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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 New Loans (Determination of Interest Rate)

With reference to the new loans announced in our press release “Notice Concerning New Loans” (hereinafter called the “New Loans”) dated November 22, 2018, Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that interest rates for first installments, which are part of the conditions for the New Loans, have been determined as follows.

1. Details of Determination of an Interest Rate

Loan	Lender	Amount of the first installments (*2)	Interest Rate
Term Loan 51	The Bank of Fukuoka, Ltd.	JPY350M	<u>0.33773% annually (interest rate for the first applicable period)</u> Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.275% (*3)
Term Loan 52	THE NISHI-NIPPON CITY BANK, LTD.	JPY350M	<u>Applicable period</u> <u>November 30, 2018 through</u> <u>December 27, 2018</u>

(*1) Conditions for the new loans that have been determined are underlined.

(*2) The New Loans which interest rate has been determined this time is the first installments of the New Loans that are planned to be procured in three installments. The interest rate above is applied for the first installments. The second and third installments may apply a different interest rate. Please refer to the “Notice Concerning New Loans” dated November 22, 2018 for the detail of the New Loans.

(*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 1 month at 2 business days prior to preceding interest payment date. Please refer to the website of JBA TIBOR Administration for confirming the JBA Japanese Yen TIBOR for one month (<http://www.jbatibor.or.jp/english/rate/>).

2. Future Prospects

The impact by the determination of interest rates 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).

3. Others

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

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