

For Translation Purposes Only

Real estate investment trust unit issuer:
Mori Hills REIT Investment Corporation
(Securities Code: 3234)
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Tsutomu Horiuchi, Executive Director

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MHR Announces Debt Financing and Repayment

Mori Hills REIT Investment Corporation (hereinafter “MHR”) announces the decision for debt financing and repayment with details as follows:

1. Purpose of debt financing
To refinance existing loans, and pay for the related fees.

2. Details of debt financing
 - (1) Short term borrowings (Maturity of one year)
 - a) Lenders: Mizuho Corporate Bank, Ltd., Tokyo Mitsubishi UFJ Bank, Mitsubishi UFJ Trust and Banking Corporation, Mitsui Sumitomo Banking Corporation, Sumitomo Trust Bank, Shinsei Bank.
 - b) Loan amount: 33 billion yen
 - c) Interest rate: Japanese Bankers Association six-month Yen TIBOR+0.20% (per annum). The applicable interest rate is not yet determined. MHR will announce the interest rate after it is determined.
 - d) Scheduled drawdown date: December 4, 2006
 - e) Method of borrowing: MHR has entered into a basic agreement for debt financing (“Basic Agreement”) with Mizuho Corporate Bank, Ltd., Mitsubishi Tokyo UFJ Bank, Mitsubishi UFJ Trust and Banking Corporation, Mitsui Sumitomo Banking Corporation, Sumitomo Trust Bank, Shinsei Bank, and The Norinchukin Bank today. MHR will also enter into loan agreements today with the lenders listed above in a).
 - f) Interest payment date: The first interest payment date shall be May 31, 2007. Subsequent interest payment dates shall be either one week, two weeks, one month, two months, three months, or six months from the first interest payment date, to be chosen by the borrower (however, if the chosen 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 before shall be the payment date).
 - g) Principal repayment date: November 30, 2007 (However, if the above 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.)
- h) Method of repayment: To be repaid in full on the principal repayment date
 - i) Collateral: Unsecured/Unguaranteed

(2) Long term borrowings (Maturity of two years)

- a) Lenders: Mizuho Corporate Bank, Ltd., Tokyo Mitsubishi UFJ Bank, Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Trust Bank, Shinsei Bank.
- b) Loan amount: 15 billion yen
- c) Interest rate: Japanese Bankers Association three-month Yen TIBOR+0.25% (per annum.) The applicable interest rate is not yet determined. MHR will announce the interest rate after it is determined. (See Note 1)
- d) Scheduled drawdown date: December 4, 2006
- e) Method of borrowing: MHR has entered into a Basic Agreement today. MHR will also enter into loan agreements today with the lenders listed above in a).
- f) Interest payment date: The first interest payment date shall be February 28, 2007. Subsequent interest payment dates shall be the last business days in February, May, August, and November every year. (However, if the above 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 before shall be the payment date.)
- g) Principal repayment date: November 30, 2008 (However, if the above 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.)
- h) Method of repayment: To be repaid in full on the principal repayment date
- i) Collateral: Unsecured/Unguaranteed

(Note 1) Converting the interest rate into a fixed rate, using an interest rate swap agreement, etc. for all or part of this loan is planned.

(3) Long term borrowings (Maturity of three years)

- a) Lenders: Mizuho Corporate Bank, Ltd., Tokyo Mitsubishi UFJ Bank, Mitsubishi UFJ Trust and Banking Corporation, Mitsui Sumitomo Banking Corporation, Sumitomo Trust Bank, Shinsei Bank, The Norinchukin Bank.
- b) Loan amount: 25 billion yen
- c) Interest rate: Japanese Bankers Association three-month Yen TIBOR+0.30% (per annum.) The applicable interest rate is not yet determined. MHR will announce the interest rate after it is determined. (See Note 2)
- d) Scheduled drawdown date: December 4, 2006
- e) Method of borrowing: MHR has entered into a Basic Agreement today. MHR will also enter into loan agreements today with the lenders listed above in a).
- f) Interest payment date: The first interest payment date shall be February 28, 2007. Subsequent interest payment dates shall be the last business days in February, May, August, and November every year. (However, if the above 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.)



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- g) Principal repayment date: November 30, 2009 (However, if the above 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 before November 30, 2007 shall be the payment date.)
 - h) Method of repayment: To be repaid in full on the principal repayment date
 - i) Collateral: Unsecured/Unguaranteed
- (Note 2) Converting the interest rate into a fixed rate, using an interest rate swap agreement, etc. for all or part of this loan is planned.

3. Details of Repayment

(1) Short term borrowings

- a) Lenders: Mizuho Corporate Bank, Ltd., Tokyo Mitsubishi UFJ Bank, Mitsui Sumitomo Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Trust Bank, Aozora Bank, Ltd.
- b) Repayment amount: 97.9 billion yen
- c) Interest rate: 0.7300%
- d) Drawdown date: March 22, 2006, April 13, 2006, and August 1, 2006
- e) Principal repayment date: December 4, 2006
- f) Collateral: Secured

End

- This press release was distributed to: the Kabuto Club (the press club of the Tokyo Stock Exchange), the Ministry of Land, Infrastructure and Transport Press Club, and the Ministry of Land, Infrastructure and Transport Press Club for Construction Publications.
- MHR's web site address: <http://www.mori-hills-reit.co.jp>

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