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September 5, 2012

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)

Yukio Isa, Executive Director

Asset Management Company:

Japan Hotel REIT Advisors Co., Ltd.

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Notice Concerning Determination of Price for Issuance of New Investment Units and Secondary Offering

In relation to the issuance of new investment units and secondary offering resolved at the Board of Directors Meeting of Japan Hotel REIT Investment Corporation (Hereinafter called “JHR”) dated August 28, 2012, the Board of Directors meeting of JHR has settled the issue price and the selling price as below today.

1. Issuance of new investment unit through public offering (Primary offering)

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|--|--|
| (1) Issue price (Offer price) | JPY20,990.- per unit |
| (2) Total issue price (Offer price) | JPY5,037,600,000.- |
| (3) Paid-in amount (Issue value) | JPY20,232.- per unit |
| (4) Total paid-in amount (Issue value) | JPY4,855,680,000.- |
| (5) Subscription period | September 6, 2012 (Thu) through
September 7, 2012 (Fri) |
| (6) Payment date | September 12, 2012 (Wed) |
| (7) Transfer date | September 13, 2012 (Thu) |

Note: The underwriters will buy and underwrite the units at the paid-in amount (issue value) and offer them at the issue price (offer price).

2. Secondary offering (Secondary offering through over-allotment)

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|--|--|
| (1) No. of investment units to be sold | 12,000 units |
| (2) Selling price | JPY20,990.- per unit |
| (3) Total selling price | JPY251,880,000.- |
| (4) Subscription period | September 6, 2012 (Thu) through
September 7, 2012 (Fri) |
| (5) Transfer date | September 13, 2012 (Thu) |

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. Issuance of new investment units by way of third-party allotment

- (1) Paid-in amount (Issue value)
- (2) Total paid-in amount (Issue value) (maximum)
- (3) Subscription period (Subscription date)
- (4) Payment date

JPY20,232.- per unit
JPY242,784,000.-
October 10, 2012 (Wed)
October 11, 2012 (Thu)

<Reference>

1. Calculations for the issue price and the selling price

- (1) Base date for calculation and the price

September 5, 2012 (Wed)

- (2) Discount rate

JPY21,640.-
3.00%

2. Syndicate cover transaction period

September 8, 2012 (Sat) through October 5, 2012 (Fri)

3. Use of the procured fund

The net proceeds of the public offering, JPY4,855,680,000.-, will be appropriated for acquiring the new assets that has been notified by our press release dated August 28, 2012, “Notice Concerning Acquisitions of New Assets (“Hotel Keihan Universal City” and “Hotel Sunroute Shinbashi”). The maximum net proceeds gained by issuance of new investment units by way of third party allotment, JPY242,784,000.-, will be appropriated for repaying the loan partially.

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

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