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October 29, 2015

REIT Issuer:

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

Asset Management Company:

Japan Hotel REIT Advisors Co., Ltd.
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Notice Concerning Prepayment of Loans

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that the board of directors meeting today resolved as below on prepayment of existing loans (hereinafter called the “Prepayment”).

1. Summary of Prepayment

The Prepayment consists of Prepayment 1 and Prepayment 2.

Prepayment 1

① Detail of repayment

As announced in “Notice Concerning Issuance of Investment Corporation Bonds” dated October 6, 2015, we plan to use part of proceeds from issuance of the fifth unsecured investment corporation bonds as a source of repayment.

② Repayment amount

JPY6,000M

③ Scheduled date of repayment

October 30, 2015

④ Detail of individual loans repayable to:

(Unit: JPY1,000)

Name	Lenders	Date of Borrowing	Maturity Date	Payable to	Loan Balance	Repayment Amount	Loan Balance after Repayment 1
Term Loan 9	Sumitomo Mitsui Banking Corporation	Jan. 30, 2015	Jan. 29, 2016	Same as Lenders	1,000,000	1,000,000	0
Term Loan 13	Sumitomo Mitsui Banking Corporation / Shinsei Bank, Limited / Mizuho Bank, Ltd.	July 10, 2015	Mar. 31, 2016	Same as Lenders	5,000,000	5,000,000	0
Total					6,000,000	6,000,000	0

Prepayment 2

① Detail of repayment

As announced in today's "Notice Concerning Sale of Assets (Comfort Hotel Shin-Yamaguchi, Daiwa Roynet Hotel Akita, and Hotel Sunroute Niigata," we plan to allocate part of proceeds from sale of properties as a source of repayment.

② Repayment amount

JPY4,000M

③ Scheduled date of repayment

October 30, 2015

④ Breakdown of individual loans repayable to:

(Unit: JPY1,000)

Name	Lenders	Date of Borrowing	Maturity Date	Payable to	Loan Balance	Repayment Amount	Loan Balance after Repayment 2
Facility J	The Tokyo Star Bank, Limited	Mar. 24, 2011	Mar. 24, 2016	The Tokyo Star Bank, Limited	2,945,123	369,000	2,576,123
Facility K	Sumitomo Mitsui Banking Corporation	Mar. 26, 2012	Mar. 26, 2016	Sumitomo Mitsui Banking Corporation	2,200,000	1,119,000	1,081,000
Facility N	Sumitomo Mitsui Banking Corporation / Shinsei Bank, Limited / The Tokyo Star Bank, Limited	Sept. 19, 2012	Sept. 19, 2017	Shinsei Bank, Limited	3,120,000	570,000	2,550,000
Facility P	Sumitomo Mitsui Banking Corporation / Mizuho Bank, Ltd.	Nov. 15, 2012	Mar. 26, 2016	Mizuho Bank, Ltd.	2,553,200	562,000	1,991,200
Tranche G	Sumitomo Mitsui Trust Bank, Limited	Mar. 29, 2013	Mar. 31, 2017	Sumitomo Mitsui Trust Bank, Limited	859,500	369,000	490,500
Facility R	The Nomura Trust and Banking Co., Ltd. / Development Bank of Japan Inc. / The Chiba Bank, Ltd. / The Bank of Fukuoka, Ltd.	Apr. 26, 2013	Apr. 26, 2016	The Chiba Bank, Ltd. / The Nomura Trust and Banking Co., Ltd. / Development Bank of Japan Inc. / The Bank of Fukuoka, Ltd.	4,250,953	404,000	3,846,953
Term Loan 5	Sumitomo Mitsui Banking Corporation / Shinsei Bank, Limited / Mizuho Bank, Ltd. / Resona Bank, Limited / Sumitomo Mitsui Trust Bank, Limited / The Nomura Trust and Banking Co., Ltd. / Development Bank of Japan Inc. / The Hiroshima Bank, Ltd. / The Bank of Fukuoka, Ltd. / Sampo Japan Nipponkoa Insurance Inc.	Sept. 30, 2014	Sept. 30, 2019	Resona Bank, Limited / Sampo Japan Nipponkoa Insurance Inc. / The Hiroshima Bank, Ltd.	6,794,000	477,000	6,317,000

Term Loan 6	Sumitomo Mitsui Banking Corporation / Shinsei Bank, Limited / Mizuho Bank, Ltd. / Resona Bank, Limited / The Tokyo Star Bank, Limited / Sumitomo Mitsui Trust Bank, Limited / Development Bank of Japan Inc. / Aozora Bank, Ltd.	Sept. 30, 2014	Sept. 30, 2020	Aozora Bank, Ltd.	6,882,000	65,000	6,817,000
Term Loan 8	Mitsubishi UFJ Trust and Banking Corporation	Dec. 30, 2014	Dec. 30, 2020	Mitsubishi UFJ Trust and Banking Corporation	1,000,000	65,000	935,000
Total					30,604,776	4,000,000	26,604,776

2. Status of the Interest-Bearing Debts Before and After Prepayment (Scheduled)

(Unit: JPY M)

Category		Before	After	Fluctuation
	Short-term loan	6,000	0	-6,000
	Long-term loan payable within one year	13,913	11,446	-2,467
	Long-term loan	71,964	70,407	-1,557
Total loans		91,878	81,854	-10,024
Investment corporation bonds		6,000	12,000	+6,000
Total interest-bearing debts		97,878	93,854	-4,024
LTV (total asset base)		42.1%	41.0%	-1.1%

(*1) The numbers under “Before” column show amounts before the issuance of investment corporation bonds and the numbers under “After” column show balance after the Prepayment and contractual repayment scheduled on October 30, 2015.

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

3. Future prospects

Please see “Notice Concerning Revision of Operating Forecast and Forecast of Dividend for Fiscal Year Ending December 2015 (16th Period)” dated today for operating forecast after the Prepayment.

4. Other necessary matters that investors should know to understand and judge the above information appropriately

With respect to the risk in relation to the Prepayment, no important change is required in “Investment Risk” in both the Securities Report for the 15th period submitted on March 20, 2015 and the Midterm Securities Report for the 16th period submitted on September 18, 2015.

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