

For Translation Purposes Only

Real Estate Investment Fund Issuer:
Mori Hills REIT Investment Corporation
(Securities Code: 3234)
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Hiroshi Mori, Executive Director

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MHR Announces Borrowings

Mori Hills REIT Investment Corporation (hereinafter “MHR”) resolved at their Board of Directors Meeting held today to approve borrowing agreements which are to be allocated to the refinancing of 10 billion yen in short-term borrowings and 15 billion yen in long-term borrowings that have a maturity date of November 30, 2008 as follows.

1. Purpose of Borrowings

For repayment of Existing Short-term and Long-term Borrowings

(Please refer to “MHR Announces Debt Financing and Repayment” disclosed on November 30, 2006 and “MHR Announces Information on Borrowing, Repayment and Conclusion of Interest Rate Swap Agreement” disclosed on November 28, 2007 for details.)

2. Content of Borrowings

(1) Long-term Borrowing (Maturity of one and a half years)

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|-----------------------------|--|
| a) Lenders: | Mizuho Corporate Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Sumitomo Trust and Banking Co., Ltd and Sumitomo Mitsui Banking Corporation. |
| b) Borrowing amount: | 10 billion yen |
| c) Interest rate: | Japanese Bankers Association three-month Yen TIBOR+1.00%
(MHR will announce the interest rate to be applied as soon as it is determined.) |
| d) Scheduled drawdown date: | November 28, 2008 |
| e) Method of borrowing: | MHR will enter into loan agreements on November 26, 2008 with the lenders listed above in a). |
| f) Interest payment date: | The first interest payment date shall be February 28, 2009. Subsequent interest payment dates shall be the last 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: May 31, 2010. (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.)
- 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 and a half years)
- a) Lender: Mizuho Corporate Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Sumitomo Trust and Banking Co., Ltd and Sumitomo Mitsui Banking Corporation.
- b) Borrowing amount: 10 billion yen
- c) Interest rate: Japanese Bankers Association three-month Yen TIBOR+1.10%
(MHR will announce the interest rate to be applied as soon as it is determined (Note 1).)
- d) Scheduled drawdown: November 28, 2008
- e) Method of borrowing: MHR will enter into loan agreements on November 26, 2008 with the lenders listed above in a).
- f) Interest payment date: The first interest payment date shall be February 28, 2009. Subsequent interest payment dates shall be the last 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: May 31, 2011 (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.)
- h) Method of repayment: To be repaid in full on the principal repayment date
- i) Collateral: Unsecured/Unguaranteed
- (Note 1) The interest rates paid for all or part of the borrowings are scheduled to be virtually fixed through the interest rate swap agreement.
- (3) Long-term Borrowings (Maturity of three and a half years)
- a) Lender: Mizuho Corporate Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Sumitomo Trust and Banking Co., Ltd and Sumitomo Mitsui Banking Corporation.
- b) Borrowing amount: 5 billion yen
- c) Interest rate: Japanese Bankers Association three-month Yen TIBOR+1.20%
(MHR will announce the interest rate to be applied as soon as it is determined (Note 2).)



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- d) Scheduled drawdown: November 28, 2008
- e) Method of borrowing: MHR will enter into loan agreements on November 26, 2008 with the lenders listed above in a).
- f) Interest payment date: The first interest payment date shall be February 28, 2009. Subsequent interest payment dates shall be the last 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: May 31, 2012 (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.)
- h) Method of repayment: To be repaid in full on the principal repayment date
- i) Collateral: Unsecured/Unguaranteed
- (Note 2) The interest rates paid for all or part of the borrowings are scheduled to be virtually fixed through the interest rate swap agreement.

3. Borrowing Amount, etc. after the Additional Borrowings

(unit: billions of yen)

	Before Borrowings	After Borrowings	Change
Short-term debt	27.0	17.0	- 10.0
Current portion of long-term debt	15.0	0	- 15.0
Long-term debt	62.0	87.0	+ 25.0
Total debt	104.0	104.0	0
Investment corporation bonds	10.0	10.0	0
Total of debt and investment corporation bonds	114.0	114.0	0
Total interest-bearing debt	114.0	114.0	0

- 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>