

For Translation Purposes Only

Real Estate Investment Fund Issuer:
Mori Hills REIT Investment Corporation
(Securities Code: 3234)
1-8-7 Roppongi, Minato-ku, Tokyo
Hideyuki Isobe, Executive Director

Asset Manager:
Mori Building Investment Management Co., Ltd.
Hideyuki Isobe, President & CEO
Inquiries: Yoshimi Nishibeppu
General Manager, Administration Department
TEL: +81-3-6234-3234

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 1,750 million yen in long-term borrowings that mature on March 27, 2012 (hereinafter “Existing Long-term Borrowings”) and 1,500 million yen in short-term borrowings that mature on March 29, 2012 (hereinafter “Existing Short-term Borrowings”).

1. Content of Borrowings

(1) Long-term borrowings (maturity of 3 years)

- a) Lender (planned): Development Bank of Japan, Inc.
- b) Borrowing amount: 1,700 million yen
- c) Interest rate: Undecided (Fixed-rate) (MHR will announce the interest rates applicable for the periods after the abovementioned “applicable periods of interests” as soon as they are determined.)
- d) Scheduled drawdown date: March 27, 2012
- e) Method of borrowing: MHR will enter into a loan agreement on March 23, 2012 with the lender (planned) listed above in a).
- f) Interest payment date: The first payment date shall be September 27, 2012 and subsequent payment dates shall be the same day of March and September 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 27, 2015 (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 50 million yen remaining after the 1,700 million yen borrowed through the Borrowings is subtracted from the Existing Long-term Borrowings of 1,750 million yen.

(2) Short-term borrowings (maturity of 1 year)

- a) Lender (planned): ORIX Bank Corporation
- b) Borrowing amount: 1,000 million yen
- c) Interest rate: Base Interest Rate (1-month JBA Japanese Yen TIBOR) (Note) + 0.60%
- d) Scheduled drawdown date: March 29, 2012
- e) Method of borrowing: MHR will enter into a loan agreement on March 27, 2012 with the lender (planned) listed above in a).
- f) Interest payment date: The first payment date shall be the last day of April 2012 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: May 29, 2013 (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

(3) Short-term borrowings (maturity of 1 year)

- a) Lender (planned): The Hiroshima Bank, Ltd.
- b) Borrowing amount: 500 million yen
- c) Interest rate: Base Interest Rate (1-month JBA Japanese Yen TIBOR) (Note) + 0.60%
- d) Scheduled drawdown date: March 29, 2012
- e) Method of borrowing: MHR will enter into a loan agreement on March 27, 2012 with the lender (planned) listed above in a).
- f) Interest payment date: The first payment date shall be the last day of April 2012 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: May 29, 2013 (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) Base interest rates to be applied on will be the 1-month JBA Japanese Yen TIBOR (0.18000% as of today) announced by the Japanese Bankers Association two business days prior the last day of each month (if the date is not a business day, the next business day shall be the date. If this next business day falls into the following month, the business day immediately prior shall be the date). Moreover, the 1-month Japanese Yen TIBOR can be confirmed on the website of the Japanese Bankers Association (<http://www.zenginkyo.or.jp/tibor/>).

2. Purpose of Borrowings

For allocation to the refinancing of a portion of the Existing Long-term Borrowings (Please refer to “MHR Announces Information on Borrowing” disclosed on March 17, 2009 for details.) and refinancing of the Existing Short-term Borrowings (Please refer to “MHR Announces Information on Borrowings” disclosed on March 24, 2011 for details.).

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

- (1) Amount of funds to be procured: 3,200 million yen
- (2) Specific use of funds to be procured and planned payment period
 - a) Specific use of funds to be procured: Allocation to the refinancing of a portion of the Existing Long-term Borrowings and the refinancing of the Existing Short-term Borrowings
 - b) Amount: 3,200 million yen
 - c) Planned payment period: March 27, 2012 and March 29, 2012

4. Borrowings, etc. after the Borrowings

(unit: millions of yen)

	Before the Borrowings	After the Borrowings	Change
Short-term borrowings	17,000	17,000	0
Long-term borrowings	65,000	64,950	(50)
Total borrowings	82,000	81,950	(50)
Investment corporation bonds	25,000	25,000	0
Total of borrowings and investment corporation bonds	107,000	106,950	(50)
Total interest-bearing debt	107,000	106,950	(50)

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

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 tenth fiscal period ended July 31, 2011 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/>