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REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)  
Yukio Isa, Executive Director

Asset Management Company:

Japan Hotel REIT Advisors Co., Ltd.  
Hiroyuki Suzui, Representative Director

Contact:

Noboru Itabashi  
General Manager of Accounting and Reporting  
Operations Division  
TEL : +81-3-6422-0530

Notice Concerning New loan

This is to announce that Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) has determined to undertake borrowing (hereinafter called “Borrowing”) today as follows:

1. Rationale of the borrowing

The borrowing is to be appropriated for the acquisition fund of the beneficial interests of trust (“Hotel Keihan Universal City” and “Hotel Sunroute Shinbashi”) and payment of its related expenses.

\*For summary of the acquisition of beneficial interests of trust (“Hotel Keihan Universal City” and “Hotel Sunroute Shinbashi”), please refer to “Notice Concerning New Acquisition” released dated today.

2. Detail of the Borrowing

1. Creditor: Syndicate arranged by Sumitomo Mitsui Banking Corporation
2. Amount: JPY6,000,000,000.-
3. Interest rate: To be determined (\*1)
4. Date of the Borrowing: September 19, 2012 (plan)
5. Method of the Borrowing: To be determined (\*1)
6. Interest payment date: To be determined (\*1)
7. Method of the principal repayment: To be determined (\*1)
8. Due date of the principal repayment: To be determined (\*1)
9. Collateral: Borrowing will be secured by the collateral

(\*1) Details of the creditor, interest rate, method of the Borrowing, Interest payment date, Method of the principal repayment and Due date of the principal repayment will be announced later upon determination.

Note: This documents is intended to serve as a press release to make available the information on public offerings and secondary offering of units only. This documents should not be construed as an offer to sell or solicitation of an offer to purchase any unit or other investment of JHR. Prospective investors are advised to read the JHR’s prospectus for new unit issuance and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

3. Interest-bearing borrowing status before and after the Borrowing and pre-payment of the existing loan (plan) (\*1)

(JPY1M)

Classification		Before the Borrowing and pre-payment of the existing loan	After the Borrowing and pre-payment of the existing loan (*2)	Variance
	Short-term loan	3,950	3,897	-52
	Long-term loan to be repaid within one year	14,560	14,560	0
	Long-term loan	39,774	45,407	+ 5,632
Total loan		58,284	63,865	+ 5,580
Investment Corporation bond		2,000	2,000	0
Total interest-bearing loan		60,284	65,865	+ 5,580

(\*1) Please refer to “Notice Concerning Pre-payment of Loan” released today for the pre-payment of the existing loan.

(\*2) The amount of the contractual repayment on the end of September, 2012 is not considered.

(\*3) The borrowing is included in the long-term loan, as the due date of the principal repayment has not been settled yet (see above 2).

4. Other

No serious change takes place for “Financial Risk by Borrowing and the Investment Corporation Bond” of “Investment Risk” on the Securities Report for the 12<sup>th</sup> period issued on June 25, 2012.

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

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