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June 15, 2015

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)

Yukio Isa, Executive Director

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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 June 4, 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)

(1) Issue price (Offer price)	JPY77,512.- per unit
(2) Total issue price (Offer price)	JPY10,851,680,000.-
(3) Paid-in amount (Issue value)	JPY75,007.- per unit
(4) Total paid-in amount (Issue value)	JPY10,500,980,000.-
(5) Subscription period	June 16, 2015 (Tue) through June 17, 2015 (Wed)
(6) Payment date	June 22, 2015 (Mon)
(7) Transfer date	June 23, 2015 (Tue)

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 (offering through the purchase and underwriting by Underwriters)

(1) Selling price	JPY77,512.- per unit
(2) Total selling price	JPY408,643,264.-
(3) Subscription price	JPY75,007.- per unit
(4) Total subscription price	JPY395,436,904.-
(5) Subscription period	June 16, 2015 (Tue) through June 17, 2015 (Wed)
(6) Transfer date	June 23, 2015 (Tue)

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 investment 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.

3. Secondary offering (Secondary offering through over-allotment)

(1) No. of investment units to be sold	7,000 units
(2) Selling price	JPY77,512.- per unit
(3) Total selling price	JPY542,584,000.-
(4) Subscription period	June 16, 2015 (Tue) through June 17, 2015 (Wed)
(5) Transfer date	June 23, 2015 (Tue)

4. Issuance of new investment units by way of third-party allotment

(1) Paid-in amount (Issue value)	JPY75,007.- per unit
(2) Total paid-in amount (Issue value) (Maximum)	JPY525,049,000.-
(3) Subscription period (Subscription date)	July 22, 2015 (Wed)
(4) Transfer date	July 23, 2015 (Thur)

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>

1. Calculations of the issue price and the selling price

(1) Base date for calculation and the price	June 15, 2015 (Mon) JPY79,500.-
(2) Discount rate	2.50 %

2. Syndicate covering transaction period

June 18, 2015 (Thu) through July 17, 2015 (Fri)

3. Use of the procured funds

Among the proceeds from the primary offering, JPY10,500,980,000.-, JPY 1,779,000,000.- will be allocated to cash on hands. Since the same amount was allocated from cash on hands to fund acquisition of “Mercure Yokosuka” (*1) (including various expenses concerning the acquisition), a specified asset (the meaning in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations; the same shall apply hereinafter) which JHR acquired as of April 2, 2015, in order to compensate the reduced amount in cash on hands due to the allocation, this amount will be allocated to cash on hands. In addition, the proceeds will be allocated to part of the funds for acquisition of a new specified asset, “Okinawa Marriott Resort & Spa” (*2) by JHR. The residual funds, if any, will be saved for cash on hands together with JPY525,049,000.-, as the maximum amount of proceeds from issuance of new investment units through the third-party allotment resolved on the same date as the primary offering, to be allocated to part of the funds for future acquisition of specified assets, part of the funds for repayment of other loans, or capital expenditures to maintain or improve competitiveness of existing properties.

(*1) See “Notice Concerning Acquisition of New Asset (“Mercure Yokosuka”)” dated March 25, 2015 for details of Mercure Yokosuka.

(*2) See “Notice Concerning Acquisition and Lease of New Asset (“Okinawa Marriott Resort & Spa”)” dated June 4, 2015 for details of Okinawa Marriott Resort & Spa that JHR plans to acquire.

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

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