

For Translation Purposes Only

Real Estate Investment Fund Issuer:
Mori Hills REIT Investment Corporation
(Securities Code: 3234)
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Hiroshi Mori, Executive Director

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MHR Announces Prepayment of Borrowings

Mori Hills REIT Investment Corporation (hereinafter “MHR”) determined to make prepayment of the following borrowings on January 18, 2010. The details are outlined below.

1. Details of Prepayment

- | | | |
|----------------------------------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ① Lenders | : | Mizuho Corporate Bank, Ltd., Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Trust & Banking Co., Ltd. and Sumitomo Mitsui Banking Corporation |
| ② Prepayment amount | : | 2,940 million yen |
| ③ Planned prepayment date | : | January 29, 2010 |
| ④ Method of prepayment | : | Principal to be repaid in full on the planned prepayment date |
| ⑤ Source of funds for prepayment | : | Cash on hand |
| ⑥ Other | : | No settlement money will arise as a result of this prepayment. |

(Note) Overview of Borrowings Planned for Prepayment

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|-----------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ① Lenders | : | Same as the “Lenders” mentioned in 1. ① above |
| ② Borrowing amount | : | Same as the “Prepayment amount” mentioned in 1. ② above |
| ③ Interest rate (per annum) | : | 1.27364%
(applicable from December 31, 2009 through January 29, 2010) |
| ④ Drawdown date | : | November 30, 2009 |
| ⑤ Interest payment date | : | The first interest payment date shall be December 31, 2009. Subsequent interest payment dates shall be the last day of every month, and the last payment date shall be March 27, 2010. (However, if the 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). |

- ⑥ Principal repayment date : March 27, 2010 (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.)
- ⑦ Method of repayment : To be repaid in full on the principal repayment date
- ⑧ Collateral : Unsecured/Unguaranteed

2. Interest-bearing debt, etc. after the Prepayment

(unit: millions of yen)

	Before the prepayment	After the prepayment	Change
Short-term borrowings	13,500	10,560	(2,940)
Long-term borrowings (*Note 1)	90,450	90,450	0
Total borrowings	103,950	101,010	(2,940)
Investment corporation bonds	10,000	10,000	0
Total of borrowings and investment corporation bonds	113,950	111,010	(2,940)
Total interest-bearing debt	113,950	111,010	(2,940)
Interest-bearing debt ratio (LTV) (*Note 2)	53.8%	53.1%	(0.7pt)

(*Note 1) Long-term borrowings includes Current portion of long-term loans payable.

(*Note 2) The LTV does not include the amount of security deposits released. Since total assets as of the end of January 2010, or as of today, is yet to be confirmed, calculations have been made based on figures as of the end of November 2009.

- 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>