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REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
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Notice Concerning New Loans (Refinancing) and Prepayment of Loan

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that the board of directors meeting today resolved as below on new borrowings (hereinafter called the “New Loans”) and prepayment of an existing loan (hereinafter called the “Prepayment”).

1. Summary of New Loans and Prepayment

JHR will take out new loans to allocate them to repay the loans whose maturities are due in September and November this year. As for Facility O, since its current maturity date is in November 2015, it will be Prepayment.

2. Details of New Loans

Total amount is planned to be JPY6,608M. The detail is as follows.

(1) Term Loan 15 (Term: 4 years and 9 months)

Lenders	Sumitomo Mitsui Banking Corporation / The Hiroshima Bank, Ltd.
Borrowing amount	JPY1,092,000,000.- (planned)
Interest rate	Base interest rate (Japanese Yen TIBOR for one month in JBA)+0.45%
Date of borrowing	September 30, 2015 (scheduled)
Method of borrowing	Individual loan contracts to be concluded with the lenders indicated above on September 17, 2015 based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).
Interest payment date	The first interest payment date is October 30, 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 repayment	Lump-sum payment on the repayment due date
Maturity date	June 30, 2020

Collateral	Unsecured/Unguaranteed
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(2) Term Loan 16-1 (Term: 8 years)

Lenders	Sumitomo Mitsui Trust Bank, Limited / Resona Bank, Limited / The Nomura Trust and Banking Co., Ltd.
Borrowing amount	JPY2,880,000,000.- (planned)
Interest rate	Base interest rate (Japanese Yen TIBOR for one month in JBA) + 0.65%
Date of borrowing	September 24, 2015 (scheduled)
Method of borrowing	Individual loan contracts to be concluded with the lenders indicated above on September 17, 2015 based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).
Interest payment date	The first interest payment date is September 30, 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 repayment	Lump-sum payment on the repayment due date
Maturity date	September 29, 2023
Collateral	Unsecured/Unguaranteed

(3) Term Loan 16-2 (Term: 8 years)

Lenders	Sumitomo Mitsui Banking Corporation / The Tokyo Star Bank, Limited / Shinsei Bank, Limited
Borrowing amount	JPY2,636,000,000.- (planned)
Interest rate	Base interest rate (Japanese Yen TIBOR for one month in JBA) + 0.65%
Date of borrowing	September 30, 2015 (scheduled)
Method of borrowing	Individual loan contracts to be concluded with the lenders indicated above on September 17, 2015 based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).
Interest payment date	The first interest payment date is October 30, 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 repayment	Lump-sum payment on the repayment due date
Maturity date	September 29, 2023
Collateral	Unsecured/Unguaranteed

(*) Please refer to the website of JBA TIBOR Administration to confirm the base interest rate (Japanese Yen TIBOR for one month in JBA) <http://www.jbatibor.or.jp/rate/>.
JHR will inform the first base interest rate once it is determined. As for (2) and (3) above, JHR plans to

conclude an interest rate swap agreement to fix an interest rate.

3. Detail of Repayment due to Approaching Maturity Dates

Name	Lenders	Loan Balance	Date of Borrowing	Maturity Date
Facility M	Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited The Nomura Trust and Banking Co., Ltd.	JPY2,880,000,000.-	September 19, 2012	September 19, 2015
Tranche C	Sumitomo Mitsui Banking Corporation The Tokyo Star Bank, Limited Shinsei Bank, Limited	JPY2,136,930,000.-	March 31, 2011	September 30, 2015
Total		JPY5,016,930,000.-		

4. Detail of Prepayment

Name	Lenders	Loan Balance	Date of Borrowing	Maturity Date
Facility O	Sumitomo Mitsui Banking Corporation The Hiroshima Bank, Ltd. The Tokyo Star Bank, Limited	JPY1,592,702,000.-	November 15, 2012	November 15, 2015

(*) Date of Prepayment is scheduled to be on September 30, 2015.

5. Status of the Interest-Bearing Debts Before and After New Loans and Prepayment (Scheduled)

(Unit: JPY M)

Category		Before	After	Fluctuation
	Short-term loan	6,000	6,000	0
	Long-term loan payable within one year	20,574	13,913	-6,661
	Long-term loan	65,385	71,964	+6,579
Total loans		91,959	91,878	-81
Investment corporation bonds		6,000	6,000	0
Total interest-bearing debts		97,959	97,878	-81

(*1) The balance after the contractual repayment scheduled to be made on September 30, 2015.

(*2) Numbers less than JPY1M are rounded down.

6. Future Prospects

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

7. Others

With respect to the New Loans and Prepayment, no important change is required for the “Risk in relation to funding by loans and investment corporation bonds” in the “Investment Risk” in the Securities Report for the 15th period submitted on March 20, 2015.

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