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REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
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Notice Concerning New Loans

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that the board of directors meeting today resolved as below on new borrowings (hereinafter called the “New Loans”) in order to refinance the existing investment corporation bonds (hereinafter called the “Refinance”).

1. Summary of the Refinance

JHR will substantially refinance the investment corporation bonds which will be redeemed on March 19, 2019 (hereinafter called the “the Investment Corporation Bonds planned to be Redeemed”).

2. Details of the New Loans

(1) Total Amount of the New Loans
JPY2,000M

(2) Details of the New Loans

Name of Loan	Term Loan 57	Term Loan 58
Lender	The Bank of Fukuoka, Ltd.	THE NISHI-NIPPON CITY BANK, LTD.
Amount of the New Loan	JPY1,000M	JPY1,000M
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.275% (*1) (*2) (*3)	
Date of Borrowing	March 18, 2019 (plan)	
Method of Borrowing	Individual loan contracts to be concluded on March 14, 2019 with the lender indicated above based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).	
Interest Payment Date	The first interest payment date is April 26, 2019. Subsequent interest payment dates shall be at the end of each month (if the payment date is not a business day, it shall be paid on the preceding business day) and on the maturity date.	
Method of Principal Prepayment	Lump-sum payment on the maturity date	

Maturity Date	February 28, 2020
Collateral	Unsecured/Unguaranteed

(*1) The base interest rate of first calculation period for each loan will be announced once it is determined.

(*2) Base interest rate to be applied to the calculation period for the interest to be paid at interest payment dates will be JBA Japanese Yen TIBOR for 1 month at 2 business days prior to preceding interest payment date. Please refer to the website of JBA TIBOR Administration for the JBA Japanese Yen TIBOR for 1 month (<http://www.jbatibor.or.jp/english/rate/>).

(*3) The base interest rate for the first calculation period is calculated using a linear interpolation based on JBA Japanese Yen TIBOR for 1 month and 2 months for the calculation period.

3. Details of the Investment Corporation Bonds planned to be Redeemed

(1) Details of the redemption

The New Loans is planned to be used as fund for the redemption

(2) Redemption Amount

JPY2,000M

(3) Scheduled date of redemption

March 19, 2019

(4) Details of the Investment Corporation Bonds subject to Redemption

Subjected Investment Corporation Bonds	Third unsecured investment corporation bonds (Pari passue covenants between investment corporation bonds are attached)
Payment Date	March 19, 2014
Redemption Date	March 19, 2019
Balance	JPY2,000M

4. Status of the Interest-Bearing Debt Before and After the Refinance (Scheduled)

(Unit: millions of yen)

Category		Before	After	Variance
	Short-term loans	0	2,000	+2,000
	Long-term loans (*2)	103,071	103,071	0
Total Loans		103,071	105,071	+2,000
Total investment corporation bonds		33,600	31,600	-2,000
Total interest-bearing debt		136,671	136,671	0

(*1) Amounts are rounded down to the nearest millions of yen.

(*2) Long-term loans payable within one year are included in the long-term loans.

* The fixed interest rate ratio to the total interest-bearing debt after the completion of the Refinance is forecasted to be around 96%.

5. 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).

6. Other

With respect to the risks of the New Loans, no important change is required for the “Investment Risks” in the Securities Registration Statement submitted on January 8, 2019 (Japanese only).

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