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December 15, 2015

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
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Notice Concerning New Loan

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that the board of directors meeting today resolved as below on new borrowing (hereinafter called the “New Loan”).

1. Rationale for the New Loan

The New Loan will be allocated to partially fund the acquisition of real estate beneficial interest in trust of ACTIVE-INTER CITY HIROSHIMA (hereinafter called the “Beneficial Interest”) and movable assets attached to the property.

Please see “Notice Concerning Acquisition and Lease of New Asset (“ACTIVE-INTER CITY HIROSHIMA (Sheraton Hiroshima Hotel)”)” dated today for details of the Beneficial Interest, etc.

2. Details of the New Loan (Term Loan 17) (Term: 1 year)

Lender	Sumitomo Mitsui Banking Corporation / Shinsei Bank, Limited / Mizuho Bank, Ltd. / The Hiroshima Bank, Ltd.
Amount of the new loan	JPY9,000,000,000.- (planned)
Interest rate	Base interest rate (JBA Japanese Yen TIBOR for one month+ 0.30%
Date of borrowing	December 18, 2015 (scheduled)
Method of borrowing	Individual loan contracts to be concluded with the lenders indicated above on December 16, 2015 based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).
Interest payment date	The first payment date is December 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	November 30, 2016
Collateral	Unsecured/Unguaranteed

- (*) The base interest rate for the first compounding interval (December 17, 2015 through December 30, 2015) will be notified once it is determined since it will be a rate which will be agreed with an agent (shown in an annual rate) separately.

Please refer to the website of JBA TIBOR Administration for confirming the base interest rate (JBA Japanese Yen TIBOR for one month): <http://www.jbatibor.or.jp/rate/>

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

(Unit: JPY M)

Category		Before New Loan	After New Loan (*1)	Fluctuation
	Short-term loan	0	9,000	+9,000
	Long-term loan payable within one year	11,445	11,393	-52
	Long-term loan (excluding long-term loan payable within one year)	70,407	70,379	-28
Total loans		81,852	90,772	+8,920
	Investment corporation bonds redeemable within one year	2,500	2,500	0
	Investment corporation bonds (excluding investment corporation bonds redeemable within one year)	9,500	9,500	0
	Total investment corporation bonds	12,000	12,000	0
Total interest-bearing debt		93,852	102,772	+8,920

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

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

4. 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 taking out the New Loan.

5. Other necessary matters that investors should know to understand and judge the above information appropriately
With respect to the risk in relation to the New Loan, 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/>