

For Translation Purposes Only

Real Estate Investment Fund Issuer:
Mori Hills REIT Investment Corporation
(Securities Code: 3234)
6-10-1 Roppongi, Minato-ku, Tokyo
Toichiro Suzuki, Executive Director

Asset Manager:
Mori Building Investment Management Co., Ltd.
6-10-1 Roppongi, Minato-ku, Tokyo
Hiroshi Mori, President
Inquiries: Shuji Nakamura
General Manager, Financial Department
TEL: +81-3-6406-9300

MHR Announces Interest Rates for Borrowings

Today, Mori Hills REIT Investment Corporation (hereinafter “MHR”) determined the interest rates for the borrowings announced on November 30, 2006, applicable for the following period:

Type of debt	Drawdown date	Amount	Repayment date (Note 1)	Applicable Period of Interest	Interest rate (per annum)
Short term borrowing (1 year term)	December 4, 2006	33 billion yen	November 30, 2007	From September 1, 2007 to November 30, 2007	1.03583%
Long term borrowing (2 year term)		15 billion yen	November 30, 2008		1.08583% (Note 2)
Long term borrowing (3 year term)		25 billion yen	November 30, 2009		1.13583% (Note 3)

- (Note 1) 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 immediately prior shall be the repayment date.
- (Note 2) An interest rate swap agreement has been entered on November 30, 2006 with the notional principal amount of 15 billion yen. The real interest rate until the repayment date for the said notional principal amount is 1.28500% (per annum).
- (Note 3) An interest rate swap agreement has been entered on November 30, 2006 with the notional principal amount of 25 billion yen. The real interest rate until the repayment date for the said notional principal amount is 1.49850% (per annum).

MHR will announce the interest rates for long term borrowing (2 year term) and (3 year term) applicable for the period after December 1, 2007 as soon as they are determined.

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>

This document is an English translation of the Japanese language press release issued on the above date, and was prepared solely for the convenience of and reference by investors. The Japanese language press release should always be referred to as originals of this document. MHR will not be responsible or liable for the completeness or accuracy of this English translation.