

For Translation Purposes Only

Real Estate Investment Fund Issuer:
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(Securities Code: 3234)
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MHR Announces Information on Borrowings

Mori Hills REIT Investment Corporation (hereafter “MHR”) resolved at its Board of Directors Meeting held today the following with regard to agreements on borrowings (hereafter “Borrowings”).

1. Purpose of Borrowings

To be used as refinancing of 12,500 million yen in long-term loans payable due November 28, 2014 (hereafter “Existing Long-term Loans Payable”) (Note).

(Note) Please refer to the press releases “MHR Announces Information on Borrowings” dated November 25, 2011 for details.

2. Details of Borrowings

(1) Long-term loans payable (maturity of 6 years)

- a) Lenders (anticipated): Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation and Sumitomo Mitsui Trust Bank, Limited
- b) Borrowing amount: 6,000 million yen
- c) Interest rate: Base Interest Rate (1-month JBA Japanese Yen TIBOR) (Note 1) + 0.30% (Note 2)
- d) Scheduled drawdown date: November 28, 2014
- e) 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 3). The last payment date shall be the principal repayment date.
- f) Principal repayment date: November 30, 2020 (Note 3)
- g) Method of repayment: To be repaid in full on the principal repayment date
- h) Collateral: Unsecured/Unguaranteed

(2) Long-term loans payable (maturity of 7 years)

- a) Lenders (anticipated): Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation and Sumitomo Mitsui Trust Bank, Limited
- b) Borrowing amount: 6,500 million yen
- c) Interest rate: Base Interest Rate (1-month JBA Japanese Yen TIBOR) (Note 1) + 0.35%(Note 2)
- d) Scheduled drawdown date: November 28, 2014
- e) 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 3). The last payment date shall be the principal repayment date.
- f) Principal repayment date: November 30, 2021 (Note 3)
- g) Method of repayment: To be repaid in full on the principal repayment date
- h) Collateral: Unsecured/Unguaranteed

(Note 1) Base interest rates to be applied on will be the 1-month JBA Japanese Yen TIBOR (0.13364% as of today) announced by the Japanese Bankers Association two business days prior to the last day of each month (if the date is not a business day, the next business day shall be the date. If this next business day falls into the following month, the business day immediately prior shall be the date). Moreover, 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/>).

(Note 2) MHR plans to separately enter into interest swap agreements to, in effect, convert fluctuating interest rates for loans payable that have variable interest rates into fixed interest rates.

(Note 3) However, if such 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.

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

- (1) Amount of funds to be procured: 12,500 million yen
- (2) Specific use of funds and scheduled payment period
- a) Specific use of funds to be procured: To be disbursed as funds for refinancing of the Existing Long-term Loans Payable
- b) Amount: 12,500 million yen
- c) Scheduled payment period: November 28, 2014

4. Borrowings, etc. after the Borrowings

(unit: millions of yen)

	Before the Borrowings	After the Borrowings	Change
Short-term loans payable	2,000	0	(2,000)
Long-term loans payable	106,200	106,200	0
Total loans payable	108,200	106,200	(2,000)
Investment corporation bonds	24,000	24,000	0
Total of loans payable and investment corporation bonds	132,200	130,200	(2,000)
Total interest-bearing debt	132,200	130,200	(2,000)

(Note 1) Long-term loans payable include the current portion of long-term loans payable.

(Note 2) The decrease of 2,000 million yen in short-term loans payable is due to the agreed repayment of 2,000 million yen in short-term loans payable due for repayment on November 28, 2014. Cash on hand will be allocated for the repayment of the said short-term loans payable.

5. 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 sixteenth fiscal period submitted on October 29, 2014 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/>