

For Translation Purposes Only

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 (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”).

1. Purpose of Borrowings

To be used as part of the funds for acquiring “Atago Green Hills” and “ARK Mori Building” on April 1, 2013 (hereinafter “Assets-to-be-Acquired”) (Note 1) and refinancing of 1,000 million yen and 500 million yen in short-term loans payable due March 29, 2013 (hereinafter “Existing Short-Term Loans payable”) (Note 2).

(Note 1) Please refer to “MHR Announces Asset Acquisitions in Japan, Atago Green Hills: Additional Acquisition, ARK Mori Building: Additional Acquisition” disclosed on February 15, 2013 for details.

(Note 2) Please refer to “MHR Announces Information on Borrowings” disclosed on March 22, 2012 for details.

2. Content of Borrowings

(1) Long-term loans payable (maturity of 5 years)

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|------------------------------|--|
| a) Lenders (planned): | Sumitomo Mitsui Banking Corporation, Mizuho Corporate Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Aozora Bank, Ltd., Development Bank of Japan, Inc. and Mizuho Trust & Banking Co., Ltd. |
| b) Borrowing amount: | 10,000 million yen |
| c) Interest rate: | Base Interest Rate (1-month JBA Japanese Yen TIBOR) (Note 1) + 0.55% (Note 2) |
| d) Scheduled drawdown date: | March 29, 2013 |
| e) Interest payment date: | The first payment date shall be the last day of April 2013 and subsequent payment dates shall be the last day of every month thereafter (Note 3). The last payment date shall be the principal repayment date. |
| f) Principal repayment date: | March 31, 2018 (Note 3) |
| g) Method of repayment: | To be repaid in full on the principal repayment date |
| h) Collateral: | Unsecured/Unguaranteed |

- (2) Long-term loans payable (maturity of 3 years)
- 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 1) + 0.45%
 - d) Scheduled drawdown date: March 29, 2013
 - e) Interest payment date: The first payment date shall be the last day of April 2013 and subsequent payment dates shall be the last day of every month thereafter (Note 3). The last payment date shall be the principal repayment date.
 - f) Principal repayment date: March 31, 2016 (Note 3)
 - g) Method of repayment: To be repaid in full on the principal repayment date
 - h) Collateral: Unsecured/Unguaranteed

- (3) Long-term loans payable (maturity of 3 years)
- 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 1) + 0.45%
 - d) Scheduled drawdown date: March 29, 2013
 - e) Interest payment date: The first payment date shall be the last day of April 2013 and subsequent payment dates shall be the last day of every month thereafter (Note 3). The last payment date shall be the principal repayment date.
 - f) Principal repayment date: March 31, 2016 (Note 3)
 - 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 (0.16000% 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) MHR plans to convert interest rate payments to a virtual fixed rate by concluding an interest rate swap agreement separately.

(Note 3) 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.

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

- (1) Amount of funds to be procured: 11,500 million yen
- (2) Specific use of funds to be procured and planned payment period
Long-term loans payable (maturity of 5 years) in 2. (1) above
 - a) Specific use of funds to be procured: Allocation as part of the funds for acquiring of the Assets-to-be-Acquired, etc.
 - b) Amount: 10,000 million yen
 - c) Planned payment period: April 1, 2013

Long-term loans payable (maturity of 3 years) in 2. (2) above and Long-term loans payable (maturity of 3 years) in 2. (3) above

- a) Specific use of funds to be procured: Allocation to the refinancing of the Existing Short-term Loans payable
- b) Amount: 1,500 million yen
- c) Planned payment period: March 29, 2013

4. Borrowings, etc. after the Borrowings

(unit: millions of yen)

	Before the Borrowings	After the Borrowings	Change
Short-term loans payable	4,478	2,978	(1,500)
Long-term loans payable	77,347	88,847	11,500
Total loans payable	81,825	91,825	10,000
Investment corporation bonds	25,000	25,000	0
Total of loans payable and investment corporation bonds	106,825	116,825	10,000
Total interest-bearing debt	106,825	116,825	10,000

(Note) Long-term loans payable 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 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/>