

This English translation is provided for information purposes only. If any discrepancy is identified between this translation and the Japanese original, the Japanese original shall prevail.

January 4, 2016

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
Kaname Masuda, Executive Director

Asset Management Company:

Japan Hotel REIT Advisors Co., Ltd.
Hisashi Furukawa, Representative Director and President

Contact:

Makoto Hanamura
General Manager
Investor Relations Department, Operations Division
TEL: +81-3-6422-0530

Notice Concerning New Loan

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

1. Rationale of the New Loan

The New Loan will partially be funded to acquire the real estate beneficial interest in trust of CANDEO HOTELS UENO-KOEN (hereinafter called the “Beneficial Interest”) and movable assets attached to the hotel.

Please see “Notice Concerning Acquisition of New Asset (“CANDEO HOTELS UENO-KOEN”)” dated today for details of the Beneficial Interest.

2. Details of the New Loan

- | | |
|------------------------------------|---|
| (1) Lender: | Financial syndicate arranged by Sumitomo Mitsui Banking Corporation |
| (2) Amount of the new loan: | JPY2,000M (planned) |
| (3) Interest rate: | To be determined |
| (4) Date of borrowing: | February 29, 2016 (scheduled) |
| (5) Method of borrowing: | To be determined |
| (6) Interest payment date: | To be determined |
| (7) Method of principal repayment: | To be determined |
| (8) Maturity date: | To be determined |
| (9) Collateral: | Unsecured/Unguaranteed |
| (*) | The details yet to be determined will be notified later upon determination. |

Note:	This document is intended to serve as a press release to make available the information on JHR’s new loan. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR’s prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.
-------	---

3. Status of Interest-Bearing Debts Before and After the New Loan (planned)

Category		Before the New Loan	After the New Loan (*1)	Fluctuation
	Short-term loans	9,000	9,000	0
	Long-term loans payable within one year	11,380	11,380	0
	Long term loans	70,367	72,367	+ 2,000
	(excluding long-term loans payable within one year)			
Total loans		90,748	92,748	+ 2,000
	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		102,748	104,748	+ 2,000

(*1) The New Loan is included in the long term loans.

(*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 2016 (17th 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 change is required in “Investment Risk” described in the Securities Registration Statement submitted today.

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

Note:	This document is intended to serve as a press release to make available the information on JHR's new loan. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.
-------	---