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(Securities Code: 3234)
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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 and Prepayment of Borrowings” dated August 22, 2018.

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	The Nishi-Nippon City Bank, Ltd.	800	1-month JBA Japanese Yen TIBOR + 0.10%	August 31, 2018	August 31, 2022
Debt 2	Sumitomo Mitsui Trust Bank, Limited	2,400	1-month JBA Japanese Yen TIBOR + 0.14%	August 31, 2018	August 31, 2023
Debt 3	The Norinchukin Bank	500	1-month JBA Japanese Yen TIBOR + 0.15%	August 1, 2017	July 31, 2024
Debt 4	Mizuho Bank, Ltd.	3,000	1-month JBA Japanese Yen TIBOR + 0.20%	August 31, 2018	August 31, 2024
	The Norinchukin Bank	1,300			
Debt 5	The Bank of Fukuoka	1,300	1-month JBA Japanese Yen TIBOR + 0.15%		
Debt 6	The Norinchukin Bank	600	1-month JBA Japanese Yen TIBOR + 0.25%	November 30, 2017	November 30, 2024
	The Nishi-Nippon City Bank, Ltd.	1,000			
Debt 7	Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	7,200	1-month JBA Japanese Yen TIBOR + 0.25%	March 31, 2016	March 31, 2025
Debt 8	Sumitomo Mitsui Banking Corporation	1,100	1-month JBA Japanese Yen TIBOR + 0.20%	August 1, 2017	July 31, 2025

Category	Lender	Borrowing amount (million yen)	Interest rate	Drawdown date	Repayment Date (Note)
Debt 9	The Bank of Fukuoka	500	1-month JBA Japanese Yen TIBOR + 0.20%	February 28, 2018	August 31, 2025
	Resona Bank, Limited.	500			
	Mizuho Trust & Banking Co., Ltd.	1,500			
Debt 10	Shinsei Bank, Limited	500	1-month JBA Japanese Yen TIBOR + 0.27%		
	The Nishi-Nippon City Bank, Ltd.	500			
Debt 11	Shinsei Bank, Limited	1,300	1-month JBA Japanese Yen TIBOR + 0.25%	August 31, 2018	
Debt 12	Mizuho Trust & Banking Co., Ltd.	1,300	1-month JBA Japanese Yen TIBOR + 0.20%		
Debt 13	Sumitomo Mitsui Banking Corporation	2,650	1-month JBA Japanese Yen TIBOR + 0.25%	February 28, 2018	February 28, 2026
Debt 14	Sumitomo Mitsui Trust Bank, Limited	1,000	1-month JBA Japanese Yen TIBOR + 0.20%	August 1, 2017	July 31, 2026
	The Bank of Fukuoka	500			
Debt 15	Sumitomo Mitsui Banking Corporation	3,600	1-month JBA Japanese Yen TIBOR + 0.25%	August 31, 2018	August 31, 2026
Debt 16	Sumitomo Mitsui Trust Bank, Limited	2,600	1-month JBA Japanese Yen TIBOR + 0.24%	February 28, 2018	February 28, 2027
Debt 17	Development Bank of Japan Inc.	750	1-month JBA Japanese Yen TIBOR + 0.30%		
Debt 18	Resona Bank, Limited.	500	1-month JBA Japanese Yen TIBOR + 0.25%	August 1, 2017	July 31, 2027
Debt 19	Sumitomo Mitsui Trust Bank, Limited	1,400	1-month JBA Japanese Yen TIBOR + 0.30%	August 31, 2018	August 31, 2027
	Development Bank of Japan Inc.	500			

(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.	800	0.15700% (Note 2)	1-month JBA Japanese Yen TIBOR	September 3, 2018	August 31, 2022
Debt 2	Sumitomo Mitsui Trust Bank, Limited	2,400	0.19150% (Note 3)			August 31, 2023
Debt 3	Nomura Securities Co., Ltd.	500	0.22350% (Note 4)			July 31, 2024
Debt 4	Nomura Securities Co., Ltd.	5,600	0.22600% (Note 5)			August 31, 2024
Debt 5			0.23930% (Note 6)			
Debt 6	Mizuho Bank, Ltd.	1,600	0.23930% (Note 7)			November 30, 2024

Category	Counterparty	Notional principal amount (million yen)	Interest rate (Note 1)		Commencement date	Termination Date (Note 1)
			Fixed interest rate	Fluctuating interest rate		
Debt 7	Mizuho Bank, Ltd.	7,200	0.25400% (Note 8)	1-month JBA Japanese Yen TIBOR	September 3, 2018	March 31, 2025
Debt 8	Mizuho Bank, Ltd.	1,100	0.26730% (Note 9)			July 31, 2025
Debt 9	Mizuho Bank, Ltd.	6,100	0.27000% (Note 10) (Note 11) (Note 12) (Note 13)			August 31, 2025
Debt 10						
Debt 11						
Debt 12						
Debt 13	Nomura Securities Co., Ltd.	2,650	0.29600% (Note 14)			February 28, 2026
Debt 14	Nomura Securities Co., Ltd.	1,500	0.31500% (Note 15)			July 31, 2026
Debt 15	Mizuho Bank, Ltd.	3,600	0.31400% (Note 16)			August 31, 2026
Debt 16	Nomura Securities Co., Ltd.	3,350	0.34300% (Note 17) (Note 18)			February 28, 2027
Debt 17						
Debt 18	Nomura Securities Co., Ltd.	500	0.36300% (Note 19)			July 31, 2027
Debt 19	Nomura Securities Co., Ltd.	1,900	0.36700% (Note 20)			August 31, 2027

(Note 1) The first interest payment date shall be the last day of September 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 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 0.25700% 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 0.33150% until the termination date.

(Note 4) Due to the interest rate swap agreement, the interest rate for long-term loans payable for Debt 3 mentioned above will, in effect, be converted into a fixed interest rate of 0.37350% until the termination date.

(Note 5) Due to the interest rate swap agreement, the interest rate for long-term loans payable for Debt 4 mentioned above will, in effect, be converted into a fixed interest rate of 0.42600% until the termination date.

(Note 6) Due to the interest rate swap agreement, the interest rate for long-term loans payable for Debt 5 mentioned above will, in effect, be converted into a fixed interest rate of 0.37600% until the termination date.

(Note 7) Due to the interest rate swap agreement, the interest rate for long-term loans payable for Debt 6 mentioned above will, in effect, be converted into a fixed interest rate of 0.48930% until the termination date.

(Note 8) Due to the interest rate swap agreement, the interest rate for long-term loans payable for Debt 7 mentioned above will, in effect, be converted into a fixed interest rate of 0.50400% until the termination date.

(Note 9) Due to the interest rate swap agreement, the interest rate for long-term loans payable for Debt 8

mentioned above will, in effect, be converted into a fixed interest rate of 0.46730% until the termination date.

- (Note 10) Due to the interest rate swap agreement, the interest rate for long-term loans payable for Debt 9 mentioned above will, in effect, be converted into a fixed interest rate of 0.47000% until the termination date.
- (Note 11) Due to the interest rate swap agreement, the interest rate for long-term loans payable for Debt 10 mentioned above will, in effect, be converted into a fixed interest rate of 0.54000% until the termination date.
- (Note 12) Due to the interest rate swap agreement, the interest rate for long-term loans payable for Debt 11 mentioned above will, in effect, be converted into a fixed interest rate of 0.52000% until the termination date.
- (Note 13) Due to the interest rate swap agreement, the interest rate for long-term loans payable for Debt 12 mentioned above will, in effect, be converted into a fixed interest rate of 0.47000% until the termination date.
- (Note 14) Due to the interest rate swap agreement, the interest rate for long-term loans payable for Debt 13 mentioned above will, in effect, be converted into a fixed interest rate of 0.54600% until the termination date.
- (Note 15) Due to the interest rate swap agreement, the interest rate for long-term loans payable for Debt 14 mentioned above will, in effect, be converted into a fixed interest rate of 0.51500% until the termination date.
- (Note 16) Due to the interest rate swap agreement, the interest rate for long-term loans payable for Debt 15 mentioned above will, in effect, be converted into a fixed interest rate of 0.56400% until the termination date.
- (Note 17) Due to the interest rate swap agreement, the interest rate for long-term loans payable for Debt 16 mentioned above will, in effect, be converted into a fixed interest rate of 0.58300% until the termination date.
- (Note 18) Due to the interest rate swap agreement, the interest rate for long-term loans payable for Debt 17 mentioned above will, in effect, be converted into a fixed interest rate of 0.64300% until the termination date.
- (Note 19) Due to the interest rate swap agreement, the interest rate for long-term loans payable for Debt 18 mentioned above will, in effect, be converted into a fixed interest rate of 0.61300% until the termination date.
- (Note 20) Due to the interest rate swap agreement, the interest rate for long-term loans payable for Debt 19 mentioned above will, in effect, be converted into a fixed interest rate of 0.66700% 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 <http://www.mori-hills-reit.co.jp/en/>