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Notice Concerning New Loans (New Loan and New Loans for Refinancing) and Prepayment of Existing Loan

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that JHR resolved today on new borrowing (hereinafter called the “New Loan”), prepayment of existing loan (hereinafter called “Prepayment”) and new borrowing for the purpose of refinancing of the existing loan (hereinafter called “New Loans for Refinancing”).

1. Summary of the New Loan

(1) Object and content of the New Loan

JHR plans to borrow the New Loan as the part of fund for acquisition of real estate beneficial interest in trust of UAN kanazawa and movable assets attached to it (hereinafter called “Beneficial Interest, etc.”).

In addition, we aim to strengthen lender formation through starting new transactions with Kansai Mirai Bank, Limited. and THE HOKURIKU BANK, LTD.

For detail of Beneficial Interest, etc. please refer to press release “Notice Concerning Acquisition of New Asset (UAN kanazawa)” dated today.

The breakdown of fund for acquisition of Beneficial Interest, etc. are JPY800 million by loan and JPY1,250 million by cash on hand.

(2) Details of the New Loan

Name of the Loan	Term Loan 81
Lenders	Kansai Mirai Bank, Limited, THE HOKURIKU BANK, LTD.
Amount of the New Loan	JPY800M
Interest Rate	Base interest rate + 0.4%
Date of Borrowing	January 31, 2023
Maturity Date	January 31, 2024
Collateral	Unsecured / Unguaranteed
Method of Principal Repayment	Lump-sum payment on the maturity date

(*) The first interest payment date is the end of March 2023. Subsequent interest payment dates shall be the last day of every three month thereafter (if the payment date is not a business day, it shall be paid on the preceding business day.) and the maturity date. 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 3 months at 2 business days prior to preceding interest payment date. However, for the last calculation period, Yen TIBOR for 1 month will be applied. Please refer to the website of JBA TIBOR Administration for the JBA Japanese Yen TIBOR (<http://www.jbatibor.or.jp/english/rate/>).

2. Summary of the Loans Scheduled for Prepayment

(1) Object and content of the Prepayment

In association with borrowing of the New Loan, JHR plans to prepay the part of the existing loans with cash on hand in order to maintain the level of Loan to Value (LTV).

(2) Total amount of the Prepayment

JPY800M

(3) Scheduled date of the Prepayment

January 31, 2023

(4) Details of the individual loan subject to the Prepayment

Name of the Loan	Term Loan 78
Lenders	Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Development Bank of Japan Inc., Resona Bank, Limited, The Shizuoka Bank, Ltd., The Minato Bank, Ltd.
Balance of the Loan before the Prepayment	JPY4,600M
Balance after the Prepayment	JPY3,800M
Interest Rate	Base interest rate + 0.5%
Date of Borrowing	October 20, 2022
Maturity Date	October 20, 2023

(*) For details of the individual loan subject to the Prepayment, please refer to press release “Notice Concerning New Loan (Refinancing)” dated October 13, 2022.

3. Summary of the New Loans for Refinancing

(1) Content of the New Loans for Refinancing

JHR plans to refinance the loan which is due on January 31, 2023 (hereinafter called the “Loan Scheduled for Repayment”) by the New Loans for Refinancing.

(2) Details of the New Loans for Refinancing

Name of the Loan	Term Loan 79
Lenders	Sumitomo Mitsui Banking Corporation, SBI Shinsei Bank Limited, Sumitomo Mitsui Trust Bank, Limited, Resona Bank Limited, Aozora Bank, Ltd.
Amount of the Loan	JPY2,985M
Interest Rate	Base interest rate + 0.5%
Date of Borrowing	January 31, 2023
Maturity Date	March 29, 2024
Collateral	Unsecured / Unguaranteed
Method of Principal Repayment	Lump-sum payment on the maturity date

Name of the Loan	Term Loan 80
Lender	Mizuho Bank, Ltd.
Amount of the Loan	JPY2,526M
Interest Rate	Base interest rate + 0.6%
Date of Borrowing	January 31, 2023
Maturity Date	January 30, 2026
Collateral	Unsecured / Unguaranteed
Method of Principal Repayment	Lump-sum payment on the maturity date

(*) Regarding Term Loan 79, the first interest payment date is the end of March 2023. Subsequent interest payment dates shall be the last day of every three month thereafter (if the payment date is not a business day, it shall be paid on the preceding business day.) and the maturity date. Regarding Term Loan 80, the first interest payment date is the end of February 2023. Subsequent interest payment dates shall be the last day of every month thereafter (if the payment date is not a business day, it shall be paid on the preceding business day.) and the maturity date. 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 3 months for Term Loan 79 and JBA Japanese Yen TIBOR for 1 month for Term Loan 80 at 2 business days prior to preceding interest payment date respectively. Please refer to the website of JBA TIBOR Administration for the JBA Japanese Yen TIBOR (<http://www.jbatibor.or.jp/english/rate/>).

4. Content of the Loan Scheduled for Repayment

(1) Content of the Loan Scheduled for Repayment

New Loans for Refinancing are planned to be the source for the repayment

(2) Amount to be repaid JPY5,511M

(3) Scheduled date for the repayment January 31, 2023

(4) Detail of the individual loan subject to the repayment

Name of the Loan	Term Loan 78
Lender	Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd. SBI Shinsei Bank Limited, Sumitomo Mitsui Trust Bank, Limited, Resona Bank Limited, Aozora Bank, Ltd.
Amount of the Loan	JPY5,511M
Date of Borrowing	January 31, 2022
Maturity Date	January 31, 2023

5. Status of the Interest-Bearing Debt After the New Loan, the Prepayment and the New Loans for Refinancing (scheduled)

(Unit: millions of yen)

Category		Before	After	Variance
	Short-term loans	35,113	29,602	(5,511)
	Long-term loans (*2)	92,218	97,729	5,511
Total Loans		127,831	127,831	-
Total investment corporation bonds		36,900	36,900	-
Total interest-bearing debt		164,731	164,731	-

(*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 New Loan, the Prepayment and the New Loans for Refinancing is forecasted to be around 77%.

6. Other

With respect to the risks of the New Loan and the New Loans for Refinancing, no important change is required for the “Investment Risks” in the Securities Report submitted on March 24, 2022 and Semi-Annual Securities Report submitted on September 21, 2022.

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