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January 16, 2019

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
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Notice Concerning Determination of Prices, etc. for
Issuance of New Investment Units and Secondary Offering of Investment Units

In relation to the issuance of new investment units and secondary offering of investment units resolved at the Board of Directors meeting of Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) dated January 8, 2019, the Board of Directors of JHR determined the issue price, the selling price, and other relevant matters today as follows:

1. Issuance of new investment units through public offering

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|------|--|---|
| (1) | Number of investment units to be offered | 447,800 investment units of JHR (“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 offerings below. |
| | | 206,247 units in the offering in Japan |
| | | of which, (the “Domestic Public Offering”) |
| | | 213,753 units in the offering in overseas |
| | | (the “Overseas Offering”) |
| | | (ii) 27,800 JHR investment units, the maximum number of JHR investment units to be additionally issued subject to a purchase right granted to the overseas underwriters in the Overseas Offering. |
| (2) | Issue price (Offer price) ^(*1) | ¥76,342.-per unit |
| (3) | Total issue price (Offer price) ^(*2) | ¥34,185,947,600.- |
| (4) | Paid-in amount (Issue value) ^(*1) | ¥73,927.-per unit |
| (5) | Total paid-in amount (Issue value) ^(*2) | ¥33,104,510,600.- |
| (6) | Subscription period
(Domestic public offering) | January 17, 2019 (Thursday)
through January 18, 2019 (Friday) |
| (7) | Payment date | January 23, 2019 (Wednesday) |
| (8) | Transfer date | January 24, 2019 (Thursday) |
| (*1) | The underwriters will purchase and underwrite the units at the paid-in amount (issue value) and offer them at the issue price (offer price). | |
| (*2) | Maximum amount based on the assumption that overseas underwriters have exercised the purchase right described in (1) (ii) above in full. | |

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. Secondary offering (Secondary offering through over-allotment)

(1)	Number of investment units to be sold	3,700 units
(2)	Selling price	¥76,342.-per unit
(3)	Total selling price	¥282,465,400.-
(4)	Subscription period	January 17, 2019 (Thursday) through January 18, 2019 (Friday)
(5)	Transfer date	January 24, 2019 (Thursday)

3. Issuance of new investment units by way of third-party allotment (the “Third-party Allotment”)

(1)	Paid-in amount (Issue value)	¥73,927.-per unit
(2)	Total paid-in amount (Issue value) (Maximum)	¥273,529,900.-
(3)	Subscription period (Subscription date)	February 19, 2019 (Tuesday)
(4)	Payment date	February 20, 2019 (Wednesday)
(*)	If some or all of the investment units are not subscribed for by the end of the subscription period (subscription date) stated in (3) above, the issuance of those investment units not subscribed for shall be cancelled.	

<Reference>

1. Calculation of the issue price and the selling price

(1)	Base date for calculation and the price	January 16, 2019 (Wednesday)	¥77,900.-
(2)	Discount rate		2.00%

2. Syndicate covering transaction period

January 19, 2019 (Saturday) to February 15, 2019 (Friday)

3. Use of the proceeds

The proceeds from the Domestic Public Offering of ¥15,247,221,969.- and the maximum proceeds from 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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