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(Securities Code: 3234)
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MHR Announces Information on Borrowing, Repayment and
Conclusion of Interest Rate Swap Agreement

Mori Hills REIT Investment Corporation (MHR) resolved today their borrowing of funds and interest rates (hereafter, "Borrowings") based on the "Comprehensive resolution concerning conclusion of borrowing agreements" at their Board of Directors Meeting held November 14, 2007 as follows.

The Borrowings and the total payment amount for the First Series Unsecured Investment Corporation Bond (total of 7 billion yen) and the Second Series Unsecured Investment Corporation Bond (total of 3 billion yen) disclosed in the press release "MHR Announces Issuance of Investment Corporation Bonds" dated November 22, 2007 will be allocated entirely to the repayment of existent short-term borrowings mentioned in Section 3 below (hereafter, "Existent Short-term Borrowings"), in accordance with the arrival of the repayment date. In addition, MHR has concluded an interest rate swap agreement for their long-term borrowings.

1. Purpose of Borrowings
For allocation to repayment of Existent Short-term Borrowings
2. Content of Borrowings and Determined Interest Rate
 - (1) Short-term Borrowings (Maturity of one year)
 - a) Lenders: Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Corporate Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Trust and Banking Co., Ltd., Shinsei Bank, Ltd. and Sumitomo Mitsui Banking Corporation
 - b) Borrowing amount: 10 billion yen
 - c) Interest rate: 1.11083% per annum (Japanese Bankers Association six-month Yen TIBOR+0.20%)
(Applicable from November 30, 2007 through May 31, 2008. MHR will announce the interest rate to be applied from June 1, 2008 as soon as it is determined.)
 - d) Scheduled drawdown date: November 30, 2007
 - e) Method of borrowing: MHR will 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, 2008. 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, 2008 (However, if such date is not a business day, the next business 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 three years)
- a) Lender: Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Corporate Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Shinsei Bank, Ltd. and The Norinchukin Bank
- b) Borrowing amount: 8 billion yen
- c) Interest rate: 1.15917% per annum (Japanese Bankers Association three-month Yen TIBOR+0.30%)
(Applicable from November 30, 2007 through February 29, 2008. However, the virtual interest rate paid will be fixed due to the interest rate swap agreement mentioned in Section 4 (2) a) below.)
- d) Scheduled drawdown: November 30, 2007
- e) Method of borrowing: MHR will enter into loan agreements today with the lenders listed above in a).
- f) Interest payment date: The first interest payment date shall be February 29, 2008. 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, 2010 (However, if such date is not a business day, the next business 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
- (3) Long-term Borrowings (Maturity of three years)
- a) Lender: Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Trust and Banking Co. and Sumitomo Mitsui Banking Corporation
- b) Borrowing amount: 5 billion yen
- c) Interest rate: 1.15917% per annum (Japanese Bankers Association three-month Yen TIBOR+0.30%)
(Applicable from November 30, 2007 through February 29, 2008. However, the virtual interest rate paid will be fixed due to the interest rate swap agreement mentioned in Section 4 (2) b) below.)
- d) Scheduled drawdown date: November 30, 2007
- e) Method of borrowing: MHR will enter into loan agreements today with the lenders listed above in a).
- f) Interest payment date: The first interest payment date shall be February 29, 2008. 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, 2010 (However, if such date is not a business day, the next business 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

3. Details of Repayment

The Existent Short-term Borrowings are as follows (Please refer to “MHR Announces Debt Financing and Repayment” disclosed on November 30, 2006 for details.):

- a) Lender: Mizuho Corporate Bank, Ltd., Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Banking Corporation, Sumitomo Trust & Banking Co., Ltd., Shinsei Bank, Ltd. and
- b) Repayment amount: 33 billion yen
- c) Drawdown date: December 4, 2006
- d) Principal repayment date: November 30, 2007
- e) Collateral: Unsecured/Unguaranteed

In accordance with the repayment of the Existent Short-term Borrowings on the repayment date, the Borrowings mentioned in Section 2 above and the total payment amount for the First Series Unsecured Investment Corporation Bonds (total of 7 billion yen) and the Second Series Unsecured Investment Corporation Bonds (total of 3 billion yen) whose payment date is November 29, 2007 will be entirely allocated to repayment (Please refer to the press release “MHR Announces Issuance of Investment Corporation Bonds” disclosed November 22, 2007).

4. Interest Rate Swap Agreement

(1) Purpose of Entering an Interest Rate Swap Agreement

In order to hedge the risk of fluctuation of interest rate payments by converting to a fixed rate for the long-term borrowings mentioned in 2. Above: “(2) Long-term Borrowings (Maturity of three years) for 8 billion yen” and “(3) Long-term Borrowings (Maturity of three years) for 5 billion yen.”

(2) Details of the Interest Rate Swap Agreements

a) Interest rate swap agreement (three year maturity)

As mentioned in the press release “MHR Announces Conclusion of Postdated Interest Rate Swap Agreement” disclosed November 15, 2007, MHR has concluded an interest rate swap agreement with notional principal of 8 billion yen with Goldman Sachs Japan Co., Ltd. on November 15, 2007.

Due to the interest rate swap agreement, the virtual interest rate for (2) Long-term Borrowings (Maturity of years) for 8 billion yen (equivalent to said notional principal amount) mentioned in Section 2 above will be 1.375%.

b) Interest rate swap agreement (three year maturity)

- i. Date of the agreement: November 28, 2007
- ii. Counterparty: Mitsubishi UFJ Trust and Banking Corporation
- iii. Notional principal amount: 5 billion yen
- iv. Interest rate: Fixed interest rate payable at 1.0547%



	Floating interest rate receivable at Japanese Bankers Association three month Yen TIBOR
v. Commencement date:	November 30, 2007
vi. Termination date:	November 30, 2010
vii. Interest payment date:	The first interest payment date shall be February 29, 2008. 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.)

Due to the interest rate swap agreement, the virtual interest rate for (3) Long-term Borrowings (Maturity of three years) for 5 billion yen (equivalent to said notional principal amount) mentioned in Section 2 above will be 1.3547%.

- 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 website address is <http://www.mori-hills-reit.co.jp>