

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 9,500 million yen in long-term borrowings that mature on November 30, 2012 (hereinafter “Existing Long-term Borrowings”).

1. Content of Borrowings

Long-term borrowings (maturity of 3 years)

- | | |
|------------------------------|---|
| a) Lender (planned): | Shinsei Bank, Ltd., Mizuho Corporate Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Banking Corporation, and Sumitomo Mitsui Trust Bank, Limited |
| b) Borrowing amount: | 9,500 million yen |
| c) Interest rate: | Base Interest Rate (1-month JBA Japanese Yen TIBOR) (Note 1) + 0.85% (Note 3) |
| d) Scheduled drawdown date: | November 30, 2012 |
| e) Interest payment date: | The first payment date shall be the last day of December 2012 and subsequent payment dates shall be the last day of every month thereafter (Note 2). The last payment date shall be the principal repayment date. |
| f) Principal repayment date: | November 30, 2015 (Note 2) |
| g) Method of repayment: | To be repaid in full on the principal repayment date |
| h) 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) 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.

(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 Long-term Borrowings (Please refer to “MHR Announces Information on Borrowings” disclosed on November 25, 2009 for details).

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

- (1) Amount of funds to be procured: 9,500 million yen
- (2) Specific use of funds to be procured and planned payment period
 - a) Specific use of funds to be procured: Allocation to the refinancing of the Existing Long-term Borrowings
 - b) Amount: 9,500 million yen
 - c) Planned payment period: November 30, 2012

4. Borrowings, etc. after the Borrowings

(unit: millions of yen)

	Before the Borrowings	After the Borrowings	Change
Short-term borrowings	4,478	4,478	0
Long-term borrowings	77,409.5	77,347	(62.5)
Total borrowings	81,887.5	81,825	(62.5)
Investment corporation bonds	25,000	25,000	0
Total of borrowings and investment corporation bonds	106,887.5	106,825	(62.5)
Total interest-bearing debt	106,887.5	106,825	(62.5)

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

(Note 2) The decrease in 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 twelfth fiscal period submitted on October 25, 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/>