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REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)  
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Asset Management Company:

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Notice Concerning New Loans

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that the board of directors’ meeting today resolved as below on new borrowings (hereinafter called the “New Loans”).

1. Rationale for the New Loans

The New Loans will be applied toward the funds for part of the acquisition price of real estate beneficial interest in trust of Hilton Tokyo Odaiba and movable assets attached to it (hereinafter called the “Beneficial Interest, etc.”).

Please see “Notice Concerning Acquisition and Lease of New Assets (Hilton Tokyo Odaiba and Hotel Oriental Express Osaka Shinsaibashi)” dated today for an overview of the Beneficial Interest, etc.

2. Details of the New Loans

(1)

Name of Loan	Term Loan 53
Lenders	The Bank of Fukuoka, Ltd. / The Chiba Bank, Ltd. / THE NISHI-NIPPON CITY BANK, LTD. / Sompo Japan Nipponkoa Insurance Inc.
Amount of the New Loan	JPY2,500M (planned)
Interest Rate	To be determined (fixed rate) (*1)
Date of Borrowing	April 8, 2019 (scheduled)
Method of Borrowing	Individual loan contracts to be concluded on March 11, 2019 with the lenders indicated above based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).

Note: This document is intended to serve as a press release to make available the information on new loans of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to make any investment decisions at their own risk and responsibility.

Interest Payment Date	The first interest payment date is September 30, 2019. Subsequent interest payment dates shall be at the end of March and September of each 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	March 29, 2024 (Loan term: approximately 5 years)
Collateral	Unsecured / Unguaranteed

(2)

Name of Loan	Term Loan 54
Lenders	Sumitomo Mitsui Banking Corporation / Shinsei Bank, Limited / Mizuho Bank, Ltd. / Sumitomo Mitsui Trust Bank, Limited / Development Bank of Japan Inc.
Amount of the New Loan	JPY7,500M (planned)
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.55% (*2) (*3) (*4)
Date of Borrowing	April 8, 2019 (scheduled)
Method of Borrowing	Individual loan contracts to be concluded on March 11, 2019 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 April 30, 2019 (if the payment date is not a business day, it shall be paid on the preceding business day). Subsequent interest payment dates shall be at the end of each 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	March 31, 2027 (Loan term: approximately 8 years)
Collateral	Unsecured / Unguaranteed

(3)

Name of Loan	Term Loan 55
Lenders	Sumitomo Mitsui Banking Corporation / Shinsei Bank, Limited / Mizuho Bank, Ltd. / Sumitomo Mitsui Trust Bank, Limited / Resona Bank, Limited / The Nomura Trust and Banking Co., Ltd. / Development Bank of Japan Inc. / The Bank of Fukuoka, Ltd. / Aozora Bank, Ltd. / THE NISHI-NIPPON CITY BANK, LTD.
Amount of the New Loan	JPY18,000M (planned)
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.60% (*2) (*3) (*4)
Date of Borrowing	April 8, 2019 (scheduled)

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Method of Borrowing	Individual loan contracts to be concluded on March 11, 2019 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 April 30, 2019 (if the payment date is not a business day, it shall be paid on the preceding business day). Subsequent interest payment dates shall be at the end of each 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	March 31, 2028 (Loan term: approximately 9 years)
Collateral	Unsecured / Unguaranteed

(4)

Name of Loan	Term Loan 56
Lender	Sumitomo Mitsui Banking Corporation
Amount of the New Loan	JPY2,000M (planned)
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.275% (*2) (*3)
Date of Borrowing	April 8, 2019 (scheduled)
Method of Borrowing	An individual loan contract to be concluded on March 11, 2019 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 30, 2019 (if the payment date is not a business day, it shall be paid on the preceding business day). Subsequent interest payment dates shall be at the end of each 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	March 31, 2020 (Loan term: approximately 1 year)
Collateral	Unsecured / Unguaranteed

(\*1) Items to be determined will be announced once they are determined.

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

(\*3) 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 one month at 2 business days prior to the preceding interest payment date. Please refer to the website of JBA TIBOR Administration for 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 the Term Loan 54 and 55. The details will be announced once they are determined.

(\*5) The information for the New Loans is based on the conditional commitment letters issued by financial institutions regarding the debt financing. However, it does not guarantee actual conduct of financing listed above.

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3. Status of the Interest-Bearing Debt after the New Loans as of April 8, 2019 (scheduled)

(Unit: millions of yen)

Category	Before New Loans	After New Loans	Variance
Short-term loans	0	2,000	+2,000
Long-term loans (*2)	103,071	131,071	+28,000
Total loans (*3)	103,071	133,071	+30,000
Total investment corporation bonds	33,600	33,600	0
Total interest-bearing debt	136,671	166,671	+30,000

(\*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) Total loans do not include the total anticipated borrowing amount of ¥2,400 million in total which JHR plans to borrow on April 30, 2019 and July 31, 2019 out of the loans (Term Loans 51 and 52) in connection with the renovation of Hotel Centraza Hakata. For detail, please refer to our press releases “Notice Concerning New Loans” dated November 22, 2018 and “Notice Concerning New Loans (Determination of Interest Rate)” dated November 28, 2018.

\* The LTV ratio (based on book value) is expected to be approximately 40.6% following the execution of the New Loans and the acquisition of Beneficial Interest, etc. This LTV ratio (based on book value) is calculated based on the amount of the net proceeds estimated as of today from the issuance of new investment units through public offering and by way of third-party allotment, which is calculated based on the closing price of the investment unit traded on Tokyo Stock Exchange, Inc. on December 7, 2018. This is based on the assumption that the right to purchase additionally-issued JHR investment units granted to the overseas underwriters in the overseas offering is exercised in full by such overseas underwriters and the full amount of paid-in amount of the new investment units by way of third party allotment is paid by a domestic underwriter in the domestic offering, as described in “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” dated today. Therefore, the LTV ratio (based on book value) on total asset bases may vary subject to the actual amount of the net proceeds from the offerings.

4. Future Prospects

Please see “Notice Concerning Revision of Operating Forecast and Forecast of Dividend for the Fiscal Year Ended December 2018 (19th Period) and Operating Forecast and Forecast of Dividend for the Fiscal Year Ending December 2019 (20th Period)” dated today for operating forecast taking the New Loans into consideration.

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

With respect to the risk in relation to the New Loans, there has been no material change in the matters described in the “Investment Risk” stated in the Securities Registration Statement (available in Japanese only) submitted today.

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

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