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March 11, 2016

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 Issuance of Investment Corporation Bonds

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you of its decision to issue investment corporation bonds today as follows.

1. Summary of investment corporation bonds

- (1) Name of investment corporation bonds
Sixth unsecured investment corporation bonds of JHR (with pari passu covenants among specified investment corporation bonds) (hereinafter called “Bonds”)
- (2) Total amount of Bonds
JPY3 billion
- (3) Form of Bonds
Bond certificates will not be issued since Bonds are subject to the Act on Book-Entry Transfer of Company Bonds, Shares, etc.
- (4) Issue price
JPY100 for JPY100 of each bond
- (5) Redemption price
JPY100 for JPY100 of each bond
- (6) Interest rate
0.935%/year
- (7) Amount of each bond
JPY 100 million
- (8) Offering method
Public offering

- (9) Subscription period
March 11, 2016 (Friday)
- (10) Payment date
March 22, 2016 (Tuesday)
- (11) Collateral
Neither collateral nor guarantee is provided for Bonds, and no assets have been particularly secured for Bonds.
- (12) Redemption method and date
The total amount of Bonds will be redeemed on March 19, 2026. Bonds may be repurchased and cancelled any time from the day following the payment date except for case(s) separately determined by the depository.
- (13) Interest payment date
May 26 and November 26 each year
- (14) Financial covenants
A negative pledge clause is applicable.
- (15) Rating of Bonds
A (Japan Credit Rating Agency, Ltd.)
- (16) Fiscal agent, issuing agent, and payment agent
Sumitomo Mitsui Trust Bank, Limited
- (17) Underwriting securities firms
SMBC Nikko Securities Inc.
Mizuho Securities Co., Ltd.

- 2. Rationale for issuance
To use proceeds to repay existing loans

- 3. Amount of proceeds, use, and planned payment schedule
 - (1) Amount of proceeds (ballpark net amount)
JPY2,978 million
 - (2) Intended use of proceeds and planned payment schedule
The proceeds are planned to be allocated as part of funds for the repayment of existing loans by the end of March 2016.

4. Interest-bearing debts after issuance of Bonds

<As of March 22, 2016>

(Unit: JPY1M)

Category		Before Issuance of Bonds	After Issuance of Bonds	Fluctuation
	Short-term loan	10,700	10,700	0
	Long-term loan (including long-term loan payable within one year)	82,007	82,007	0
	Total loans	92,707	92,707	0
	Investment corporation bonds (including those to be redeemed within one year)	12,000	15,000	+3,000
	Total investment corporation bonds	12,000	15,000	+3,000
Total interest-bearing debts		104,707	107,707	+3,000

(*) The amount is rounded down to the nearest one million yen.

5. Other necessary matters that investors should know to understand and judge the above information appropriately

With respect to the risk in relation to redemption of Bonds, etc., no important change is required for the “Investment Risks” in Securities Registration Statement submitted on January 4, 2016.

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