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Notice Concerning New Loans (Refinancing)

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that JHR resolved as below today on new borrowings (hereinafter called the “New Loans”) for the purpose of refinancing the existing loans (hereinafter called the “Refinancing”).

1. Summary of the Refinancing

JHR plans to partially repay and substantially refinance the loans, which are due on September 28, 2018 (hereinafter called the “Loans Scheduled for Repayment”). JHR will add The Shizuoka Bank, Ltd. as a new correspondent bank and aims to diversify the lenders.

2. Details of the New Loans

(1) Total amount of the New Loans

¥4,400 million

(2) Details of the New Loans

Name of Loan	Term Loan 49
Lenders	The Shizuoka Bank, Ltd. (new)
Amount of the New Loan	JPY500M
Interest Rate	Not yet determined (fixed interest rate) (*1)
Date of Borrowing	September 28, 2018 (scheduled)
Method of Borrowing	Individual loan contracts to be concluded on September 26, 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 March 29, 2018. Subsequent interest payment dates shall be at the end of March and at the end of September every year (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 repayment on the maturity date
Maturity Date	September 29, 2023 (borrowing term: 5 years)
Collateral	Unsecured / Unguaranteed

Name of Loan	Term Loan 50
Lenders	Sumitomo Mitsui Banking Corporation / Sumitomo Mitsui Trust Bank, Limited / Shinsei Bank, Limited / Mizuho Bank, Ltd.
Amount of the New Loan	JPY3,900M
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.60% (*2) (*3) (*4)
Date of Borrowing	September 28, 2018 (scheduled)
Method of Borrowing	Individual loan contracts to be concluded on September 26, 2018 with the lenders indicated above based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).
Interest Payment Date	The first interest payment date is October 31, 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 repayment on the maturity date
Maturity Date	September 30, 2027 (borrowing term: 9 years)
Collateral	Unsecured / Unguaranteed

(*1) The undecided items will be announced once it is determined.

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

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

(*4) JHR plans to enter into interest rate swap contracts and fix interest rates for Term Loan 50. The details will be announced once they are determined.

2. Summary of the Loans Scheduled for Repayment

(1) Summary of the Repayment

JHR plans to repay the loans with using the New Loans and cash on hand.

(2) Total amount of repayment

¥4,489.75 million

(3) Scheduled date of the Repayment

September 28, 2018

(4) Details of the Loans Scheduled for Repayment

Name of Loan	Tranche H
Lenders	Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited
Date of Borrowing	September 30, 2013
Maturity Date	September 28, 2018
Loan Balance	JPY2,689.75M

Name of Loan	Facility T
Lenders	Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited. Mizuho Bank, Ltd. Shinsei Bank, Limited.
Date of Borrowing	October 31, 2013
Maturity Date	September 28, 2018
Loan Balance	JPY1,800M

4. Status of the Interest-Bearing Debt after the Refinancing (scheduled)

(Unit: millions of yen)

Category		Before New Loans	After New Loans	Variance
	Short-term loans	0	0	0
	Long-term loans (*2)	102,460	102,371	(89)
Total loans		102,460	102,371	(89)
Total investment corporation bonds		33,600	33,600	0
Total interest-bearing debt		136,060	135,971	(89)

(*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 (after the fixation of the interest rate due to the conclusion of interest swap for Term Loan 50) to the total interest-bearing debt after the Refinancing is forecasted to be around 98%.

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 2018 (January 1, 2018 through December 31, 2018).

6. Others

With respect to the risks of the New Loans, no important change is required for the “Investment Risks” in the Securities Report submitted on March 20, 2018 and in the Semiannual Securities Report (Japanese only) submitted today.

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