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REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
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Notice Concerning Pre-payment of Loan

Japan Hotel and REIT Investment Corporation (hereinafter called “JHR”) resolved today to prepay the loan partially as below (JPY419M in total) in relation to the asset disposition announced by “Notice Concerning Asset Disposition (“Millennia Hotel Matsuyama”)” issued today and in accordance with the loan agreement having been concluded with the financial institutions .

1. Detail of the pre-payment of loan

Creditors	Date of borrowing	Repayment due date	Initial loan amount (JPY1,000)	Current loan balance (JPY1,000)	Amount of pre-payment (JPY1,000)	Scheduled date of pre-payment	Loan balance after the pre-payment (JPY1,000) (*)
Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited The Chiba Bank, Ltd Sampo Japan Insurance, Inc. The Nomura Trust and Banking Co., Ltd.	March 30, 2012	March 31, 2013	3,960,000	3,950,000	52,080	September 28, 2012	3,897,920
Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited The Tokyo Star Bank, Limited	March 31, 2011	September 30, 2015	2,800,000	2,765,000	216,700	September 28, 2012	2,548,300
Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited Shinsei Bank, Limited	May 31, 2011	September 30, 2014	5,300,000	5,233,750	150,510	September 28, 2012	5,083,240
Total			12,060,000	11,948,750	419,290		11,529,460

*The contractual repayment to be made on the end of September 2012 is not inclusive.

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.

<Reference>

Status of interest-bearing borrowing before and after the new loan (hereinafter called “new loan”)(*1) and pre-payment are as follows:

(JPY1M)

Classification		Before the borrowing and pre-payment of the existing loan	After borrowing and pre-payment of the existing loan (*2)	Variance (*2)
	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 New Loan” issued dated today for the borrowing.

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

(*3) The borrowing announced by “Notice Concerning New Loan” dated today is included in the long-term loan, as the due date of the principal repayment has not been settled yet.

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

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