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Notice Concerning Conclusion of Interest Rate Swap Contracts

With reference to the new loans announced in our press release “Notice Concerning New Loans” dated January 8, 2019 and, Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that the interest rate swap contracts related to New Loans (Term Loan 54 and 55) have been concluded as follows.

1. Details of Interest Rate Swap Contracts

<Interest rate swap contract for Term Loan 54>

Counterparty	Mizuho Bank, Ltd.
Notional Principal	JPY7,500M
Interest Rate	Fixed interest rate to pay 0.174% Variable interest rate to receive (JBA Japanese Yen TIBOR for one month)
Contract Term	April 8, 2019 through March 31, 2027
Interest Payment Date	The first interest payment date is April 26, 2019. 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 54 will be fixed at 0.724% in effect.

<Interest rate swap contract for Term Loan 55>

Counterparty	Sumitomo Mitsui Trust Bank, Limited
Notional Principal	JPY18,000M
Interest Rate	Fixed interest rate to pay 0.215% Variable interest rate to receive (JBA Japanese Yen TIBOR for one month)
Contract Term	April 8, 2019 through March 31, 2028
Interest Payment Date	The first interest payment date is April 26, 2019. 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 54 will be fixed at 0.815% in effect.

Fixed interest rate ratio to the total interest-bearing debt is expected to be around 92% after the conclusion of swap contracts.

2. 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 2019 (January 1, 2019 through December 31, 2019).

3. 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 20, 2019 (Japanese only).

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