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Notice Concerning New Loans (Determination of Conditions and Interest Rates)

With reference to the new loans announced by our press releases “Notice Concerning New Loan” (hereinafter called “New Loan 1”) dated January 4, 2016 and “Notice Concerning New Loans (Refinancing) and Prepayment of Loans, etc.” (hereinafter called “New Loan 2”) dated February 24, 2016, Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that a part of conditions for the new loans (collectively hereinafter called “New Loans”) have been determined as follows.

1. Amount of the New Loans

New Loan 1: JPY2,000M
New Loan 2: JPY1,700M

2. Details of the New Loans

(1) New Loan 1

Term Loan 18 (Term: 3 years)

Lender	Sumitomo Mitsui Banking Corporation / Shinsei Bank, Limited / Mizuho Bank, Ltd. / The Hiroshima Bank, Ltd.
Amount of the new loan	JPY2,000M
Interest rate	Base interest rate (JBA Japanese Yen TIBOR for one month + 0.30% (*))
Date of borrowing	February 29, 2016
Method of borrowing	Individual loan contracts to be concluded with the lenders indicated above on February 25, 2016 based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).
Interest payment date	The first interest payment date is March 31, 2016. 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	March 31, 2019
Collateral	Unsecured/Unguaranteed

(2) New Loan 2

Term Loan 20 (Term: 1 year)

Lender	Sumitomo Mitsui Banking Corporation
Amount of the new loan	JPY1,700M
Interest rate	Base interest rate (JBA Japanese Yen TIBOR for one month + 0.30% (*))
Date of borrowing	February 29, 2016
Method of borrowing	An individual loan contract to be concluded with the lender indicated above on February 25, 2016 based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).
Interest payment date	The first interest payment date is March 31, 2016. 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	February 28, 2017
Collateral	Unsecured/Unguaranteed

(*) 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/english/rate/>. The base interest rate for the first compounding interval (February 29, 2016 through March 30, 2016) is 0.07545%.

3. Balance of each financial institution before and after the New Loans

(Unit: JPY M)

Lender	Before New Loans	After New Loans	Percentage	Fluctuation
Sumitomo Mitsui Banking Corporation	25,045	25,504	27.5%	+ 459
Shinsei Bank, Limited	13,525	13,775	14.8%	+ 250
Mizuho Bank, Ltd.	13,295	13,545	14.6%	+ 250
Resona Bank, Limited	8,113	8,113	8.7%	0
The Tokyo Star Bank, Limited	8,106	8,106	8.7%	0
Sumitomo Mitsui Trust Bank, Limited	8,096	8,096	8.7%	0
The Nomura Trust and Banking Co., Ltd.	3,887	3,887	4.1%	0
Development Bank of Japan Inc.	1,786	1,786	1.9%	0
The Chiba Bank, Ltd.	1,732	1,732	1.8%	0
Mitsubishi UFJ Trust and Banking Corporation	1,435	1,435	1.5%	0
Aozora Bank, Ltd.	1,435	1,435	1.5%	0
The Hiroshima Bank, Ltd.	1,927	2,927	3.1%	+ 1,000
The Bank of Fukuoka, Ltd.	1,417	1,417	1.5%	0
Sompo Japan Nipponkoa Insurance Inc.	945	945	1.0%	0
Total	90,748	92,707	100.0%	+ 1,959

(*) Numbers less than JPY1M are rounded down.

4. Future Prospect

The impact of the New Loans is subtle and no change is required for the operating forecast for the fiscal year ending December 2016 (January 1, 2016 through December 31, 2016).

5. Other

With respect to the risks of New Loans, no change is required for the “Investment Risks” on Securities Report submitted on January 4, 2016.

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