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January 20, 2015

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 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 January 9, 2015, 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) | JPY77,415.- per unit |
| (2) Total issue price (Offer price) | JPY15,483,000,000.- |
| (3) Paid-in amount (Issue value) | JPY74,874.- per unit |
| (4) Total paid-in amount (Issue value) | JPY14,974,800,000.- |
| (5) Subscription period | January 21, 2015 (Wed) through
January 22, 2015 (Thu) |
| (6) Payment date | January 27, 2015 (Tue) |
| (7) Transfer date | January 28, 2015 (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 over-allotment)

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| (1) No. of investment units to be sold | 10,000 units |
| (2) Selling price | JPY77,415.- per unit |
| (3) Total selling price | JPY774,150,000.- |
| (4) Subscription period | January 21, 2015 (Wed) through
January 22, 2015 (Thu) |
| (5) Transfer date | January 28, 2015 (Wed) |

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. Issuance of new investment units by way of third-party allotment | |
| (1) Paid-in amount (Issue value) | JPY74,874.- per unit |
| (2) Total paid-in amount (Issue value) (Maximum) | JPY748,740,000.- |
| (3) Subscription period (Subscription date) | February 17, 2015 (Tue) |
| (4) Transfer date | February 18, 2015 (Wed) |

Note: If some or all of the investment units are not subscribed for by the end of the subscription period (subscription date), the issuance of those investment units not subscribed for shall be cancelled.

<Reference>

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| 1. Calculations of the issue price and the selling price | |
| (1) Base date for calculation and the price | January 20, 2015 (Tue) |
| (2) Discount rate | JPY79,400.-
2.50 % |

2. Syndicate covering transaction period
- January 23, 2015 (Fri) through February 13, 2015 (Fri)

3. Use of the procured funds

The proceeds from the primary offering, JPY14,974,800,000.-, will be allocated to part of the funds for acquisition of specified assets (the meaning in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations; the same shall apply hereinafter) that JHR is scheduled to acquire as stated in “Notice Concerning Acquisition and Lease of New Assets (Five “the b” Hotels and “Hotel Francs”)” on January 9, 2015. The residual funds, if any, will be saved for cash on hand to be allocated to part of the funds for future acquisition of specified assets, part of the funds for other repayment of loans, or capital expenditure to maintain or improve competitiveness of existing properties. The maximum proceeds from the issuance of new investment units by way of the third-party allotment that was resolved on the same date as the primary offering, JPY748,740,000.-, will be allocated to part of the funds for future acquisition of specified assets, part of the funds for other repayment of loans, or capital expenditure to maintain or improve competitiveness of existing properties.

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

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