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REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
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Notice Concerning Repayment of the Existing Loans

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that the board of directors’ meeting today resolved as below on repayment of the existing loans (hereinafter called the “Repayment”) .

1. Details of the Repayment

(1) Details of the Repayment

A part of the sales proceeds, which is announced in today’s press release, “Notice Concerning a Property Disposition (R&B Hotel Higashi-nihonbashi, the b akasaka-mitsuke and the b ochanomizu)” is planned to be allocated as the source for the Repayment.

(2) Scheduled date of the Repayment

August 10, 2018

(3) Details of the individual loan contract subject to the Repayment

Subjected loan	Term Loan 48
Lender	Sumitomo Mitsui Banking Corporation
Loan Balance before Repayment	JPY5,000M
Amount of Repayment	JPY5,000M
Date of Borrowing	April 26, 2018
Maturity Date	December 28, 2018
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.275%
Loan Balance after Repayment	JPY0

2. Status of the Interest-Bearing Debt After the Refinancing (scheduled)

(unit: millions of yen)

Category		Before	After	Variance
	Short-term loans	5,000	0	(5,000)
	Long-term loans (*2)	102,460	102,460	0
Total loans		107,460	102,460	(5,000)
Total investment corporation bonds		33,600	33,600	0
Total interest-bearing debt		141,060	136,060	(5,000)

(*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.

(*3) After the Repayment, total asset based LTV (as of the end of December, 2018) is expected to be 38.8%.

3. Future Prospects

Please refer to “Notice Concerning Revision of Operating Forecast and Forecast of Dividend for the Fiscal Year Ending December 2018 (19th Period)” released today, for the operating forecast after the Repayment.

4. Others

With respect to the risks related to the Repayment, no important change is required for the “Investment Risks” in the Securities Report submitted on March 20, 2018.

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