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September 2, 2014

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
Yukio Isa, Executive Director

Asset Management Company:

Japan Hotel REIT Advisors Co., Ltd.
Hisashi Furukawa, Representative Director and President

Contact:

Kazuyuki Udo
Director and Officer
Management & Planning Office
TEL : +81-3-6422-0530

Notice Concerning Determination of Prices, etc. 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 20, 2014, the Board of Directors of JHR settled the issue price and the selling price, etc. today as follows:

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

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| (1) Issue price (Offer price) | JPY61,912.- per unit |
| (2) Total issue price (Offer price) | JPY10,525,040,000.- |
| (3) Paid-in amount (Issue value) | JPY59,880.- per unit |
| (4) Total paid-in amount (Issue value) | JPY10,179,600,000.- |
| (5) Subscription period | September 3, 2014 (Wed) through
September 4, 2014 (Thu) |
| (6) Payment date | September 9, 2014 (Tue) |
| (7) Transfer date | September 10, 2014 (Wed) |

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 Underwriters)

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|------------------------------|--|
| (1) Selling price | JPY61,912.- per unit |
| (2) Total selling price | JPY10,525,040,000.- |
| (3) Subscription price | JPY59,880.- per unit |
| (4) Total subscription price | JPY10,179,600,000 .- |
| (5) Subscription period | September 3, 2014 (Wed) through
September 4, 2014 (Thu) |
| (6) Transfer date | September 10, 2014 (Wed) |

Note: The underwriters will purchase the investment units at the subscription price and sell them at the selling price.

Note: This documents is intended to serve as a press release to make available the information on the issuance of new units and the secondary offering. 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.

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| 3. Secondary offering (Secondary offering through over-allotment) | |
| (1) No. of investment units to be sold | 17,000 units |
| (2) Selling price | JPY61,912.- per unit |
| (3) Total selling price | JPY1,052,504,000.- |
| (4) Subscription period | September 3, 2014 (Wed) through
September 4, 2014 (Thu) |
| (5) Transfer date | September 10, 2014 (Wed) |

<Reference>

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| 1. Calculations of the issue price and the selling price | |
| (1) Base date for calculation and the price | September 2, 2014 (Tue) |
| (2) Discount rate | JPY63,500.-
2.50 % |

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|---------------------------------------|---|
| 2. Syndicate cover transaction period | |
| | September 5, 2014 (Fri) through October 3, 2014 (Fri) |

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| 3. Use of the procured funds | |
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The net proceeds of the public offering, JPY10,179,600,000.-, will be partially allocated to the funds to acquire the new assets that has been notified by our press release dated August 20, 2014, “Notice Concerning Acquisitions of New Assets (“Mercure Hotel Sapporo” and “Mercure Hotel Okinawa Naha”) and also be partially allocated to refinance the existing borrowings. The residual funds, if any, will be saved for the future property acquisition or repayment of loan.

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