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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 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 the “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 Board of Directors meeting of 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 June 20, 2017 as detailed below.

The Acquisition is scheduled to take place in the event of the issuance of new investment units through the public offering in Japan (hereinafter called the “Domestic Public Offering”) and the overseas market, mainly in the U.S., Europe and Asia (provided, however, that the offering in the U.S. market shall be restricted to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act of 1933) (together with the Domestic Public Offering, the “Offering”) as well as the 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 June 19, 2017, upon which, of the 112,130 units of the JHR investment units subject to the Domestic Public Offering, the domestic underwriters are scheduled to sell 1,200 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 Board of Directors meeting of 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 July 5, 2017 (Wednesday) and July 7, 2017 (Friday). 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

Note: This press release has been prepared for the purpose of announcing to the public certain matters relating to the acquisition of investment units by the asset management company of JHR, and not for the purpose of soliciting any investment. JHR asks that investors make investment decisions only after they have referred to the prospectus for the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by JHR, and that the investment decisions are made at their discretion and responsibility.

This press release does not constitute an offer of securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

- (3) Number of units and total amount of real estate investment trust securities to be acquired
 Number of units: 1,200 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 1,200 units. (The estimated amount that is calculated using the closing price in regular trading of JHR investment units on the Tokyo Stock Exchange, Inc. on June 1, 2017 (Thursday) is ¥95 million.)
- (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 in accordance with the methods provided in Article 25 of the Rules Concerning Underwriting, etc. of Securities set forth by the Japan Securities Dealers Association based on the provisional pricing obtained by the closing price in regular trading of the JHR investment units on the Tokyo Stock Exchange, Inc. on any day between June 28, 2017 (Wednesday) and June 30, 2017 (Friday) (hereinafter called the “Pricing Date”) (when there is no closing price on that day, the closing price on the most recent day preceding that day) multiplying a range between 0.90 and 1.00 (with any fractions of one yen rounded down to the nearest 1 yen), while taking into consideration the level of demand and other factors, 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 Domestic Public Offering.
- (6) Purpose of acquisition
 This acquisition of the 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 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.
 As described in 3. below, the Asset Management Company will lend the JHR investment units to a domestic underwriter for Secondary Offering through Over-Allotment.
- (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
 June 20, 2017

3. Other

After the Asset Management Company acquires the 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. In addition, the Asset Management Company has resolved at its Board of Directors meeting that the Asset Management Company will lend the JHR investment units (up to 3,700 units) (*) to a domestic underwriter for Secondary Offering through Over-Allotment.

(*) The total of 3,700 units is the sum of the JHR investment units (2,500 units) already held by the Asset Management Company and the JHR investment units (1,200 units) from the Acquisition.

For the Offering and Secondary Offering through Over-Allotment, please refer to “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” dated June 19, 2017.

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

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