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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 Loans (Determination of Interest Rates)

With reference to the new loans announced in our press releases “Notice Concerning New Loans (Refinancing) and Prepayment of Loans, etc.” dated February 24, 2016 and “Notice Concerning New Loans (Determination of Conditions and Interest Rates) and Conclusion of Interest Rate Swap Contracts” dated March 24, 2016, Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that interest rates, which are part of the conditions for the new loans, have been determined as follows.

1. Details of Determination of Interest Rates

Loan	Lenders	Balance	Interest Rate
Term Loan 21-2	The Nomura Trust and Banking Co., Ltd. Development Bank of Japan Inc. The Chiba Bank, Ltd. The Bank of Fukuoka, Ltd.	JPY1,140M	<u>0.37364% (Rate for first applicable period)</u> Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.30% (*2) <u>Applicable period</u> <u>March 31, 2016 through April 27, 2016</u>
Term Loan 22-2 (*3)	The Nomura Trust and Banking Co., Ltd. Development Bank of Japan Inc. The Chiba Bank, Ltd. The Bank of Fukuoka, Ltd.	JPY2,650M	<u>0.67364% (Rate for first applicable period)</u> Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.60% (*2) <u>Applicable period</u> <u>March 31, 2016 through April 27, 2016</u>
Term Loan 23 (*3)	Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited Mizuho Bank, Ltd. Resona Bank, Limited The Tokyo Star Bank, Limited The Nomura Trust and Banking Co., Ltd.	JPY4,700M	<u>0.62364% (Rate for first applicable period)</u> Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.55% (*2) <u>Applicable period</u> <u>March 31, 2016 through April 27, 2016</u>

Term Loan 24 (*3)	Sumitomo Mitsui Trust Bank, Limited	JPY800M	<u>0.59909% (Rate for first applicable period)</u> Base interest rate (JBA Japanese Yen TIBOR for three months) + 0.50% (*2) <u>Applicable period</u> <u>March 31, 2016 through</u> <u>June 29, 2016</u>
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(*1) Conditions for the new loans that have been determined are underlined.

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

(*3) The interest rates of the subject new loans are fixed by concluding interest rate swap contracts. For effective borrowing rates after fixing the interest rates, please refer to our press release “Notice Concerning New Loans (Determination of Conditions and Interest Rates) and Conclusion of Interest Rate Swap Contracts” dated March 24, 2016.

2. Future Prospects

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).

3. Other

With respect to the risks of the new loans, no important change is required for the “Investment Risks” in Securities Report submitted on March 23, 2016.

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