

For Translation Purposes Only

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MHR Announces Conclusion of Interest Rate Swap Agreements

Mori Hills REIT Investment Corporation (hereafter “MHR”) concluded today the following interest rate swap agreements.

1. Purpose of Entering Interest Rate Swap Agreements

To hedge the risk of fluctuation in interest rate payments by converting to a virtual fixed rate for the long-term loans payable disclosed in the press release “MHR Announces Information on Borrowings” dated August 21, 2019.

2. Details of the Interest Rate Swap Agreements

(1) Borrowings entered into interest rate swap agreements

Category	Lender	Borrowing amount (million yen)	Interest rate	Drawdown date	Repayment Date (Note)
Debt 1	Mizuho Bank, Ltd.	1,000	1-month JBA Japanese Yen TIBOR + 0.200%	August 30, 2019	August 31, 2025
Debt 2	Chugoku Bank Ltd.	1,000	1-month JBA Japanese Yen TIBOR + 0.200%		August 31, 2026

(Note) If any of the above repayment dates are not a business day, the next business day shall be the termination or interest payment date. If this next business day falls into the following month, the business day immediately prior shall be the termination or interest payment date.

(2) Summary of interest rate swap agreements

Category	Counterparty	Notional principal amount (million yen)	Interest rate (Note 1)		Commencement date	Termination Date (Note 1)
			Fixed interest rate	Fluctuating interest rate		
Debt 1	Nomura Securities Co.,Ltd.	1,000	0.00100% (Note 2)	1-month JBA Japanese Yen TIBOR	September 2, 2019	August 31, 2025
Debt 2	Nomura Securities Co.,Ltd.	1,000	0.01700% (Note 3)			August 31, 2026

(Note 1) The first interest payment date shall be the last day of September 2019 and subsequent payment dates shall be the last day of every month thereafter. The last interest payment date shall be the termination date. However, if any of the above dates are not a business day, the next business day shall be that date. If this next business day falls into the following month, the business day immediately prior shall be that date.

(Note 2) Due to the interest rate swap agreement, the interest rate for long-term loans payable for Debt 1 mentioned above will, in effect, be converted into a fixed interest rate of 0.20100% until the termination date.

(Note 3) Due to the interest rate swap agreement, the interest rate for long-term loans payable for Debt 2 mentioned above will, in effect, be converted into a fixed interest rate of 0.21700% until the termination date.

- 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 <https://www.mori-hills-reit.co.jp/en/>