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October 10, 2012

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Japan Hotel REIT Investment Corporation (TSE code: 8985)

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Notice Concerning Conclusion of Interest Rate Swap Contracts

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) has concluded the Interest Rate Swap Contracts for some loans as below to fix the interest rate for hedging against the variable interest rate and enhanced stabilization of finance.

1. Loans covered by the Interest Rate Swap Contracts

	Lender	Amount	Interest rate	Repayment date
Loan 1	Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited. The Nomura Trust and Banking Co., Ltd.	JPY2.880B	Japanese Yen TIBOR for 3 months in JBA+0.90%	September 21, 2015
Loan 2	Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited The Tokyo Star Bank, Limited	JPY2.5413B	Japanese Yen TIBOR for 3 months in JBA+1.5%	September 30, 2015
Loan 3	The Tokyo Star Bank, Limited	JPY3B	Japanese Yen TIBOR for 3 months in JBA+1.7%	March 24, 2016
Loan 4	Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited The Tokyo Star Bank, Limited	JPY3.120B	Japanese Yen TIBOR for 3 months in JBA +1.1%	September 19, 2017
Loan 5	MetLife Alico Life Insurance K.K.	JPY5B	Japanese Yen TIBOR for 6 months in JBA +2.1%	February 15, 2018

## 2. Detail of the Interest Rate Swap Contract

### Interest Rate Swap Contract for the Loan 1

1.Counterparty	Shinsei Bank, Limited
2.Notional principal	JPY2.880B
3.Interest rate	Fixed interest to pay 0.30375% Floating interest to receive JPY TIBOR in JBA (3 months)
4.Contract period	December 28, 2012 through September 21, 2015
5.Interest payment date	With reference to both payment of the fixed interest and receipt of the floating interest, March 29, 2013 shall be the first day and June 30, September 30, December 30, and March 31 during the contract period and the end of the contract shall be the days subsequent to the first day. (If the day above is not the business day, it shall be the business day following the day above. If the day above comes under the following month, it shall be the business day immediately preceding.)

\*With this Interest Rate Swap Contract, 1.20375% will be substantially fixed as the interest rate for the Loan 1.

### Interest Rate Swap Contract for the Loan 2

1.Counterparty	Shinsei Bank, Limited
2.Notional principal	JPY2.4643B (Balance on the repayment due date)
3.Interest rate	Fixed interest to pay 0.30375% Floating interest to receive JPY TIBOR in JBA (3 months)
4.Contract period	December 28, 2012 through September 30, 2015
5.Interest payment date	With reference to both payment of the fixed interest and receipt of the floating interest, March 29, 2013 shall be the first day, and June 30, September 30, December 30, and March 31 during the contract period and the end of the contract shall be the days subsequent to the first days. (If the day above is not the business day, it shall be the business days following the day above. If the day above comes under the following month, it shall be the business day immediately preceding. )

\*With this Interest Rate Swap Contract, 1.80375% will be subsequently fixed as the interest rate for the Loan 2.

### Interest Rate Swap Contract for the Loan 3

1.Counterparty	Shinsei Bank, Limited
2.Notional principal	JPY3B
3.Interest rate	Fixed interest to pay 0.31375% Floating interest to receive JPY TIBOR in JBA (3 months)
4.Contract period	November 15, 2012 through March 24, 2016
5.Interest payment date	With reference to both payment of the fixed interest and receipt of the floating interest, February 15, 2013 shall be the first day, and May 15, August 15, November 15 and February 15 during the contract period and the end of the contract shall be the days subsequent to the first day. (If the day above is not the business day, it shall be the business day immediately preceding.)

\*With this Interest Rate Swap Contract, 2.01375% will be subsequently fixed as the interest rate for the Loan 3.

### Interest Rate Swap Contract for the Loan 4

1.Counterparty	Shinsei Bank, Limited
2.Project principal	JPY3.120B

3. Interest rate	Fixed interest to pay 0.37000% Floating interest to receive JPY TIBOR in JBA (3 months)
4. Contract period	December 28, 2012 through September 19, 2017
5. Interest payment date	With reference to both payment of the fixed interest and receipt of the floating interest, March 29, 2013 shall be the first day and June 30, September 30, December 30, and March 31 during the contract period and the end of the contract shall be the days subsequent to the first day. (If the day above is not the business day, it shall be the business day following the day above. If the day above comes under the following month, it shall be the business day immediately preceding.)

\* With this Interest Rate Swap Contract, 1.47000% will be subsequently fixed as the interest rate for the Loan 4.

#### Interest Rate Swap Contract for the Loan 5

1. Counterparty	Sumitomo Mitsui Banking Corporation
2. Projected principal	JPY5B
3. Interest rate	Fixed interest to pay 0.44600% Floating interest to receive JPY TIBOR in JBA (6 months)
4. Contract period	February 15, 2013 through February 15, 2018
5. Interest payment date	With reference to both payment of the fixed interest and receipt of the floating interest, August 15, 2013 shall be the first day, and February 15, August 15 and the end of the contract shall be the days subsequent to the first day. (If the day above is not the business day, it shall be the business day immediately preceding.)

\* With this Interest Rate Swap Contract, 2.54600% will be subsequently fixed as the interest rate for the Loan 5.

### 3. Future Operational Forecast

The impact on the operational forecast for the 13<sup>th</sup> period (April 1, 2012 through December 31, 2012) will be slight thus the operational forecast will not be changed.

### 4. Other

The repayment risk of the borrowing is in accordance with the “Investment Risk” indicated on the Securities Report submitted on August 28, 2012, and no significant change is required.

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