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January 5, 2016

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
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Notice Concerning Acquisition of Investment Units by Asset Management Company

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) is pleased to announce that Japan Hotel REIT Advisors Co., Ltd., the asset management company entrusted by JHR with asset management (hereinafter called the “Asset Management Company”), has resolved, concerning acquisition (hereinafter called the “Acquisition”) of investment units of JHR (hereinafter called “JHR investment units”) in accordance with The Investment Trusts Association, Japan’s “Regulations on Business Operations, etc. of Full-Members” and “Detailed Regulations on the Regulations on Business Operations, etc. of Full-Members” (hereinafter collectively referred to as the “JITA Regulations, etc.”), the matters stated in “1. Matters of resolution pertaining to the Acquisition at the Asset Management Company” below at the meeting of the Board of Directors of the Asset Management Company (hereinafter called the “Board of Directors meeting”) held on January 5, 2016 as detailed below.

The Acquisition is scheduled to take place in the event of the issuance of new investment units through primary offering (hereinafter called the “Offering”) and secondary offering (hereinafter called the “Secondary Offering Through Over-Allotment”) that were resolved by JHR at the meeting of the Board of Directors of JHR held on January 4, 2016, upon which, of the 170,000 units of JHR investment units subject to the primary offering, the underwriters are scheduled to sell 2,500 units to the Asset Management Company as the party to which sale shall be made as designated by JHR.

1. Matters of resolution pertaining to the Acquisition at the Asset Management Company

(1) Date or period of implementation of acquisition

This shall be the payment date of the Offering. (The payment date shall be any day between January 20, 2016 (Wednesday) and January 25, 2016 (Monday). However, the date shall be five business days after the pricing date stated in (4) below.)

In addition, the transfer date shall be the business day following the payment date.

(2) Acquisition or disposition
Acquisition

(3) Number of units and total amount of real estate investment trust securities to be acquired

Number of units: 2,500 units

Total amount: The amount arrived at when the issue price of the Offering is multiplied by the number of units to be acquired, which is 2,500 units. (The amount that is the forecast calculated using the closing price in regular trading of JHR investment units on the Tokyo Stock Exchange, Inc. on December 11, 2015 (Friday) is JPY210M.)

Note: This document is intended to serve as a press release to make available the information on acquisition of investment units by the asset management company of JHR. 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 any amendments) and make any investment decisions at their own risk and responsibility.

(4) Price and pricing method of acquisition

The acquisition shall be made at the issue price of the Offering.

The issue price of the Offering shall be determined by taking the price arrived at when the closing price in regular trading of JHR investment units on the Tokyo Stock Exchange, Inc. on any day between January 13, 2016 (Wednesday) and January 18, 2016 (Monday) (the “Pricing Date”) (when there is no closing price on that day, the closing price on the most recent day preceding that day) is multiplied by a factor between 0.90 and 1.00 (price shall be rounded down to the nearest 1 yen) as the provisional condition, then taking the demand conditions and other factors into account, by JHR on the Pricing Date.

(5) Method of acquisition

The method shall be by designation of the party to which sale shall be made in the Offering.

(6) Purpose of acquisition

This acquisition of JHR investment units by the Asset Management Company shall be for the purpose of making a clear indication of the Asset Management Company’s commitment to the future growth of JHR.

In addition, in light of the foregoing purpose, the Asset Management Company has a policy to continue holding the JHR investment units acquired through the Acquisition.

(7) If acquisition instructions, etc. are to be entrusted to a third party, then the name of the party and overview of the affairs to be entrusted

Not applicable.

2. Date of resolution at the Board of Directors meeting of the Asset Management Company

January 5, 2016

3. Other

After the Asset Management Company acquires JHR investment units, the JHR investment units shall be administrated and managed in accordance with the JITA Regulations, etc. and internal codes of the Asset Management Company.

For the Offering and Secondary Offering Through Over-Allotment, please refer to “Notice Concerning Issuance of New Investment Units and Secondary Offering” dated January 4, 2016.

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

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