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REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
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Notice Concerning Completion of 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”), completed today the 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.”) at the meeting of the Board of Directors of the Asset Management Company held on June 20, 2017 as detailed below.

The Acquisition took place in connection with the issuance of new investment units through the public offering in Japan (hereinafter called the “Domestic Public Offering”) and the overseas markets, 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 of investment units (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 and June 28, 2017, upon which, of the 99,743 units of the JHR investment units subject to the Domestic Public Offering, the domestic underwriters sold 1,200 units to the Asset Management Company as the party designated as purchaser by JHR.

1. Summary of the Acquisition

(1) Date of acquisition

July 5, 2017 (Wednesday)

(2) Number of units and total amount of the JHR investment units subject to acquisition

Number of units: 1,200 units

Total amount: JPY93,021,600.-

Note: This document is intended to serve as a press release to make available the information on acquisition of investment units by the asset management company 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.

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 the JHR investment units held by the Asset Management Company after acquisition

Number of units: 3,700 units

Total amount: JPY305,571,600.- (The total amount is the total amount of the acquisition price of the JHR investment units held by the Asset Management Company.)

- (4) Method of acquisition

The method was by designation of the party as purchaser in the Domestic Public Offering.

- (5) Other necessary matters from investor protection point of view

The purpose of the Acquisition is to make 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.

2. Other

The JHR investment units acquired by the Asset Management Company 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 (3,700 units)(*) to a domestic underwriter for the Secondary Offering Through Over-Allotment.

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

For the Offering and the 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 and "Notice Concerning Determination of Prices, etc. for Issuance of New Investment Units and Secondary Offering of Investment Units" dated June 28, 2017. Also, for the Acquisition, please refer to "Notice Concerning Acquisition of Investment Units by Asset Management Company" dated June 20, 2017 together with this press release.

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

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