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July 8, 2015

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

With reference to the new loans announced by our press release “Notice Concerning New Loans” dated June 4, 2015, Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that conditions for the new loans (hereinafter called “New Loans”) have been determined as follows.

1. Amount of the New Loans

JPY6,500M

2. Details of the New Loans

(1) Term Loan 13 (Term: 9 months)

Lender	Sumitomo Mitsui Banking Corporation / Shinsei Bank, Limited / Mizuho Bank, Ltd.
Amount of the new loan	JPY5,000M
Interest rate	Base interest rate (Japanese Yen TIBOR for one month in JBA+0.30% (*))
Date of borrowing	July 10, 2015
Method of borrowing	An individual loan contract to be concluded with the lenders indicated above on July 8, 2015 based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).
Interest payment date	The first interest payment date is July 31, 2015. Subsequent interest payment dates shall be at the end of every month (If the payment date is not a business day, it shall be paid on the preceding business day.) and on the maturity date.
Method of principal payment	Lump-sum payment on the maturity date
Maturity date	March 31, 2016

Collateral	Unsecured/Unguaranteed
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(2) Term Loan 14 (Term: 7 years)

Lender	Aozora Bank, Ltd. / Mitsubishi UFJ Trust and Banking Corporation
Amount of the new loan	JPY1,500M
Interest rate	Base interest rate (Japanese Yen TIBOR for one month in JBA+0.55% (*))
Date of borrowing	July 10, 2015
Method of borrowing	An individual loan contract to be concluded with the lenders indicated above on July 8, 2015 based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).
Interest payment date	The first interest payment date is July 31, 2015. Subsequent interest payment dates shall be at the end of every month (If the payment date is not a business day, it shall be paid on the preceding business day.) and on the maturity date.
Method of principal payment	Lump-sum payment on the maturity date
Maturity date	June 30, 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 (July 10, 2015 through July 30, 2015) is 0.12091%.

3. Status of Interest-Bearing Debt Before and After the New Loans (scheduled)

(Unit: JPY M)

Category		Before New Loans	After New Loans (*2)	Fluctuation
	Short-term loans	1,000	6,000	+5,000
	Long-term loans payable within one year	20,588	20,576	-12
	Long-term loans	63,896	65,385	+1,488
Total loans		85,485	91,961	+6,476
Investment corporation bonds		6,000	6,000	0
Total interest-bearing debt		91,485	97,961	+6,476
LTV (based on appraisal value)		39.5%	39.7%	+0.2
LTV (based on acquisition price)		46.2%	46.0%	-0.2

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

(*2) The balance after the contractual repayment (JPY24M) scheduled to be made on July 31, 2015.

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

(Unit: JPY1M)

Lender	Before New Loans	After New Loans (*2)	Percentage	Fluctuation
Sumitomo Mitsui Banking Corporation	23,205	25,698	27.9%	+2,492
Shinsei Bank, Limited	11,857	13,105	14.3%	+1,247
Mizuho Bank, Ltd.	11,707	12,957	14.1%	+1,250
Resona Bank, Limited	8,492	8,492	9.2%	0
The Tokyo Star Bank, Limited	8,485	8,482	9.2%	-3
Sumitomo Mitsui Trust Bank, Limited	8,481	8,481	9.2%	0
The Nomura Trust and Banking Co., Ltd.	4,085	4,080	4.4%	-5
Development Bank of Japan Inc.	1,875	1,873	2.0%	-2
The Chiba Bank, Ltd.	1,822	1,820	2.0%	-2
Mitsubishi UFJ Trust and Banking Corporation	1,000	1,500	1.6%	+500
Aozora Bank, Ltd.	500	1,500	1.6%	+1,000
The Hiroshima Bank, Ltd.	1,492	1,492	1.6%	0
The Bank of Fukuoka, Ltd.	1,486	1,485	1.6%	-1
Sompo Japan Nipponkoa Insurance Inc.	992	992	1.1%	0
Total	85,485	91,961	100.0%	+6,476

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

(*2) The balance after the contractual repayment (JPY24M) scheduled to be made on July 31, 2015.

5. Future Prospect

The impact of the New Loans is subtle 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 risks of repayment of loans, etc., no important change is required for the “Risk in relation to funding by loans and investment corporation bonds” in “Investment Risks” on Securities Report for the 15th period submitted on March 20, 2015.

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