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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 for some of existing fluctuating interest rate loans.

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 of 7,500 million yen (maturity of 7 years) and 7,100 million yen (maturity of 8 years) disclosed in the press release “MHR Announces Information on Borrowings” dated March 15, 2016.

2. Details of the Interest Rate Swap Agreements

Counterparty	Notional principal amount (million yen)	Interest rate (Note 1)		Commencement date	Termination date
		Fixed interest rate	Fluctuating interest rate		
Mizuho Bank, Ltd.	7,500	0.12900% (Note 2)	1-month JBA Japanese Yen TIBOR	July 2, 2018	March 31, 2023
Sumitomo Mitsui Trust Bank, Limited	7,100	0.15995% (Note 3)	1-month JBA Japanese Yen TIBOR	July 2, 2018	March 29, 2024

(Note 1) The first interest payment date shall be the last day of July 2018 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 termination or interest payment 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.

(Note 2) Due to the interest rate swap agreement, the interest rate for long-term loans payable of 7,500 million yen (equivalent to said notional principal amount) mentioned in Section 1 above will, in effect, be converted into a fixed interest rate of 0.32900%.

(Note 3) Due to the interest rate swap agreement, the interest rate for long-term loans payable of 7,100 million yen (equivalent to said notional principal amount) mentioned in Section 1 above will, in effect, be converted into a fixed interest rate of 0.40995%.

- 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/en/>