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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 hedge against the risk of rising interest rates 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 14	Aozora Bank, Ltd. / Mitsubishi UFJ Trust and Banking Corporation	JPY1,500M	Japanese Yen TIBOR for one month in JBA+0.55%	July 10, 2015	June 30, 2022

2. Details of the interest rate swap contract

Counterparty	SMBC Nikko Securities Inc.
Notional principal	JPY1,500M
Interest rate	Fixed interest rate to pay 0.39725% Variable interest rate to receive (Japanese Yen TIBOR for one month in JBA)
Contract term	July 31, 2015 through June 30, 2022
Interest payment date	The first interest payment date is August 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 14 will be, in effect, fixed at 0.94725% for the period from July 31, 2015.

*The interest rate fixation ratio (including the purchase of an interest rate cap) to the total interest-bearing debt is forecast to be about 85%.

3. Future Prospect

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

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