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June 19, 2017

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

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

1. Rationale for the New Loans

The New Loans will be applied toward the funds for the acquisition of real estate beneficial interests in trust of Hilton Tokyo Narita Airport, International Garden Hotel Narita and Hotel Nikko Nara and movable assets attached to them (hereinafter called the “Beneficial Interest, etc.”).

Please see “Notice Concerning Acquisition and Lease of New Assets (Hilton Tokyo Narita Airport, International Garden Hotel Narita and Hotel Nikko Nara)” dated today for an overview of the Beneficial Interest, etc.

In addition, JHR will take out a new loan from THE NISHI-NIPPON CITY BANK, LTD., a new lender for JHR, for the purpose of diversifying lenders.

2. Details of the New Loans

(1)

|                        |                                                                                                                       |
|------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Name of Loan           | Term Loan 33 (Term: approximately 1 year)                                                                             |
| Lenders                | Sumitomo Mitsui Banking Corporation / Shinsei Bank, Limited / Mizuho Bank, Ltd. / Sumitomo Mitsui Trust Bank, Limited |
| Amount of the New Loan | JPY4,000M (planned)                                                                                                   |
| Interest Rate          | Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.275% (*1) (*2)                                          |
| Date of Borrowing      | July 12, 2017 (scheduled)                                                                                             |

Note: This document is intended to serve as a press release to make available the information on new loans 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 make any investment decisions at their own risk and responsibility.

|                               |                                                                                                                                                                                                                                              |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Method of Borrowing           | Individual loan contracts to be concluded on June 22, 2017 with the lenders indicated above based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).                                                   |
| Interest Payment Date         | The first interest payment date is July 31, 2017. 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 Repayment | Lump-sum repayment on the maturity date                                                                                                                                                                                                      |
| Maturity Date                 | June 29, 2018                                                                                                                                                                                                                                |
| Collateral                    | Unsecured / Unguaranteed                                                                                                                                                                                                                     |

(2)

|                               |                                                                                                                                                                                                                                              |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of Loan                  | Term Loan 34 (Term: approximately 6 years)                                                                                                                                                                                                   |
| Lenders                       | Sumitomo Mitsui Banking Corporation / The Chiba Bank, Ltd.                                                                                                                                                                                   |
| Amount of the New Loan        | JPY2,250M (planned)                                                                                                                                                                                                                          |
| Interest Rate                 | Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.40% (*1) (*2)                                                                                                                                                                  |
| Date of Borrowing             | July 12, 2017 (scheduled)                                                                                                                                                                                                                    |
| Method of Borrowing           | Individual loan contracts to be concluded on June 22, 2017 with the lenders indicated above based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).                                                   |
| Interest Payment Date         | The first interest payment date is July 31, 2017. 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 Repayment | Lump-sum repayment on the maturity date                                                                                                                                                                                                      |
| Maturity Date                 | June 30, 2023                                                                                                                                                                                                                                |
| Collateral                    | Unsecured / Unguaranteed                                                                                                                                                                                                                     |

(3)

|                        |                                                                                                        |
|------------------------|--------------------------------------------------------------------------------------------------------|
| Name of Loan           | Term Loan 35 (Term: approximately 9 years)                                                             |
| Lenders                | Sumitomo Mitsui Banking Corporation / Shinsei Bank, Limited / Mizuho Bank, Ltd. / Resona Bank, Limited |
| Amount of the New Loan | JPY4,250M (planned)                                                                                    |
| Interest Rate          | Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.60% (*1) (*2)                            |
| Date of                | August 1, 2017 (scheduled)                                                                             |

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|                               |                                                                                                                                                                                                                                                |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Borrowing                     |                                                                                                                                                                                                                                                |
| Method of Borrowing           | Individual loan contracts to be concluded on June 22, 2017 with the lenders indicated above based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).                                                     |
| Interest Payment Date         | The first interest payment date is August 31, 2017. 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 Repayment | Lump-sum repayment on the maturity date                                                                                                                                                                                                        |
| Maturity Date                 | September 30, 2026                                                                                                                                                                                                                             |
| Collateral                    | Unsecured / Unguaranteed                                                                                                                                                                                                                       |

(4)

|                               |                                                                                                                                                                                                                                                                                 |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of Loan                  | Term Loan 36 (Term: approximately 8 years)                                                                                                                                                                                                                                      |
| Lender                        | Sumitomo Mitsui Trust Bank, Limited                                                                                                                                                                                                                                             |
| Amount of the New Loan        | JPY1,000M (planned)                                                                                                                                                                                                                                                             |
| Interest Rate                 | Base interest rate (JBA Japanese Yen TIBOR for three months) + 0.50% (*1) (*2) (*3)                                                                                                                                                                                             |
| Date of Borrowing             | August 1, 2017 (scheduled)                                                                                                                                                                                                                                                      |
| Method of Borrowing           | An individual loan contract to be concluded on June 22, 2017 with the lender indicated above based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).                                                                                     |
| Interest Payment Date         | The first interest payment date is September 29, 2017. Subsequent interest payment dates shall be at the end of every March, June, September and December (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 Repayment | Lump-sum repayment on the maturity date                                                                                                                                                                                                                                         |
| Maturity Date                 | September 30, 2025                                                                                                                                                                                                                                                              |
| Collateral                    | Unsecured / Unguaranteed                                                                                                                                                                                                                                                        |

(5)

|                        |                                                                                     |
|------------------------|-------------------------------------------------------------------------------------|
| Name of Loan           | Term Loan 37 (Term: approximately 8 years)                                          |
| Lender                 | Mitsubishi UFJ Trust and Banking Corporation                                        |
| Amount of the New Loan | JPY700M (planned)                                                                   |
| Interest Rate          | Base interest rate (JBA Japanese Yen TIBOR for three months) + 0.45% (*1) (*2) (*3) |

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|                               |                                                                                                                                                                                                                                                                                 |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Borrowing             | August 1, 2017 (scheduled)                                                                                                                                                                                                                                                      |
| Method of Borrowing           | An individual loan contract to be concluded on June 22, 2017 with the lender indicated above based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).                                                                                     |
| Interest Payment Date         | The first interest payment date is September 29, 2017. Subsequent interest payment dates shall be at the end of every March, June, September and December (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 Repayment | Lump-sum repayment on the maturity date                                                                                                                                                                                                                                         |
| Maturity Date                 | September 30, 2025                                                                                                                                                                                                                                                              |
| Collateral                    | Unsecured / Unguaranteed                                                                                                                                                                                                                                                        |

(6)

|                               |                                                                                                                                                                                                                                                                 |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of Loan                  | Term Loan 38 (Term: approximately 8 years)                                                                                                                                                                                                                      |
| Lender                        | Development Bank of Japan Inc.                                                                                                                                                                                                                                  |
| Amount of the New Loan        | JPY500M (planned)                                                                                                                                                                                                                                               |
| Interest Rate                 | To be determined (fixed rate) (*4)                                                                                                                                                                                                                              |
| Date of Borrowing             | August 1, 2017 (scheduled)                                                                                                                                                                                                                                      |
| Method of Borrowing           | An individual loan contract to be concluded on June 22, 2017 with the lender indicated above based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).                                                                     |
| Interest Payment Date         | The first interest payment date is September 29, 2017. Subsequent interest payment dates shall be at the end of every March and September (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 Repayment | Lump-sum repayment on the maturity date                                                                                                                                                                                                                         |
| Maturity Date                 | September 30, 2025                                                                                                                                                                                                                                              |
| Collateral                    | Unsecured / Unguaranteed                                                                                                                                                                                                                                        |

(7)

|                        |                                            |
|------------------------|--------------------------------------------|
| Name of Loan           | Term Loan 39 (Term: approximately 8 years) |
| Lender                 | The Bank of Fukuoka, Ltd.                  |
| Amount of the New Loan | JPY500M (planned)                          |

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|                               |                                                                                                                                                                                                                                                                                 |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Interest Rate                 | Base interest rate (JBA Japanese Yen TIBOR for three months) + 0.50% (*1) (*2) (*3)                                                                                                                                                                                             |
| Date of Borrowing             | August 1, 2017 (scheduled)                                                                                                                                                                                                                                                      |
| Method of Borrowing           | An individual loan contract to be concluded on June 22, 2017 with the lender indicated above based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).                                                                                     |
| Interest Payment Date         | The first interest payment date is September 29, 2017. Subsequent interest payment dates shall be at the end of every March, June, September and December (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 Repayment | Lump-sum repayment on the maturity date                                                                                                                                                                                                                                         |
| Maturity Date                 | September 30, 2025                                                                                                                                                                                                                                                              |
| Collateral                    | Unsecured / Unguaranteed                                                                                                                                                                                                                                                        |

(8)

|                               |                                                                                                                                                                                                                                                                                 |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of Loan                  | Term Loan 40 (Term: approximately 8 years)                                                                                                                                                                                                                                      |
| Lender                        | Aozora Bank, Ltd.                                                                                                                                                                                                                                                               |
| Amount of the New Loan        | JPY500M (planned)                                                                                                                                                                                                                                                               |
| Interest Rate                 | Base interest rate (JBA Japanese Yen TIBOR for three months) + 0.50% (*1) (*2) (*3)                                                                                                                                                                                             |
| Date of Borrowing             | August 1, 2017 (scheduled)                                                                                                                                                                                                                                                      |
| Method of Borrowing           | An individual loan contract to be concluded on June 22, 2017 with the lender indicated above based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).                                                                                     |
| Interest Payment Date         | The first interest payment date is September 29, 2017. Subsequent interest payment dates shall be at the end of every March, June, September and December (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 Repayment | Lump-sum repayment on the maturity date                                                                                                                                                                                                                                         |
| Maturity Date                 | September 30, 2025                                                                                                                                                                                                                                                              |
| Collateral                    | Unsecured / Unguaranteed                                                                                                                                                                                                                                                        |

(9)

|               |                                                 |
|---------------|-------------------------------------------------|
| Name of Loan  | Term Loan 41 (Term: approximately 8 years)      |
| Lender        | THE NISHI-NIPPON CITY BANK, LTD. (a new lender) |
| Amount of the | JPY1,000M (planned)                             |

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|                               |                                                                                                                                                                                                                                                                                 |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| New Loan                      |                                                                                                                                                                                                                                                                                 |
| Interest Rate                 | Base interest rate (JBA Japanese Yen TIBOR for three months) + 0.50% (*1) (*2) (*3)                                                                                                                                                                                             |
| Date of Borrowing             | August 1, 2017 (scheduled)                                                                                                                                                                                                                                                      |
| Method of Borrowing           | An individual loan contract to be concluded on June 22, 2017 with the lender indicated above based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).                                                                                     |
| Interest Payment Date         | The first interest payment date is September 29, 2017. Subsequent interest payment dates shall be at the end of every March, June, September and December (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 Repayment | Lump-sum repayment on the maturity date                                                                                                                                                                                                                                         |
| Maturity Date                 | September 30, 2025                                                                                                                                                                                                                                                              |
| Collateral                    | Unsecured / Unguaranteed                                                                                                                                                                                                                                                        |

(10)

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|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of Loan                  | Term Loan 42 (Term: approximately 8 years)                                                                                                                                                                                                                                      |
| Lender                        | Shinsei Bank, Limited                                                                                                                                                                                                                                                           |
| Amount of the New Loan        | JPY300M (planned)                                                                                                                                                                                                                                                               |
| Interest Rate                 | Base interest rate (JBA Japanese Yen TIBOR for three months) + 0.45% (*1) (*2) (*3)                                                                                                                                                                                             |
| Date of Borrowing             | August 1, 2017 (scheduled)                                                                                                                                                                                                                                                      |
| Method of Borrowing           | An individual loan contract to be concluded on June 22, 2017 with the lender indicated above based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).                                                                                     |
| Interest Payment Date         | The first interest payment date is September 29, 2017. Subsequent interest payment dates shall be at the end of every March, June, September and December (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 Repayment | Lump-sum repayment on the maturity date                                                                                                                                                                                                                                         |
| Maturity Date                 | September 30, 2025                                                                                                                                                                                                                                                              |
| Collateral                    | Unsecured / Unguaranteed                                                                                                                                                                                                                                                        |

(\*1) Please refer to the website of JBA TIBOR Administration for the base interest rate (JBA Japanese Yen TIBOR for one month, two months and three months) (<http://www.jbatibor.or.jp/english/rate/>).

(\*2) The base interest rate for the first interval will be announced once it is determined.

(\*3) The base interest rate for the first interval (August 1, 2017 through September 29, 2017) is JBA Japanese Yen

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TIBOR for two months. The base interest rates for the subsequent intervals are JBA Japanese Yen TIBOR for three months.

(\*4) Items to be determined will be announced once they are determined.

(\*5) JHR plans to enter into interest rate swap contracts and fix interest rates for the Term Loan 35, 36, 37, 39, 40, 41 and 42. The details will be announced once they are determined.

### 3. Status of the Interest-Bearing Debt After New Loans as of August 31, 2017 (scheduled)

(Unit: millions of yen)

| Category                           |                      | Before<br>New Loans | After<br>New Loans | Variance |
|------------------------------------|----------------------|---------------------|--------------------|----------|
|                                    | Short-term loans     | 100                 | 4,100              | +4,000   |
|                                    | Long-term loans (*2) | 102,913             | 113,913            | +11,000  |
| Total loans                        |                      | 103,013             | 118,013            | +15,000  |
| Total investment corporation bonds |                      | 22,600              | 22,600             | 0        |
| Total interest-bearing debt        |                      | 125,613             | 140,613            | +15,000  |

(\*1) Amounts are rounded down to the nearest millions of yen.

(\*2) Long-term loans payable within one year are included in the long-term loans.

\* The LTV ratio (based on book value) is expected to be 40.0% following the New Loans and the acquisition of Beneficial Interest, etc. This LTV ratio (based on book value) is calculated based on the estimated amount of the net proceeds as of today from the issuance of new investment units through public offering and by way of third-party allotment, which is calculated based on the closing price of the investment unit traded on Tokyo Stock Exchange as of June 1, 2017. This is based on the assumption that the full paid-in amount of the new investment units by way of third-party allotment is paid by an underwriter, as described in “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” dated today. Therefore, the LTV ratio (based on book value) may vary subject to the actual amount of the net proceeds.

### 4. Future Prospects

Please see “Notice Concerning Revision of Operating Forecast for Fiscal Year Ending December 2017 (18th Period)” dated today for operating forecast after taking out the New Loans.

### 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 Loans, no change is required in “Investment Risk” in the Securities Registration Statement submitted today.

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

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