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March 20, 2018

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Notice Concerning a New Loan (Refinancing)

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that the board of directors’ meeting today resolved as below on new borrowing (hereinafter called the “New Loan”) for the purpose of refinancing the existing loan (hereinafter called the “Refinancing”).

1. Summary of the Refinancing

JHR plans to refinance the loan (hereinafter called the “the Loan Scheduled for Repayment”) which is due on March 30, 2018 as below.

2. Details of the New Loan

Name of Loan	Term Loan 45
Lender	Sumitomo Mitsui Banking Corporation
Amount of the New Loan	JPY1,700M
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.35% (*1)(*2)
Date of Borrowing	March 30, 2018 (scheduled)
Method of Borrowing	An individual loan contract to be concluded on March 28, 2018 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 27, 2018. Subsequent interest payment dates shall be at the end of every 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 Repayment	Lump-sum payment on the maturity date
Maturity Date	March 31, 2023
Collateral	Unsecured/Unguaranteed

(*1) Please refer to the website of JBA TIBOR Administration for confirming the base interest rate (JBA Japanese Yen TIBOR for one month) <http://www.jbatibor.or.jp/english/rate/>.

(*2) The base interest rate for the first interval will be notified once it is determined.

3. Details of the Loan Scheduled for Repayment

Name of Loan	Term Loan 32
Lender	Sumitomo Mitsui Banking Corporation
Date of Borrowing	February 28, 2017
Maturity Date	March 30, 2018
Loan Balance	JPY1,700M

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

(Unit: millions of yen)

Category		Before	After (*3)	Variance
	Short-term loans	0	0	0
	Long-term loans (*2)	107,867	107,860	(7)
Total loans		107,867	107,860	(7)
Total investment corporation bonds		33,600	33,600	0
Total interest-bearing debt		141,467	141,460	(7)

(*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) The amount after the contractual repayments (JPY7.25M) scheduled for March 30, 2018.

*The fixed interest rate ratio (including the purchase of the interest rate cap) to the total interest-bearing debt after the Refinancing is forecast to be around 96%.

5. Future Prospects

The impact of the New Loan is subtle and no change is required for the operating forecast for the fiscal year ending December 2018 (January 1, 2018 through December 31, 2018).

6. Others

With respect to the risks of the New Loan, no important change is required for the “Investment Risks” in the Securities Report submitted today.

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