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REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
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Notice Concerning a New Loan (Refinancing)

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that the board of directors’ meeting today resolved as below on new borrowing (hereinafter called the “New Loan”) for the purpose of refinancing the existing loan (hereinafter called the “Refinancing”).

1. Summary of Refinancing

JHR plans to refinance the short-term loan, Term Loan 20, which is due on February 28, 2017 on the same date.

2. Details of the New Loan

Name of Loan	Term Loan 32
Lender	Sumitomo Mitsui Banking Corporation
Amount of the New Loan	JPY1,700M
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.275% (*1)(*2)
Date of Borrowing	February 28, 2017 (scheduled)
Method of Borrowing	An individual loan contract to be concluded on February 24, 2017 with the lender indicated above based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).
Interest Payment Date	The first interest payment date is March 31, 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 payment on the maturity date
Maturity Date	March 30, 2018
Collateral	Unsecured/Unguaranteed

(*1) Please refer to the website of JBA TIBOR Administration for confirming 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 notified once it is determined.

3. Details of the Loan Scheduled for Repayment

Name of Loan	Term Loan 20
Lender	Sumitomo Mitsui Banking Corporation
Date of Borrowing	February 29, 2016
Maturity Date	February 28, 2017
Loan Balance as of February 28, 2017	JPY1,700M

4. Status of the Interest-Bearing Debt Before and After the Refinancing (Scheduled)

(Unit: millions of yen)

Category		Before	After	Variance
	Short-term loans	1,800	100	-1,700
	Long-term loans (*2)	101,767	103,467	+1,700
Total loans		103,567	103,567	0
Total investment corporation bonds		22,600	22,600	0
Total interest-bearing debt		126,167	126,167	0

(*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.

*LTV on total assets basis is expected to be 39.7% after refinancing (total assets are the amount as of the end of December 2016). The fixed interest rate ratio (including the purchase of the interest rate cap) to the total interest-bearing debt is forecast to be around 98%.

5. Future Prospects

The impact of the New Loan 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 Loan, no important change is required for the “Investment Risks” in the Securities Report for the 16th period submitted on March 23, 2016 and Midterm Securities Report for the 17th period submitted on September 21, 2016.

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