

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 the refinancing of 10,000 million yen in short-term borrowings that mature on May 31, 2012 (hereinafter “Existing Short-term Borrowings”) and 8,000 million yen and 5,000 million yen in long-term borrowings that mature on May 31, 2012 (hereinafter “Existing Long-term Borrowings”).

1. Content of Borrowings

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

- a) Lender (planned): Sumitomo Mitsui Trust Bank, Limited
- b) Borrowing amount: 1,978 million yen
- c) Interest rate: Base Interest Rate (1-month JBA Japanese Yen TIBOR)
(Note 1) + 0.70%
- d) Scheduled drawdown date: May 31, 2012
- e) Method of borrowing: MHR will enter into a loan agreement on May 29, 2012 with the lender (planned) listed above in a).
- f) Interest payment date: The first payment date shall be the last day of June 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 31, 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

(2) Long-term borrowings (maturity of 2 years)

- a) Lenders (planned): Sumitomo Mitsui Banking Corporation, Mizuho Corporate Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Mitsubishi UFJ Trust and Banking Corporation
- b) Borrowing amount: 8,022 million yen
- c) Interest rate: Base Interest Rate (1-month JBA Japanese Yen TIBOR) (Note 1) + 0.80%
- d) Scheduled drawdown date: May 31, 2012
- e) Method of borrowing: MHR will enter into loan agreements on May 29, 2012 with the lenders (planned) listed above in a).
- f) Interest payment date: The first payment date shall be the last day of June 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 31, 2014 (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) Long-term borrowings (maturity of 3 years)

- a) Lenders (planned): Sumitomo Mitsui Banking Corporation, Mizuho Corporate Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation and Sumitomo Mitsui Trust Bank, Limited
- b) Borrowing amount: 8,000 million yen
- c) Interest rate: Base Interest Rate (1-month JBA Japanese Yen TIBOR) (Note 1) + 0.85%
- d) Scheduled drawdown date: May 31, 2012
- e) Method of borrowing: MHR will enter into loan agreements on May 29, 2012 with the lenders (planned) listed above in a).
- f) Interest payment date: The first payment date shall be the last day of June 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 31, 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

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

- a) Lenders (planned): Sumitomo Mitsui Banking Corporation, Mizuho Corporate Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation and Sumitomo Mitsui Trust Bank, Limited
- b) Borrowing amount: 5,000 million yen
- c) Interest rate: Base Interest Rate (3-month JBA Japanese Yen TIBOR) (Note 2) + 0.85%(Note 3)
- d) Scheduled drawdown date: May 31, 2012
- e) Method of borrowing: MHR will enter into loan agreements on May 29, 2012 with the lenders (planned) listed above in a).
- f) Interest payment date: The first payment date shall be the last day of August 2012 and subsequent payment dates shall be the last day of every February, May, August and November 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 31, 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

(Note 1) 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 JBA Japanese Yen TIBOR can be confirmed on the website of the Japanese Bankers Association (<http://www.zenginkyo.or.jp/tibor/>).

(Note 2) Base interest rates to be applied on will be the 3-month JBA Japanese Yen TIBOR (0.33615% as of today) announced by the Japanese Bankers Association two business days prior the last day of every February, May, August and November (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 3-month JBA Japanese Yen TIBOR can be confirmed on the website of the Japanese Bankers Association (<http://www.zenginkyo.or.jp/tibor/>).

(Note 3) MHR plans to convert interest rate payments to a virtual fixed rate by concluding an interest rate swap agreement separately.

2. Purpose of Borrowings

For allocation to the refinancing of the Existing Short-term Borrowings (Please refer to “MHR Announces Information on Borrowing” disclosed on May 25, 2011 for details.), and refinancing of the Existing Long-term Borrowings (Please refer to “MHR Announces Information on Borrowings” disclosed on November 25, 2009 and November 25, 2008).

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

- (1) Amount of funds to be procured: 23,000 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 the Existing Short-term Borrowings and the refinancing of the Existing Long-term Borrowings
 - b) Amount: 23,000 million yen
 - c) Planned payment period: May 31, 2012

4. Borrowings, etc. after the Borrowings

(unit: millions of yen)

	Before the Borrowings	After the Borrowings	Change
Short-term borrowings	17,000	8,978	(8,022)
Long-term borrowings	64,950	72,909.5	7,959.5
Total borrowings	81,950	81,887.5	(62.5)
Investment corporation bonds	25,000	25,000	0
Total of borrowings and investment corporation bonds	106,950	106,887.5	(62.5)
Total interest-bearing debt	106,950	106,887.5	(62.5)

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

(Note 2) The decrease in change of long-term borrowings of 62.5 million yen reflects a previously agreed repayment of principal to the Development Bank of Japan Inc. during the period.

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 eleventh fiscal period ended January 31, 2012 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/>