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January 28, 2015

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

With reference to the new loans announced by our press release “Notice Concerning New Loans and Prepayment of Loan” dated January 9, 2015, Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that the new loan for the purchase of the five “the b” hotels and the funds for the prepayment of the existing loan (hereinafter called “New Loan”) has been determined as follows.

1. Amount of the New Loan

JPY13,900M

(*) The loan amount of JPY500M (for Term Loan 9) is reduced from the scheduled New Loan JPY14,400M which was announced in “Detail of New Loan 1” of “Notice Concerning New Loans and Prepayment of Loan” dated January 9, 2015.

2. Details of the New Loan

(1) Term Loan 9 (Term: 1 year)

Lender	Sumitomo Mitsui Banking Corporation
Amount of the new loan	JPY1,000M
Interest rate	Base interest rate (Japanese Yen TIBOR for one month in JBA)+0.40% (*)
Date of borrowing	January 30, 2015
Method of borrowing	An individual loan contract to be concluded with the lender indicated above on January 28, 2015 based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).
Interest payment date	The first interest payment date is February 27, 2015. Subsequent interest payment dates shall be at the end of every month 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 principal	Lump-sum payment on the maturity date

payment	
Maturity date	January 29, 2016
Collateral	Unsecured/Unguaranteed

(2) Term Loan 10 (Term: 5 years)

Lenders	Sumitomo Mitsui Banking Corporation / Mizuho Bank, Ltd. / Shinsei Bank, Limited / Resona Bank, Limited / Sumitomo Mitsui Trust Bank, Limited / The Chiba Bank, Ltd.
Amount of the new loan	JPY4,700M
Interest rate	Base interest rate (Japanese Yen TIBOR for one month in JBA)+0.45% (*)
Date of borrowing	January 30, 2015
Method of borrowing	Individual loan contracts to be concluded with the lenders indicated above on January 28, 2015 based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).
Interest payment date	The first interest payment date is February 27, 2015. Subsequent interest payment dates shall be at the end of every month 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 principal payment	Lump-sum payment on the maturity date
Maturity date	January 31, 2020
Collateral	Unsecured/Unguaranteed

(3) Term Loan 11 (Term: 7 years)

Lenders	Sumitomo Mitsui Banking Corporation / Mizuho Bank, Ltd. / Shinsei Bank, Limited / Resona Bank, Limited / Sumitomo Mitsui Trust Bank, Limited / The Tokyo Star Bank, Limited / Aozora Bank, Ltd.
Amount of the new loan	JPY8,200M
Interest rate	Base interest rate (Japanese Yen TIBOR for one month in JBA)+0.55% (*)
Date of borrowing	January 30, 2015
Method of borrowing	Individual loan contracts to be concluded with the lenders indicated above on January 28, 2015 based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).
Interest payment date	The first interest payment date is February 27, 2015. Subsequent interest payment dates shall be at the end of every month 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 principal	Lump-sum payment on the maturity date

payment	
Maturity date	January 31, 2022
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/>.
The base interest rate for the first compounding interval (January 30, 2015 through February 26, 2015) is 0.13000%.

3. Status of Interest-Bearing Debts Before and After the New Loan (scheduled)

(Unit: JPY1M)

Category		Before New Loan	After New Loan (*2)	Fluctuation
	Short-term loans	0	1,000	+1,000
	Long-term loans payable within one year	11,825	7,046	-4,779
	Long-term loans	63,264	76,140	+12,876
Total loans		75,089	84,186	+9,097
Investment corporation bonds		6,000	6,000	0
Total interest-bearing debts		81,089	90,186	+9,097
LTV (based on appraisal value)		43.1%	43.2%	+0.1%
LTV (based on acquisition price)		46.8%	46.6%	-0.2%

(*1) Amounts are rounded down to the nearest JPY1M.

(*2) The balance after the contractual repayment (JPY23M) scheduled to be made on January 30, 2015.

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

(Unit: JPY1M)

Lender	Before New Loan	After New Loan	Percentage	Fluctuation
Sumitomo Mitsui Banking Corporation	20,205	21,737	25.8%	+1,532
Shinsei Bank, Limited	10,318	11,865	14.1%	+1,547
Mizuho Bank, Ltd.	9,526	11,807	14.0%	+2,281
Resona Bank, Limited	7,002	8,502	10.1%	+1,500
Sumitomo Mitsui Trust Bank, Limited	6,998	8,498	10.1%	+1,500
The Tokyo Star Bank, Limited	8,199	8,496	10.1%	+296
The Nomura Trust and Banking Co., Ltd.	4,100	4,095	4.9%	-5
Development Bank of Japan Inc.	1,879	1,877	2.2%	-2
The Chiba Bank, Ltd.	1,531	1,829	2.2%	+297
The Hiroshima Bank, Ltd.	1,492	1,492	1.8%	0
The Bank of Fukuoka, Ltd.	1,488	1,487	1.8%	-1
Mitsubishi UFJ Trust and Banking Corporation	1,000	1,000	1.2%	0
Sompo Japan Nipponkoa Insurance Inc.	996	996	1.2%	0
Aozora Bank, Ltd.	350	500	0.6%	+150

Total	75,089	84,186	100.0%	+9,097
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(*) Amounts are rounded down to the nearest JPY1M.

5. Future Prospect

The impact of the New Loan is minor and no change is required for the operating forecast for the fiscal year December 2015 (January 1, 2015 through December 31, 2015).

6. 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 the “Investment Risks” 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/>