

January 30, 2015

REIT Issuer:

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

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Notice Concerning Conclusion of Interest Rate Swap Contract

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that JHR has concluded an interest rate swap contract to avoid the risk of rising interest rate as follows.

1. Loan subject to concluded interest rate swap contract

Name of Loan	Lenders	Amount of Borrowing	Interest Rate	Date of Borrowing	Maturity Date
Term Loan 11	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.	JPY8,200M	Japanese Yen TIBOR for one month in JBA + 0.55%	January 30, 2015	January 31, 2022

2. Details of the interest rate swap contract

Counterparty	SMBC Nikko Securities Inc.
Notional principal	JPY8,200M
Interest rate	Fixed interest rate to pay 0.35375% Variable interest rate to receive Japanese Yen TIBOR for one month in JBA
Contract	February 27, 2015 through January 31, 2022
Interest payment date	The first interest payment date is March 31, 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.)

*The interest rate for Term Loan 11 will practically be fixed at 0.90375%.

*The interest rate fixation ratio of all interest-bearing borrowings (including the purchase of cap contracts) is expected to be 90%.

3. Future prospect

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

4. Others

With respect to the risks of repayment of loans, etc. in relation to the swap contract, 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/>