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Notice Concerning New Loans (Refinancing)

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that JHR resolved as below today on new borrowings (hereinafter called the “New Loans”) for the purpose of refinancing the existing loans (hereinafter called the “Refinancing”).

1. Summary of the Refinancing

JHR plans to refinance the loans which are due on September 19, 2017 and November 15, 2017 (hereinafter called the “Loans Scheduled for Repayment”) as follows.

2. Details of the New Loans

(1) Total amount of the New Loans

¥9,000 million

(2) Details of the New Loans

Name of Loan	Term Loan 43
Lenders	Sumitomo Mitsui Banking Corporation / Shinsei Bank, Limited
Amount of the New Loan	JPY4,000M
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.425% (*1) (*2)
Date of Borrowing	November 15, 2017 (scheduled)
Method of Borrowing	Individual loan contracts to be concluded on September 14, 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 November 30, 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	March 29, 2024
Collateral	Unsecured / Unguaranteed

Name of Loan	Term Loan 44-1
Lenders	Sumitomo Mitsui Banking Corporation / Shinsei Bank, Limited / Mizuho Bank, Ltd. / Sumitomo Mitsui Trust Bank, Limited
Amount of the New Loan	JPY2,550M
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.475% (*1) (*2)
Date of Borrowing	September 19, 2017 (scheduled)
Method of Borrowing	Individual loan contracts to be concluded on September 14, 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 September 29, 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	March 31, 2025
Collateral	Unsecured / Unguaranteed

Name of Loan	Term Loan 44-2
Lenders	Sumitomo Mitsui Banking Corporation / Shinsei Bank, Limited / Development Bank of Japan Inc. / The Bank of Fukuoka, Ltd.
Amount of the New Loan	JPY2,450M
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.475% (*1) (*2)
Date of Borrowing	November 15, 2017 (scheduled)
Method of Borrowing	Individual loan contracts to be concluded on September 14, 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 November 30, 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	March 31, 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) (<http://www.jbatibor.or.jp/english/rate/>).

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

(*3) JHR plans to enter into interest rate swap contracts and fix interest rates for the New Loans. The details will be announced once they are determined.

3. Summary of the Loans Scheduled for Repayment

(1) Total amount of repayment

¥9,050 million

(2) Details of the Loans Scheduled for Repayment

Name of Loan	Facility N	Facility Q
Lenders	Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited The Tokyo Star Bank, Limited	Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited The Tokyo Star Bank, Limited
Date of Borrowing	September 19, 2012	November 15, 2012
Maturity Date	September 19, 2017	November 15, 2017
Loan Balance	JPY2,550M	JPY6,500M

(*1) JHR plans to repay the difference of ¥50 million between the total amount of the New Loans and the total amount of repayment by cash on hand.

4. Status of the Interest-Bearing Debt After the Refinancing (scheduled)

(Unit: millions of yen)

Category		Before New Loans	After New Loans (*3)	Variance
	Short-term loans	4,100	4,100	0
	Long-term loans (*2)	113,913	113,826	(87)
Total loans		118,013	117,926	0
Total investment corporation bonds		22,600	22,600	0
Total interest-bearing debt		140,613	140,526	(87)

(*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.

(*3) Includes contractual repayments (¥37 million in total) scheduled for September 29, 2017 and October 31, 2017.

*LTV on total assets basis is expected to be 40% after the Refinancing. The fixed interest rate ratio (including the purchase of the interest rate cap) to the total interest-bearing debt is forecast to be around 93%.

5. 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).

6. 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>