

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 (maturity of 7 years) of 3,200 million yen and the long-term loans payable (maturity of 8 years) of 6,300 million yen disclosed in the press release “MHR Announces Information on Borrowings” dated November 25, 2015.

2. Details of the Interest Rate Swap Agreements

(1) Interest Rate Swap Agreement (maturity of 7 years)

- a) Counterparty : Shinsei Bank, Limited
- b) Notional principal amount : 3,200 million yen
- c) Interest rate : Fixed interest rate payable at 0.29800%  
Fluctuating interest rate receivable will be 1-month JBA Japanese Yen TIBOR
- d) Date of the agreement : November 26, 2015
- e) Commencement date : November 30, 2015
- f) Termination date : November 30, 2022 (Note)
- g) Interest payment date : The first payment date shall be the last day of December 2015 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) of 3,200 million yen (equivalent to said notional principal amount) mentioned in Section 1 above will, in effect, be converted into a fixed interest rate of 0.49800%.

(2) Interest Rate Swap Agreement (maturity of 8 years)

- a) Counterparty : Shinsei Bank, Limited
- b) Notional principal amount : 6,300 million yen
- c) Interest rate : Fixed interest rate payable at 0.36550%  
Fluctuating interest rate receivable will be 1-month JBA  
Japanese Yen TIBOR
- d) Date of the agreement : November 26, 2015
- e) Commencement date : November 30, 2015
- f) Termination date : November 30, 2023 (Note)
- g) Interest payment date : The first payment date shall be the last day of December  
2015 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 8 years) of 6,300 million yen (equivalent to said notional principal amount) mentioned in Section 1 above will, in effect, be converted into a fixed interest rate of 0.61550%.

(Note) However, if this date is not a business day, the next business day shall be the payment date. If this next business day falls into the following month, the business day immediately prior shall be the 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/>