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Notice Concerning New Loans (Determination of Interest Rates)

With reference to the new loans announced in our press releases “Notice Concerning New Loans” dated July 7, 2016 and “Notice Concerning New Loans (Determination of Conditions and Interest Rates) and Conclusion of Interest Rate Swap Contracts” dated August 10, 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 26	Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited Mizuho Bank, Ltd. Resona Bank, Limited The Nomura Trust and Banking Co., Ltd. The Chiba Bank, Ltd. The Bank of Fukuoka, Ltd.	JPY9,500M	<u>0.68182% (Rate for the first applicable period)</u> Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.65% (*2) <u>Applicable period</u> <u>September 1, 2016 through September 29, 2016</u> *The borrowing rate will be in effect fixed at 0.74% on or after September 30, 2016 due to the execution of an interest rate swap agreement (*4).
Term Loan 27	Sumitomo Mitsui Trust Bank, Limited	JPY1,300M	<u>0.53182% (Rate for the first applicable period)</u> Base interest rate (JBA Japanese Yen TIBOR) + 0.50% (*2)(*3) <u>Applicable period</u> <u>September 1, 2016 through September 29, 2016</u> * The borrowing rate will be in effect fixed at 0.55525% on or after September 30, 2016 due to the execution of an interest rate swap agreement (*4).

Term Loan 28	Mitsubishi UFJ Trust and Banking Corporation	JPY2,000M	<u>0.53182% (Rate for the first applicable period)</u> Base interest rate (JBA Japanese Yen TIBOR) + 0.50% (*2)(*3) <u>Applicable period</u> <u>September 1, 2016 through September 29, 2016</u> * The borrowing rate will be in effect fixed at 0.55525% on or after September 30, 2016 due to the execution of an interest rate swap agreement (*4).
Term Loan 30	Aozora Bank, Ltd.	JPY500M	<u>0.71228% annually</u> (fixed interest rate)

- (*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 and JBA Japanese Yen TIBOR for three months) <http://www.jbatibor.or.jp/english/rate/>.
- (*3) The base interest rate for the first applicable period will be JBA Japanese Yen TIBOR for one month. The base interest rate after the applicable period will be JBA Japanese Yen TIBOR for three months.
- (*4) Please refer to the press release “Notice Concerning New Loans (Determination of Conditions and Interest Rates) and Conclusion of Interest Rate Swap Contracts” dated August 10, 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 the Securities Registration Statement submitted on July 7, 2016.

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