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December 19, 2014

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)

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Notice Concerning New Loan and Partial Prepayment of Loans

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that the board of directors meeting today has resolved as below on new borrowing (hereinafter called “New Loan”) and a partial prepayment of existing loans (hereinafter called “Prepayment”).

1. Summary of the New Loan and Prepayment

The whole amount of the New Loan and a portion of proceeds from issuing the fourth unsecured investment corporation bonds as announced in the “Notice Concerning Issuance of Investment Corporation Bonds” on December 5, 2014 will be used for the Prepayment in the amount of JPY2,315M.

2. Details of the New Loan

Name of loan	Term Loan 8
Lender	Mitsubishi UFJ Trust and Banking Corporation (new lender)
Amount of the new loan	JPY1,000M (schedule)
Interest rate	Base interest rate (Japanese Yen TIBOR for one month in JBA)+0.50% (*)
Date of borrowing	December 30, 2014 (schedule)
Method of borrowing	An individual loan contract to be concluded with the lender indicated above on December 26, 2014 based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).
Interest payment date	The end of each month
Method of the principal repayment	Lump-sum payment on the maturity date
Maturity date	December 30, 2020
Collateral	Unsecured/unguaranteed

*Please refer to the website of JBA TIBOR Administration for confirming the base interest rate (Japanese Yen TIBOR for one month in JBA) <http://www.jbatibor.or.jp/rate/> . JHR will announce the first base interest rate upon its determination.

3. Detail of Prepayment

(1) Total amount of Prepayment

JPY2,315M

(2) Date of Prepayment (schedule)

December 30, 2014

(3) Detail of individual loans for the Prepayment

(Unit: JPY 1M)

	Facility L	Facility P
Lender	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. The Norinchukin Bank	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. The Norinchukin Bank
Initial loan amount	2,000	4,653
Date of borrowing	March 26, 2012	November 15, 2012
Maturity date	March 26, 2016	
Interest rate	Base interest rate (Japanese Yen TIBOR for one month) +1.35%	Base interest rate (Japanese Yen TIBOR for three months) + 1.00%
Present loan balance	531	4,653
Contractual repayment amount at the end of December 2014	108	0
Amount of Prepayment (*)	215	2,100 (**)
Balance after Prepayment	207	2,553

(*) The Prepayment is to be made only to The Norinchukin Bank of all individual loan agreements.

(**) Regarding the swap agreement for Facility P, a part of the notional amount as the same amount with the Repayment will be cancelled.

4. Status of Interest-Bearing Debts Before and After the New Loan and Repayment (schedule)

(Unit: JPY 1M)

Category		Before New Loan / Prepayment	After New Loan / Prepayment (*)	Fluctuation
	Short-term loan	0	0	0
	Long-term loan payable within one year	12,040	11,825	-215
	Long-term loan	64,509	63,264	-1,245
Total loans		76,550	75,089	-1,461
Investment corporation bonds		6,000	6,000	0
Total interest-bearing debts		82,550	81,089	-1,461

(*) The balance after the contractual repayment scheduled on December 30, 2014.

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

5. Future prospect

The impact of the New Loan and Prepayment is minor and no change is required for the operating forecast for the fiscal year December 2014 (January 1, 2014 through December 31, 2014).

6. Others

With respect to the New Loan and Prepayment, no important change is required for the “Investment Risk” in the Securities Report for the 14th period submitted on March 20, 2014 and mid-period Securities Report for the 15th period submitted on September 19, 2014.

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