

For Translation Purposes Only

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

Mori Hills REIT Investment Corporation (hereinafter “MHR”) resolved at its Board of Directors’ meeting held today the following with regard to agreements on borrowings (hereinafter “Borrowings”), which are to be allocated to a portion of the refinancing of 3,010 million yen in short-term borrowings that mature on March 29, 2011 (hereinafter “Existing Short-Term Borrowings”).

1. Content of Borrowings

Short-term borrowings (maturity of 1 year)

- a) Lenders (planned): Sumitomo Mitsui Banking Corporation, Mizuho Corporate Bank, Ltd., Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, and The Sumitomo Trust and Banking Co., Ltd.
- b) Borrowing amount: 1,500 million yen
- c) Interest rate: Base Interest Rate + 1.00%
(The Japanese Bankers Association Japanese Yen TIBOR corresponding to the interest calculation period is used as the base interest rate. MHR will announce the interest rate to be applied as soon as it is determined.)
- d) Scheduled drawdown date: March 29, 2011
- e) Method of borrowing: MHR will enter into loan agreements on March 25, 2011 with the lenders (planned) listed above in a).
- f) Interest payment date: The first payment date shall be the last day of April 2011 and subsequent payment dates shall be the last day of every month thereafter (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.).
The last payment date shall be the principal repayment date.
- g) Principal repayment date: March 29, 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

Furthermore, cash on hand will be allocated to the 1,510 million yen remaining after the 1,500 million yen borrowed through the Borrowings is subtracted from the Existing Short-Term Borrowings of 3,010 million yen.

2. Purpose of Borrowings

For allocation to a portion of the refinancing of the Existing Short-Term Borrowings (Please refer to “MHR Announces Information on Borrowings” disclosed on March 24, 2010 for details.)

3. Amount of Funds to be Procured, Specific Use of Funds and Planned Payment Period

- (1) Amount of funds to be procured: 1,500 million yen
- (2) Specific use of funds to be procured and planned payment period
 - a) Specific use of funds to be procured: Allocation to a portion of the refinancing of the Existing Short-Term Borrowings
 - b) Amount: 1,500 million yen
 - c) Planned payment period: March 29, 2011

4. Borrowings, etc. after the Borrowings

(unit: millions of yen)

	Before the Borrowings	After the Borrowings	Change
Short-term borrowings	8,510	7,000	(1,510)
Long-term borrowings	75,225	75,175	(50)
Total borrowings	83,735	82,175	(1,560)
Investment corporation bonds	25,000	25,000	0
Total of borrowings and investment corporation bonds	108,735	107,175	(1,560)
Total interest-bearing debt	108,735	107,175	(1,560)

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

(Note 2) The decrease in long-term borrowings of 50 million yen reflects a previously agreed repayment of principal to the Development Bank of Japan Inc. during the period (implemented a previously agreed repayment of principal of 50 million yen on March 28, 2011).

5. Other Items Required for Investors to Appropriately Understand/Judge the Concerned Information

There are no changes to the content of “Investment Risks” indicated in the Semiannual Securities Report (Japanese) for the eighth fiscal period ended July 31, 2010 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>