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September 26, 2014

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)

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Notice Concerning New Loan (Determination of Conditions and Interest Rates, etc.)

With reference to the new loan (hereinafter called “New Loan”) announced by our press release “Notice Concerning New Loan (New Loan and Refinancing)” dated August 20, 2014, Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that the conditions and interest rates have been determined as follows.

Please refer to “2. Details of Repayment” for the repayment of existing loans. A part of funds from the New Loan will be utilized for refinancing. Repayment of existing loans will take place as a part of refinancing.

1. Details of the New Loan

(1) Term Loan 5 (Term : 5 years)

Lenders	Sumitomo Mitsui Banking Corporation / Mizuho Bank, Ltd. / Resona Bank, Limited / Shinsei Bank, Limited / Sumitomo Mitsui Trust Bank, Limited / The Nomura Trust and Banking Co., Ltd. / Hiroshima Bank, Ltd. / Development Bank of Japan Inc. / The Bank of Fukuoka, Ltd. / Sampo Japan Nipponkoa Insurance Inc.
Amount of the new loan	JPY6.794B
Interest rate	Base interest rate (Japanese Yen TIBOR for three months in JBA)+0.50%(*)
Date of borrowing	September 30, 2014
Method of borrowing	Individual loan contracts to be concluded with the lenders indicated above on September 26, 2014 (today) based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).
Interest payment date	The first interest payment date is December 30, 2014. Subsequent interest payment dates shall be at the end of every three months and on the maturity date. (If the payment date is not a business day, it shall be paid on the preceding business day.)
Method of the	Lump-sum payment on the maturity date

principal repayment	
Maturity date	September 30, 2019
Collateral	unsecured, unguaranteed

(2) Term Loan 6 (Term: 6 years)

Lenders	Sumitomo Mitsui Banking Corporation / Mizuho Bank, Ltd. / Resona Bank, Limited / Shinsei Bank, Limited / The Tokyo Star Bank, Limited / Sumitomo Mitsui Trust Bank, Limited / Development Bank of Japan Inc. / Aozora Bank, Ltd. (new lender)
Amount of the new loan	JPY6.882B
Interest rate	Base interest rate (Japanese Yen TIBOR for three months in JBA)+0.55%(*)
Date of borrowing	September 30, 2014
Method of borrowing	Individual loan contracts to be concluded with the lenders indicated above on September 26, 2014 (today) based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).
Interest payment date	The first interest payment date is December 30, 2014. Subsequent interest payment dates shall be at the end of every three months and on the maturity date. (If the payment date is not a business day, it shall be paid on the preceding business day.)
Method of the principal repayment	Lump-sum payment on the maturity date
Maturity date	September 30, 2020
Collateral	unsecured, unguaranteed

(3) Term Loan 7 (Term: 7 years)

Lenders	Sumitomo Mitsui Banking Corporation / Mizuho Bank, Ltd. / Resona Bank, Limited / Shinsei Bank, Limited / Sumitomo Mitsui Trust Bank, Limited
Amount of the new loan	JPY4B
Interest rate	Base interest rate (Japanese Yen TIBOR for three months in JBA)+0.60%(*)
Date of borrowing	September 30, 2014
Method of borrowing	Individual loan contracts to be concluded with the lenders indicated above on September 26, 2014 (today) based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).
Interest payment date	The first interest payment date is December 30, 2014. Subsequent interest payment dates shall be at the end of every three months and on the maturity date. (If the payment date is not a business day, it shall be paid on the preceding business day.)
Method of the	Lump-sum payment on the maturity date

principal repayment	
Maturity date	September 30, 2021
Collateral	unsecured, unguaranteed

(*) Please refer to the website of JBA TIBOR Administration for confirming the base interest rate (Japanese Yen TIBOR for three months in JBA) <http://www.jbatibor.or.jp/rate/>.

The base interest rate for the first compounding interval (September 30, 2014 through December 30, 2014) is to be 0.21%.

2. Details of Repayment

Name of Loan	Lender	Date of the Borrowing	Maturity Date	Amount of Scheduled Repayment (JPY M) (*1)
(1) Prepayment of the short-term loans for the acquisition of Best Western Hotel Sapporo Nakajima Koen on July 9, 2014				
Term Loan 3	Sumitomo Mitsui Banking Corporation	July 9, 2014	July 9, 2015	4,800
Term Loan 4	Sumitomo Mitsui Trust Bank, Limited	July 9, 2014	July 9, 2015	2,000
(2) Prepayment of the existing long-term loans				
Facility H (*2)	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. The Norinchukin Bank	February 15, 2011	February 15, 2015	2,219
Facility I	MetLife Insurance K.K.	February 15, 2011	February 15, 2018	4,963
(3) Refinancing of the existing loan with maturity date on September 30, 2014				
Tranche E	Sumitomo Mitsui Banking Corporation Resona Bank, Limited Shinsei Bank, Limited Sumitomo Mitsui Trust Bank, Limited	May 31, 2011	September 30, 2014	3,067

(*1) Numbers less than JPY1M are rounded down.

(*2) As for Facility H, JHR will make a repayment to The Norinchukin Bank. The remaining balance of the loan is scheduled to be JPY4.779B.

3. Status of the Interest-Bearing Debts Before and After the New Loans (Schedule)

(JPY 1M)

Category		Before the New Loan	After the New Loan (*2)	Fluctuation
	Short-term loan	6,800	0	-6,800
	Long-term loan payable within one year	15,779	10,448	-5,331
	Long-term loan	53,545	66,128	+12,582
Total loans		76,125	76,576	+450
Investment corporation bonds		4,500	4,500	0
Total interest-bearing debts		80,625	81,076	+450
LTV (based on appraisal)		45.0%	43.1%	-1.9%

(*1) Numbers less than JPY1M are rounded down.

(*2) The balance after the contractual repayment of JPY162M scheduled to be made at the end of September 2014.

4. Status of Loans by Financial Institution Before and After the New Loans

Lender	Before the New Loan	After the New Loan	Share	Fluctuation
Sumitomo Mitsui Banking Corporation	23,778	20,233	26.4%	-3,544
Shinsei Bank, Limited	9,018	10,323	13.5%	+1,304
Mizuho Bank, Ltd.	5,626	9,576	12.5%	+3,950
The Tokyo Star Bank, Limited	7,448	8,206	10.7%	+758
Resona Bank, Limited	5,302	7,007	9.2%	+1,704
Sumitomo Mitsui Trust Bank, Limited	7,210	7,006	9.1%	-204
The Nomura Trust and Banking Co, Ltd.	3,610	4,108	5.4%	+497
The Norinchukin Bank	4,634	2,365	3.1%	-2,269
Development Bank of Japan Inc.	882	1,882	2.5%	+1,000
The Chiba Bank, Ltd.	1,538	1,536	2.0%	-2
Hiroshima Bank, Ltd.	992	1,492	1.9%	+500
The Bank of Fukuoka, Ltd.	490	1,490	1.9%	+1,000
Sompo Japan Nipponkoa Insurance Inc.	629	998	1.3%	+369
Aozora Bank, Ltd. (new lender)	0	350	0.5%	+350
MetLife Insurance K.K.	4,963	0	0.0%	-4,963
Total	76,125	76,576	100.0%	+450

5. Others

With respect to the new loan, no important change is required for the “Risk in relation to borrowing by loans and investment corporation bonds” in “Investment Risk” in the Securities Report submitted on March 20, 2014 and the Midterm Financial Settlement Report for the FY2014 submitted on September 19, 2014.

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