fiscal period as we disclosed on September 16, 2008. Furthermore, fluctuations in other revenues and expenses, etc. for MHR arising from this transfer are minor. Therefore, the forecasts will not be revised.

- 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>