

For Translation Purposes Only

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MHR Announces Conclusion of Interest Rate Swap Agreement

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

1. Purpose of Entering an Interest Rate Swap Agreement

To hedge the risk of fluctuation in interest rate payments by converting to a virtual fixed rate for the long-term loans payable (maturity of 6 years) of 6,000 million yen and the long-term loans payable (maturity of 7 years) of 6,500 yen disclosed in the press release “MHR Announces Information on Borrowings” dated November 20, 2014.

2. Details of the Interest Rate Swap Agreement

(1) Interest Rate Swap Agreement (maturity of 6 years)

- a) Counterparty: Sumitomo Mitsui Trust Bank, Limited
- b) Notional principal amount: 6,000 million yen
- c) Interest rate: Fixed interest rate payable at 0.32415%  
Fluctuating interest rate receivable will be 1-month JBA Japanese Yen TIBOR
- d) Date of the agreement: November 21, 2014
- e) Commencement date: November 28, 2014
- f) Termination date: November 30, 2020 (Note)
- g) Interest payment date: The first payment date shall be the last day of December 2014 and subsequent payment dates shall be the last day of every month thereafter (Note). The last payment date shall be the termination date.

Due to the interest rate swap agreement, the fluctuating interest rate for long-term loans payable (maturity of 6 years) for 6,000 million yen (equivalent to said notional principal amount) mentioned in Section 1 above will, in effect, be converted into a fixed interest rate of 0.62415%.

- (2) Interest Rate Swap Agreement (maturity of 7 years)
- a) Counterparty: Sumitomo Mitsui Trust Bank, Limited
  - b) Notional principal amount: 6,500 million yen
  - c) Interest rate: Fixed interest rate payable at 0.40350%  
Fluctuating interest rate receivable will be 1-month JBA Japanese Yen TIBOR
  - d) Date of the agreement: November 21, 2014
  - e) Commencement date: November 28, 2014
  - f) Termination date: November 30, 2021 (Note)
  - g) Interest payment date: The first payment date shall be the last day of December 2014 and subsequent payment dates shall be the last day of every month thereafter (Note). The last payment date shall be the termination date.

Due to the interest rate swap agreement, the fluctuating interest rate for long-term loans payable (maturity of 7 years) for 6,500 million yen (equivalent to said notional principal amount) mentioned in Section 1 above will, in effect, be converted into a fixed interest rate of 0.75350%.

(Note) However, if any of the above termination or interest payment dates is 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.

- 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/>