

For Translation Purposes Only

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(Securities Code: 3234)  
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MHR Announces Conclusion of Interest Rate Swap Agreement

Mori Hills REIT Investment Corporation (hereinafter “MHR”) has concluded an interest rate swap agreement on May 29, 2012, as follows.

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 virtual fixed rate for the long-term borrowings (maturity of 3 years) for 5,000 million yen disclosed in the press release “MHR Announces Information on Borrowings” dated May 25, 2012.

2. Details of the Interest Rate Swap Agreement (maturity of 3 years)

- a) Counterparty: Mizuho Corporate Bank, Ltd.
- b) Notional principal amount: 5,000 million yen
- c) Interest rate: Fixed interest rate payable at 0.37800%  
Floating interest rate receivable will be 3-month JBA Japanese Yen TIBOR
- d) Date of the agreement: May 29, 2012
- e) Commencement date: May 31, 2012
- f) Termination date: May 31, 2015 (However, if the above date is not a business day, the next business day shall be the termination date. If this next business day falls into the following month, the business day immediately before shall be the termination date.)
- g) Interest payment date: The first interest payment date shall be the last day of August 2012. Subsequent interest payment dates shall be the last day in February, May, August and November each 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.) The last payment date shall be the termination date.

Due to the interest rate swap agreement, the virtual interest rate for Long-term Borrowings (maturity of 3 years) for 5,000 million yen (equivalent to said notional principal amount) mentioned in Section 1 above will be 1.22800%.

- 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/>