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June 25, 2014

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 New Loan

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that the board of directors meeting today has resolved below for new borrowing (hereinafter called “New loan”).

**1. Rationale for the borrowing**

New loan will be applied to acquire beneficial interest in trust of “Best Western Hotel Sapporo Nakajima Koen”(\*) and pay off its related expenses.

(\*) Please see our press release “Notice Concerning Acquisition of New Asset (Best Western Hotel Sapporo Nakajima Koen)” dated today for detail of the beneficial interest in trust.

**2. Detail of New loan**

(1) Term loan 3

Lender	Sumitomo Mitsui Banking Corporation
Loan amount	JPY4.8B (plan)
Interest rate	Base interest rate (Japanese Yen TIBOR for one month in JBA) + 0.40% (*)
Borrowing date	July 9, 2014 (plan)
Borrowing method	The loan agreement to be concluded with lender on July 7, 2014 (plan) based on the Basic Agreement concluded in November 13, 2013 (including subsequent changes)
Interest payment date	Interest shall be paid on July 31, 2014, and then subsequently paid on the end of each month and due date of principal repayment. (If the end of month is not a business day, it shall be paid on the preceding business day.)
Principal repayment method	Lump-sum payment on repayment due date

Due date of principal repayment	July 9, 2015
Collateral	Requested

(2) Term loan 4

Lender	Sumitomo Mitsui Trust Bank, Limited
Loan amount	JPY2B (plan)
Interest rate	Base interest rate (Japanese Yen TIBOR for one month in JBA) + 0.40% (*)
Borrowing date	July 9, 2014 (plan)
Borrowing method	The loan agreement to be concluded with lender on July 7, 2014 (plan) based on the Basic Agreement concluded in November 13, 2013 (including subsequent changes)
Interest payment date	Interest shall be paid on July 31, 2014, and then subsequently paid on the end of each month and due date of principal repayment. (If the end of month is not a business day, it shall be paid on the preceding business day.)
Principal repayment method	Lump-sum payment on the repayment due date
Due date of principal repayment	July 9, 2015
Collateral	Requested

(\*) With respect to the base interest rate (Japanese Yen TIBOR for one month in JBA), please refer to the website of JBA TIBOR Administration <http://www.jbatibor.or.jp/rate/>

The base interest rate for the first and last compounding intervals is to be the rate practically determined by the above lenders as the offered rate for the debt-credit transaction in Japanese Yen in Tokyo Interbank market for the period nearest to the compounding interval of the loan above at 11:00am or immediately preceding 11:00am on the day where the interest rate is determined.

**3. Interest-bearing debts before and after the new loan (Plan)**

(Unit: JPY M)

Category		Before the New loan	After the New loan	Fluctuation
	Short term loan	0	6,800	+6,800
	Long term loan due within one year	10,762	10,762	0
	Long term loan	58,588	58,588	0
Total loans		69,350	76,150	+6,800
Investment corporation bonds		4,500	4,500	0
Interest bearing debts		73,850	80,650	+6,800

(\*) The numbers less than JPY1M is rounded down.

#### **4. Other**

With respect to the above loans, no important change is required for the “Risk in relation to borrowing by loans and investment corporation bonds” in “Investment Risk” on the Securities Report for the 14<sup>th</sup> period submitted in March 20, 2014.

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