

This English translation is provided for information purposes only. If any discrepancy is identified between this translation and the Japanese original, the Japanese original shall prevail.

November 13, 2017

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
Kaname Masuda, Executive Director

Asset Management Company:

Japan Hotel REIT Advisors Co., Ltd.
Hisashi Furukawa, Representative Director and President

Contact:

Makoto Hanamura
General Manager
Investor Relations Department, Operations Division
TEL: +81-3-6422-0530

Notice Concerning New Loans (Determination of Interest Rates)
and Conclusion of Interest Rate Swap Contracts

With reference to the new loans announced in our press release “Notice Concerning New Loans (Refinancing)” (hereinafter called “New Loans”) dated August 22, 2017, Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that interest rates, which are parts of the conditions for the New Loans, have been determined as follows. Please note that we have also concluded the interest rate swap contracts related to New Loans.

1. Details of Determination of Interest Rates

Loan	Lenders	Balance	Interest Rate
Term Loan 43	Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited	JPY4,000M	<u>0.46864% (Rate for the first applicable period)</u> Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.425% (*2)(*3) <u>Applicable period</u> <u>November 15, 2017 through November 29, 2017</u>
Term Loan 44-2	Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited Development Bank of Japan Inc. The Bank of Fukuoka, Ltd.	JPY2,450M	<u>0.51864% (Rate for the first applicable period)</u> Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.475% (*2)(*3) <u>Applicable period</u> <u>November 15, 2017 through November 29, 2017</u>

(*1) Conditions for the New Loans that have been determined are underlined.

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

(*3) The borrowing rate on and after November 30, 2017 will be in effect fixed as mentioned below in 2. Details of Interest

Rate Swap Contracts.

2. Details of Interest Rate Swap Contracts

<Interest rate swap contract for Term Loan 43>

Counterparty	Sumitomo Mitsui Trust Bank, Limited.
Notional Principal	JPY4,000M
Interest Rate	Fixed interest rate to pay 0.1409% Variable interest rate to receive (JBA Japanese Yen TIBOR for one month)
Contract Term	November 30, 2017 through March 29, 2024
Interest Payment Date	The first interest payment date is December 29, 2017. Subsequent interest payment dates shall be at the end of every month and on the maturity date. (If the payment date is not a business day, it shall be paid on the preceding business day.)

*The interest rate for Term Loan 43 will be, in effect, fixed at 0.5659% from November 30, 2017.

<Interest rate swap contract for Term Loans 44-1 and 44-2>

Counterparty	Sumitomo Mitsui Trust Bank, Limited.
Notional Principal	JPY5,000M
Interest Rate	Fixed interest rate to pay 0.1744% Variable interest rate to receive (JBA Japanese Yen TIBOR for one month)
Contract Term	November 30, 2017 through March 31, 2025
Interest Payment Date	The first interest payment date is December 29, 2017. Subsequent interest payment dates shall be at the end of every month and on the maturity date. (If the payment date is not a business day, it shall be paid on the preceding business day.)

*The interest rate for Term Loans 44-1 and 44-2 will be, in effect, fixed at 0.6494% from November 30, 2017.

Fixed interest rate ratio (including the purchase of interest rate caps) to the total interest-bearing debt is expected to remain around 93% after the conclusion of swap contracts.

3. Future Prospects

The impact of the New Loans is subtle and no change is required for the operating forecast for the fiscal year ending December 2017 (January 1, 2017 through December 31, 2017).

4. Others

With respect to the risks of the New Loans, no important change is required for the “Investment Risks” on Securities Report submitted on March 22, 2017 and Semiannual Securities Report (Japanese only) submitted on September 20, 2017.

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