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Notice Concerning New Loans (Determination of Interest Rates)
and Conclusion of Interest Rate Swap Contracts

With reference to the new loans announced in our press release “Notice Concerning New Loans” (hereinafter called the “New Loans”) dated June 19, 2017, 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. Please note that we have also concluded interest rate swap contracts.

1. Details of Determination of Interest Rates

Loan	Lenders	Balance	Interest Rate
Term Loan 35	Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited Mizuho Bank, Ltd. Resona Bank, Limited	JPY4,250M	<u>0.63% (Rate for the first applicable period)</u> Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.60% (*2)(*4) <u>Applicable period</u> <u>August 1, 2017 through August 30, 2017</u>
Term Loan 36	Sumitomo Mitsui Trust Bank, Limited	JPY1,000M	<u>0.54636% (Rate for the first applicable period)</u> Base interest rate (JBA Japanese Yen TIBOR for two months) + 0.50% (*2)(*3)(*4) <u>Applicable period</u> <u>August 1, 2017 through September 28, 2017</u>

Term Loan 37	Mitsubishi UFJ Trust and Banking Corporation	JPY700M	<u>0.49636% (Rate for the first applicable period)</u> Base interest rate (JBA Japanese Yen TIBOR for two months) + 0.45% (*2)(*3)(*4) <u>Applicable period</u> <u>August 1, 2017 through September 28, 2017</u>
Term Loan 39	The Bank of Fukuoka, Ltd.	JPY500M	<u>0.54636% (Rate for the first applicable period)</u> Base interest rate (JBA Japanese Yen TIBOR for two months) + 0.50% (*2)(*3)(*4) <u>Applicable period</u> <u>August 1, 2017 through September 28, 2017</u>
Term Loan 40	Aozora Bank, Ltd.	JPY500M	<u>0.54636% (Rate for the first applicable period)</u> Base interest rate (JBA Japanese Yen TIBOR for two months) + 0.50% (*2)(*3)(*4) <u>Applicable period</u> <u>August 1, 2017 through September 28, 2017</u>
Term Loan 41	THE NISHI-NIPPON CITY BANK, LTD.	JPY1,000M	<u>0.54636% (Rate for the first applicable period)</u> Base interest rate (JBA Japanese Yen TIBOR for two months) + 0.50% (*2)(*3)(*4) <u>Applicable period</u> <u>August 1, 2017 through September 28, 2017</u>
Term Loan 42	Shinsei Bank, Limited	JPY300M	<u>0.49636% (Rate for the first applicable period)</u> Base interest rate (JBA Japanese Yen TIBOR for two months) + 0.45% (*2)(*3)(*4) <u>Applicable period</u> <u>August 1, 2017 through September 28, 2017</u>

(*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, two months, and 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 two months. The base interest rate after the first applicable period will be JBA Japanese Yen TIBOR for three months.

(*4) The borrowing rate on and after September 29, 2017 will be in effect fixed as mentioned in 2. Details of Interest Rate Swap Contracts below.

2. Details of Interest Rate Swap Contracts

<Interest rate swap contract for Term Loan 35>

Counterparty	Sumitomo Mitsui Trust Bank, Limited
Notional Principal	JPY4,250M
Interest Rate	Fixed interest rate to pay 0.2503% Variable interest rate to receive (JBA Japanese Yen TIBOR for one month)
Contract Term	September 29, 2017 through September 30, 2026
Interest Payment Date	The first interest payment date is October 31, 2017. Subsequent interest payment dates shall be at the end of every month and on the maturity date. (If the payment date is not a business day, it shall be paid on the preceding business day.)

*The interest rate for Term Loan 35 will be, in effect, fixed at 0.8503% from September 29, 2017.

<Interest rate swap contract for Term Loans 36, 37, 39, 40, 41, and 42>

Counterparty	Sumitomo Mitsui Trust Bank, Limited
Notional Principal	JPY4,000M
Interest Rate	Fixed interest rate to pay 0.2337% Variable interest rate to receive (JBA Japanese Yen TIBOR for three months)
Contract Term	September 29, 2017 through September 30, 2025
Interest Payment Date	The first interest payment date is December 29, 2017. Subsequent interest payment dates shall be at the end of every three months and on the maturity date. (If the payment date is not a business day, it shall be paid on the preceding business day.)

*The interest rate for Term Loans 36, 39, 40, and 41 will be, in effect, fixed at 0.7337% from September 29, 2017.

*The interest rate for Term Loans 37 and 42 will be, in effect, fixed at 0.6837% from September 29, 2017.

The ratio of debt with fixed interest rates to the total interest-bearing debt (including the purchase of interest rate caps) is expected to be around 93% after the conclusion of swap contracts.

3. 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 2017 (January 1, 2017 through December 31, 2017).

4. 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 June 19, 2017.

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