

For Translation Purposes Only

Real Estate Investment Fund Issuer:
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(Securities Code: 3234)
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MHR Announces Information on Borrowings (including Green Loans)

Mori Hills REIT Investment Corporation (hereinafter “MHR”) concluded today the following borrowings.

1. Purpose of Borrowings

To be used as a portion of the refinancing of 4,900 million yen in long-term loans payable due August 31, 2023 (hereinafter “Existing Long-term Loans Payable”) (Note).

(Note) Please refer to the press releases “MHR Announces Information on Borrowings” dated September 11, 2015 and “MHR Announces Information on Borrowings and Prepayment of Borrowings” dated August 22, 2018 for details.

2. Details of Borrowings

Lender (anticipated)	Borrowing amount (million yen)	Interest rate	Scheduled drawdown date	Repayment date (Note 3)	Method of repayment	Collateral
Sumitomo Mitsui Trust Bank, Limited (Note 4)	2,400	Base interest rate +0.180% (Note 1)	August 31, 2023	August 31, 2028	To be repaid in full on the principal repayment date	Unsecured/ Unguaranteed
MUFG Bank, Ltd.	500	Undecided (fixed interest rate) (Note 2)		February 28, 2031		

(Note 1) The first payment date shall be the last day of November 2023 and subsequent payment dates shall be the last day of February, May, August, and November every year thereafter. The last payment date shall be the principal repayment date. If the date is not a business day, the next business day shall be the date and if this next business day falls into the following month, the business day prior shall be the payment date.

Base interest rate to be applied will be the 3-month JBA Japanese Yen TIBOR announced by the Japanese Bankers Association two business days prior to the last payment day (The first payment date shall be the drawdown date). The 3-month JBA Japanese Yen TIBOR can be confirmed on the website of General Incorporated Association JBA TIBOR Administration (<https://www.jbatibor.or.jp/english/>).

(Note 2) MHR will announce the applicable interest rates as soon as these are determined.

The first payment date shall be the last day of February 2024 and subsequent payment dates shall be the last day of February and August every year thereafter. The last payment date shall be the principal repayment date. If the date is not a business day, the next business day shall be the date and if this next business day falls into the following month, the business day prior shall be the payment date.

(Note 3) If the repayment date is not a business day, the next business day shall be the repayment date. If this next business day falls into the following month, the business day prior shall be the repayment date.

(Note 4) The Borrowings are to be procured as green loans (hereinafter “Green Loans”). For details, please refer to “5. Objective of Procurement Through the Green Loans.”

3. Amount of Funds, Use of Funds and Scheduled Payment Period

(1) Amount of funds to be procured: 2,900 million yen

(2) Specific use of funds and scheduled payment period

- a) Specific use of funds: To be disbursed as funds for refinancing of the Existing Long-term Loans Payable (Difference of 2,000 million yen is planned to be appropriated by cash-on-hand.)
- b) Amount: 2,900 million yen
- c) Scheduled payment period: August 31, 2023

4. Borrowings, etc. after the Borrowings

(Unit: millions of yen)

	Before the Borrowings	After the Borrowings	Change
Long-term loans payable	172,122	170,122	△2,000
Investment corporation bonds	20,300	20,300	0
Total interest-bearing debt	192,422	190,422	△2,000

(Note) Long-term loans payable and investment corporation bonds include the current portion of long-term loans payable and investment corporation bonds within a year.

5. Objective of Procurement Through the Green Loans

In an aim to contribute to the realization of a sustainable society and maximize unitholder value over the medium to long term, MHR has decided to procure funds through the Green Loans with the formulation of a green finance framework (hereinafter “Framework”) in order to procure investment funds for projects that are conscious of the environment.

Based on the Framework, the funds procured through the Green Loans are planned to be disbursed as funds for refinancing the borrowings associated with the funds for the acquisition of “Toranomon Hills Mori Tower” and “Holland Hills Mori Tower,” being assets that meet the eligibility criteria.

MHR has obtained “Green 1 (F),” the highest evaluation grade in the “JCR Green Finance Framework Evaluation,” from Japan Credit Agency, Ltd. (hereinafter “JCR”) as a third-party evaluation of the Framework. For details on the “JCR Green Finance Framework Evaluation,” please refer to JCR’s website (<https://www.jcr.co.jp/en/greenfinance/green/>).

6. Other Items Required for Investors to Appropriately Understand/Judge the Concerned Information

There are no changes to the content of “1. Fund Information; 1. Fund Status; 3. Investment Risks” indicated in the Semiannual Securities Report (Japanese) for the thirty-third fiscal period submitted on April 26, 2023 as a result of the Borrowings.

- MHR’s website address is <https://www.mori-hills-reit.co.jp/en/>