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Notice Concerning Acquisition of Evaluation on Environmental Considerations  
from Sumitomo Mitsui Banking Corporation

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you of its acquisition of an “A” grade from Sumitomo Mitsui Banking Corporation (hereinafter called “SMBC”), in “SMBC Environmental Assessment Loan,” in recognition of our implementation of excellent initiatives for environmental considerations in asset management.

1. Overview of SMBC Environmental Assessment Loan

“SMBC Environmental Assessment Loan” assesses status of corporate initiatives for environmental considerations, on loan execution and establishment of lending conditions, based on environmental assessment criteria developed independently by SMBC and the Japan Research Institute, Limited.

2. Details of the evaluation

JHR has received an “A” grade for corporate initiatives for environmental considerations since it maintains a high standard on “environmental management” and “implementation of environment protection measures” and other measures.

In particular, the following factors are highly rated in the assessment.

- A. JHR and the Asset Management Company formulated “Sustainability Policy” and clearly state its position on considerations for environment and stakeholders such as local communities, etc. on its asset management.
- B. As well as conversion to the LEDs in lightning fixtures and introduction of water-saving devices in our major hotels, JHR promotes initiatives to reduce environmental impact alongside with lessees, including adding the Green Lease clause in the lease agreements with the Twelve HMJ hotels.
- C. JHR actively promotes to acquire third-party certifications such as BELS (Building-Housing Energy-efficiency Labeling System) to confirm credibility and objectivity of initiatives for environmental impact reduction in properties owned by JHR.

For the announcement by SMBC, please visit the following website  
SMBC's website: [http://www.smbc.co.jp/news\\_e/](http://www.smbc.co.jp/news_e/)

3. Procurement of Loan utilizing SMBC Environmental Assessment Loan

Term Loan 45 (the amount of ¥1,700 million) which JHR borrowed today is the loan categorized as “SMBC Loan Environmental Assessment Loan.” Please refer to the “Notice Concerning a New Loan (Refinancing)” dated March 20, 2018 and “Notice Concerning a New Loan (Determination of an Interest Rate)” dated March 28, 2018 for the details of the loan.

4. Coming initiatives by JHR

JHR strives to proactively implement the initiatives for optimization of energy conservation of our portfolio and aim to strengthen environmental management and reduce environmental impact.

JHR also recognizes our social responsibility as a hotel REIT and therefore aims to build sound relationships with our stakeholders including unitholders, hotel guests, lessees, hotel managers (operators), business partners including property managers, local communities, officers and employees of the Asset Management Company and others, and proactively promotes social contribution activities through utilizing the characteristics of the hotel sector and each hotel.

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