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November 21, 2017

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
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Notice Concerning Partial Prepayment of a Loan

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that the board of directors’ meeting today resolved as below on partial prepayment of the existing loan (hereinafter called “Repayment”).

1. Summary of the Repayment

(1) Details of the Repayment

JHR plans to allocate funds to repayment from proceeds of the ninth unsecured investment corporation bonds scheduled to be paid on November 24, 2017 as announced in the press release “Notice Concerning Issuance of Investment Corporation Bonds” dated November 2, 2017 and cash in hand.

(2) Repayment amount

JPY1,000M

(3) Scheduled date of repayment

November 30, 2017

(4) Details of individual loans repayable to:

Name	Term Loan 33
Lenders	Sumitomo Mitsui Banking Corporation / Shinsei Bank, Limited / Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited.
Amount of the Loan	JPY4,000M
Date of Borrowing	July 12, 2017
Maturity Date	June 29, 2018
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.275%
Loan Balance after the Repayment	JPY3,000M

2. Status of the Interest-Bearing Debts after the Repayment (Scheduled)

(Unit: JPY M)

Category		Before	After (*3)	Fluctuation
	Short-term loans	4,100	3,000	-1,100
	Long-term loans (*2)	113,826	113,826	0
Total loans		117,926	116,826	-1,100
Total investment corporation bonds		22,600	23,600	+1,000
Total interest-bearing debts		140,526	140,426	-100

(*1) Numbers less than JPY1M are rounded down.

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

(*3) Total loans after the Repayment are the amount after contractual repayment (JPY100M) scheduled on November 30, 2017. Also, total investment corporation bonds after the Repayment are the amount include the ninth unsecured investment corporation bonds in the amount of JPY1,000M as announced in the press release “Notice Concerning Issuance of Investment Corporation Bonds” dated November 2, 2017.

*Fixed interest rate ratio (including purchase of interest rate cap) to the total interest-baring debt after the Repayment is expected to be approximately 94%.

3. Future Prospects

The impact of the Repayment 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. Others

With respect to the risks of the Repayment, no important change is required for the “Investment Risks” on Securities Report submitted on March 22, 2017 and Semiannual Securities Report (Japanese only) submitted on September 20, 2017.

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