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April 16, 2018

REIT Issuer:

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Notice Concerning New Loans (Refinancing) and Partial Repayment of the Existing Loans

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that the board of directors’ meeting today resolved as below on new borrowings (hereinafter called the “New Loans”) for the purpose of partial repayment of the existing loans and refinancing the existing loan.

1. Summary of the New Loans

JHR plans to borrow new loans for the purpose of partial repayment of the existing loans and refinancing of the existing loan, which is due on April 26, 2018 as below.

2. Details of the New Loans

(1) Total amount of the New Loan
JPY8,350M

(2) Description of the New Loans

Name of Loan	Term Loan 46
Lender	Sumitomo Mitsui Banking Corporation, Shinsei Bank, Limited., The Chiba Bank, Ltd., THE NISHI-NIPPON CITY BANK, LTD. , Sompo Japan Nipponkoa Insurance Inc.
Amount of the New Loan	JPY2,850M
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.35% (*1)(*2)
Date of Borrowing	April 26, 2018 (scheduled)
Method of Borrowing	An individual loan contract to be concluded on April 24, 2018 with the lenders indicated above based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).
Interest Payment Date	The first interest payment date is May 31, 2018. Subsequent interest payment dates shall be at the end of every month (if the payment date is not a business day, it shall be paid on the preceding business day) and on the maturity date.
Method of Principal Repayment	Lump-sum payment on the maturity date

Maturity Date	March 31, 2023
Collateral	Unsecured/Unguaranteed

Name of Loan	Term Loan 47
Lender	The Hiroshima Bank, Ltd.
Amount of the New Loan	JPY500M
Interest Rate	To be determined (fixed) (*3)
Date of Borrowing	April 26, 2018 (scheduled)
Method of Borrowing	An individual loan contract to be concluded on April 24, 2018 with the lender indicated above based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).
Interest Payment Date	The first interest payment date is May 31, 2018. Subsequent interest payment dates shall be at the end of every month (if the payment date is not a business day, it shall be paid on the preceding business day) and on the maturity date.
Method of Principal Repayment	Lump-sum payment on the maturity date
Maturity Date	March 31, 2023
Collateral	Unsecured/Unguaranteed

Name of Loan	Term Loan 48
Lender	Sumitomo Mitsui Banking Corporation
Amount of the New Loan	JPY5,000M
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.275% (*1)(*2)
Date of Borrowing	April 26, 2018 (scheduled)
Method of Borrowing	An individual loan contract to be concluded on April 24, 2018 with the lender indicated above based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).
Interest Payment Date	The first interest payment date is May 31, 2018. Subsequent interest payment dates shall be at the end of every month (if the payment date is not a business day, it shall be paid on the preceding business day) and on the maturity date.
Method of Principal Repayment	Lump-sum payment on the maturity date
Maturity Date	December 28, 2018
Collateral	Unsecured/Unguaranteed

(*1) The base interest rate for the first interval (from April 26, 2018 through May 30, 2018) applies JBA Japanese Yen TIBOR for two months. The base interest rate for the first interval will be notified once it is determined.

(*2) Please refer to the website of JBA TIBOR Administration for confirming the base interest rate (JBA Japanese Yen TIBOR for one month and two months) <http://www.jbatibor.or.jp/english/rate/>.

(*3) Undetermined conditions will be notified once they are determined.

3. Details of the Repayment

(1) Details of the Repayment

The New Loan stated in “Details of the New Loan” above and cash on hand are planned to be used as a repayment source.

(2) Total amount of the Repayment

JPY8,742.25M

(3) Scheduled date of the Repayment

April 26, 2018

(4) Details of the individual loan contract subject to the Repayment

Subjected loan	Facility S
Lenders	Sumitomo Mitsui Banking Corporation, The Tokyo Star Bank, Limited, Shinsei Bank
Lenders to be paid	Same as above
Loan Balance before Repayment	JPY2,886.25M
Amount of Repayment	JPY2,886.25M
Date of Borrowing	April 26, 2013
Maturity Date	April 6, 2018
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for three months) + 0.90%
Loan Balance after Repayment	JPY0

Subjected loan	Term Loan 6
Lenders	Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited, Sumitomo Mitsui Trust Bank, Limited, Development Bank of Japan Inc. The Tokyo Star Bank, Limited, Aozora Bank, Ltd.
Lender to be paid	The Tokyo Star Bank, Limited
Loan Balance before Repayment	JPY6,817M
Amount of Repayment	JPY762M
Date of Borrowing	September 30, 2014
Maturity Date	September 30, 2020
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for three months) + 0.55%
Loan Balance after Repayment	JPY6,055M

Subjected loan	Term Loan 11
Lenders	Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd. , Shinsei Bank, Limited Resona Bank, Limited, Sumitomo Mitsui Trust Bank, Limited, The Tokyo Star Bank, Limited, Aozora Bank, Ltd.
Lender to be paid	The Tokyo Star Bank, Limited
Loan Balance before Repayment	JPY8,200M
Amount of Repayment	JPY300M
Date of Borrowing	January 30, 2015
Maturity Date	January 31, 2022
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for three months) + 0.55%
Loan Balance after Repayment	JPY7,900M

Subjected loan	Term Loan16-2
Lenders	Sumitomo Mitsui Banking Corporation, The Tokyo Star Bank, Limited, Shinsei Bank, Limited
Lender to be paid	The Tokyo Star Bank, Limited
Loan Balance before Repayment	JPY2,636M
Amount of Repayment	JPY1,744M
Date of Borrowing	September 30, 2015
Maturity Date	September 29, 2023
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.65%
Loan Balance after Repayment	JPY892M

Subjected loan	Term Loan21-1
Lenders	Sumitomo Mitsui Banking Corporation, The Tokyo Star Bank, Limited, Mizuho Bank, Ltd.
Lender to be paid	The Tokyo Star Bank, Limited
Loan Balance before Repayment	JPY1,760M
Amount of Repayment	JPY800M
Date of Borrowing	March 28, 2016
Maturity Date	March 31, 2019
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.30%
Loan Balance after Repayment	JPY960M

Subjected loan	Term Loan22-1
Lenders	Sumitomo Mitsui Banking Corporation, The Tokyo Star Bank, Limited, Mizuho Bank, Ltd.
Lender to be paid	The Tokyo Star Bank, Limited
Loan Balance before Repayment	JPY3,850M
Amount of Repayment	JPY1,750M
Date of Borrowing	March 28, 2016
Maturity Date	March 31, 2024
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.60%
Loan Balance after Repayment	JPY2,100M

Subjected loan	Term Loan23
Lenders	Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Shinsei Bank, Limited Resona Bank, Limited, The Tokyo Star Bank, Limited, The Nomura Trust and Banking Co., Ltd.
Lender to be paid	The Tokyo Star Bank, Limited
Loan Balance before Repayment	JPY4,700M
Amount of Repayment	JPY500M
Date of Borrowing	March 31, 2016
Maturity Date	March 31, 2023
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.55%
Loan Balance after Repayment	JPY4,200M

4. Status of the Interest-Bearing Debt Before and After the Refinancing (scheduled)

(unit: millions of yen)

Category		Before	After	Variance
	Short-term loans	0	5,000	+5,000
	Long-term loans (*2)	107,860	102,468	(5,392)
Total loans		107,860	107,468	(392)
Total investment corporation bonds		33,600	33,600	0
Total interest-bearing debt		141,460	141,068	(392)

(*1) Amounts are rounded down to the nearest millions of yen.

(*2) Long-term loans payable within one year are included in the long-term loans.

*The fixed interest rate ratio (including the purchase of the interest rate cap) to the total interest-bearing debt after the Refinancing is forecast to be around 94%.

5. Future Prospects

The impact of the New Loan and the repayment is subtle and no change is required for the operating forecast for the fiscal year ending December 2018 (January 1, 2018 through December 31, 2018).

6. Others

With respect to the risks of the New Loan, no important change is required for the “Investment Risks” in the Securities Report submitted on March 20, 2018.

* Website of Japan Hotel REIT Investment Corporation: <http://www.jhrth.co.jp/en>