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REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
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Notice Concerning the Determination of the Number of New Investment Units to be Issued

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that with respect to the issuance of new investment units that was resolved at the Board of Directors meetings on January 8, 2019 and January 16, 2019, the number of investment units of JHR (hereinafter called “JHR investment units”) to be additionally issued upon exercise of an option granted to the overseas underwriters in the offering in overseas (hereinafter called the “Overseas Offering”) for the purchase of such units has been fixed, as follows:

Number of JHR investment units to be issued upon exercise of an option granted to the overseas underwriters in the Overseas Offering	27,800 Units
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<Reference>

1. Issuance of new investment units through public offering

- (1) Number of investment units to be offered 447,800 JHR investment units in total of (i) and (ii) below:
- (i) 420,000 JHR investment units to be underwritten and purchased by the domestic underwriters and the overseas underwriters in each of the offering below.

The offering in Japan (the “Domestic Public Offering”)	206,247 units
Overseas Offering	213,753 units
 - (ii) 27,800 JHR investment units, the number of JHR investment units to be additionally issued subject to a purchase right granted to the overseas underwriters in the Overseas Offering.

Note: This press release has been prepared for the purpose of announcing to the public certain matters relating to the issuance of new investment units and secondary offering of investment units of JHR, and not for the purpose of soliciting any investment. JHR asks that investors make investment decisions only after they have referred to the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto (if any) prepared by JHR, and that the investment decisions are made at their discretion and responsibility. This press release does not constitute an offer of securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

(2)	Issue price (Offer price)	¥76,342.-per unit
(3)	Total issue price (Offer price)	¥34,185,947,600.-
(4)	Paid-in amount (Issue value)	¥73,927.-per unit
(5)	Total paid-in amount (Issue value)	¥33,104,510,600.-

(*) See “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” dated January 8, 2019 and “Notice Concerning Determination of Prices, etc. for Issuance of New Investment Units and Secondary Offering of Investment Units” dated January 16, 2019 for details of issuance of new investment units.

2. Change in total number of units issued after new issuance

Total number of investment units issued as of today	4,010,847 units
Number of investment units increased by way of the issuance of new investment units	447,800 units
Total number of investment units issued after the issuance of new investment units	4,458,647 units

An additional 3,700 new investment units as the maximum number of investment units may be issued on February 20, 2019 pursuant to a third-party allotment to a domestic underwriter in connection with the offering through over-allotment (hereinafter called the “Third-party Allotment”).

3. Amount of funds to be raised, use of proceeds and scheduled timing of expenditure

The proceeds from the Domestic Public Offering of ¥15,247,221,969.- and the Overseas Offering of ¥17,857,288,631.- will be allocated to part of the funds for acquisition of new specified assets (the meaning set forth in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended); the same shall apply hereinafter), “Hilton Tokyo Odaiba” and “Hotel Oriental Express Osaka Shinsaibashi” (*1), by JHR.

The maximum proceeds from the issuance of new investment units by way of the Third-party Allotment of ¥273,529,900.- that was resolved on the same date as the Domestic Public Offering will be allocated to part of the funds for acquisition of “Hilton Tokyo Odaiba”.

The residual funds of the proceeds from the Domestic Public Offering, the Overseas Offering and the Third-party Allotment, if any, will be retained as cash on hand to be allocated to part of the funds for future acquisition of specified assets, part of the funds for repayment of loans, or repair expenses and capital expenditures to maintain or improve competitiveness of existing properties.

(*1) See “Notice Concerning Acquisition and Lease of New Assets (Hilton Tokyo Odaiba and Hotel Oriental Express Osaka Shinsaibashi)” dated January 8, 2019 for details of Hilton Tokyo Odaiba and Hotel Oriental Express Osaka Shinsaibashi that JHR plans to acquire.

(*2) Procured funds are planned to be deposited in financial institutions until its payment for intended use.

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

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