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Real Estate Investment Fund Issuer:  
Mori Hills REIT Investment Corporation  
(Securities Code: 3234)  
1-12-32 Akasaka, Minato-ku, Tokyo  
Hideyuki Isobe, Executive Director

Asset Manager:  
Mori Building Investment Management Co., Ltd.  
Hideyuki Isobe, President & CEO  
Inquiries: Ryosuke Kanazawa  
General Manager, Planning Department  
TEL: +81-3-6234-3234

**MHR Announces Information on Borrowings and Prepayment of Borrowings**

Mori Hills REIT Investment Corporation (hereafter “MHR”) concluded today the following with regard to agreements on borrowings and prepayment of borrowings (both hereafter “Borrowings”).

1. Purpose of Borrowings

To allocate for funds of “Toranomom Hills Mori Tower” and “Holland Hills Mori Tower” (hereafter “Assets to be Acquired”) to be acquired on September 3, 2018 (Note 1) and to make 10,500 million yen prepayment of long-term loans payable due September 28, 2018 (hereafter “Existing Long-term Loans Payable”) (Note 2).

(Note 1) Please refer to the press releases “MHR Announces Asset Acquisitions (Toranomom Hills Mori Tower: Additional Acquisition) (Holland Hills Mori Tower: Additional Acquisition)” dated July 12, 2018 for details.

(Note 2) Please refer to the press releases “MHR Announces Information on Borrowings” dated September 13, 2013 for details.

2. Details of Borrowings

Anticipated lender	Borrowing amount (million yen)	Interest rate (Note 1)	Scheduled drawdown date	Repayment date (Note 3)	Method of repayment	Collateral
The Nishi-Nippon City Bank, Ltd.	800	Base interest rate +0.10% (Note 2)	August 31, 2018	August 31, 2022	To be repaid in full on the principal repayment date	Unsecured/ Unguaranteed
Sumitomo Mitsui Trust Bank, Limited	2,400	Base interest rate +0.14% (Note 2)		August 31, 2023		
Mizuho Bank, Ltd.	3,000	Base interest rate +0.20% (Note 2)		August 31, 2024		

Lender (anticipated)	Borrowing amount (million yen)	Interest rate (Note 1)	Scheduled drawdown date	Repayment date (Note 3)	Method of repayment	Collateral
The Bank of Fukuoka, Ltd.	1,300	Base interest rate +0.15% (Note 2)	August 31, 2018	August 31, 2024	To be repaid in full on the principal repayment date	Unsecured/ Unguaranteed
The Norinchukin Bank	1,300	Base interest rate +0.20% (Note 2)		August 31, 2024		
Shinsei Bank, Limited	1,300	Base interest rate +0.25% (Note 2)		August 31, 2025		
Mizuho Trust & Banking Co., Ltd.	1,300	Base interest rate +0.20% (Note 2)		August 31, 2025		
Sumitomo Mitsui Banking Corporation	3,600	Base interest rate +0.25% (Note 2)		August 31, 2026		
Sumitomo Mitsui Trust Bank, Limited	1,400	Base interest rate +0.30% (Note 2)		August 31, 2027		
Development Bank of Japan Inc.	500	Base interest rate +0.30% (Note 2)		August 31, 2027		
MUFG Bank, Ltd.	5,000	Base interest rate +0.225%		February 29, 2028		
Resona Bank, Limited.	1,300	Base interest rate +0.25%		August 31, 2028		
Mizuho Bank, Ltd.	1,400	Base interest rate +0.35%		August 31, 2029		

(Note 1) The first payment date shall be the last day of September 2018 and subsequent payment dates shall be the last day of every month thereafter. If the payment 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 1-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 1-month JBA Japanese Yen TIBOR can be confirmed on the website of General Incorporated Association JBA TIBOR Administration (<http://www.jbatibor.or.jp/english/>).

(Note 2) MHR is planning to conclude the interest rate swap agreements to substantially fix the interest payment rates separately.

(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.

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

(1) Amount of funds to be procured: 24,600 million yen

(2) Specific use of funds and scheduled payment period

- a) Specific use of funds: To be disbursed as funds for prepayment of the Existing Long-term Loans Payable and to allocate for funds of assets to be acquired, etc.
- b) Amount: 24,600 million yen
- c) Scheduled payment period: August 31, 2018 and September 3, 2018

### 4. Details of Prepayment of Borrowings

Lender	Borrowing amount (million yen)	Interest rate	Drawdown date	Repayment date	Scheduled Prepayment date
Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited The Bank of Fukuoka, Ltd. The Norinchukin Bank Development Bank of Japan Inc. Resona Bank, Limited. Shinsei Bank, Limited Aozora Bank, Ltd. Mizuho Trust & Banking Co., Ltd.	10,500	0.77600% (Note)	September 30, 2013	September 28, 2018	August 31, 2018

(Note) Although it is borrowed by fluctuating interest rate, the interest rate after converting into fixed interest rate is stated because interest payment rate is practically fixed by the interest rate swap agreement. Please refer to the press releases "MHR Announces Conclusion of Interest Rate Swap Agreement" dated September 20, 2013 for details.

### 5. Overview of Borrowings

(Unit: millions of yen)

	Before Borrowings	After Borrowings	Change
Long-term loans payable	143,122	157,222	14,100
Investment corporation bonds	25,000	25,000	—
Total interest-bearing debt	168,122	182,222	14,100

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

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 twenty-third fiscal period submitted on April 25, 2018 as a result of the Borrowings.

- 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/>