

**This English translation is provided for information purposes only. If any discrepancy is identified between this translation and the Japanese original, the Japanese original shall prevail.**

March 20, 2018

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)  
Kaname Masuda, Executive Director

Asset Management Company:

Japan Hotel REIT Advisors Co., Ltd.  
Hisashi Furukawa, Representative Director and President

Contact:

Makoto Hanamura  
General Manager  
Investor Relations Department, Operations Division  
TEL: +81-3-6422-0530

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 of the existing loans (hereinafter called the “Refinancing”).

1. Summary of the Refinancing

JHR plans to partially repay the existing loans by cash on hand and substantially refinance the existing loans, which are due on March 29, 2019 (hereinafter called the “Loans Scheduled for Repayment”).

2. Details of the New Loans

(1) Total Amount of the New Loans  
JPY4,000M

(2) Details of the New Loans

|                                |  |
|--------------------------------|--|
| Name of Loan                   | Term Loan 59   |
| Lender                         | Sumitomo Mitsui Banking Corporation  |
| Amount of the New Loan         | JPY2,550M  |
| Interest Rate                  | Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.275%<br>(*1) (*2)  |
| Date of Borrowing              | March 29, 2019 (plan)  |
| Method of Borrowing            | Individual loan contracts to be concluded on March 27, 2019 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 April 26, 2019. Subsequent interest payment dates shall be at the end of each 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 Prepayment | Lump-sum payment on the maturity date  |
| Maturity Date                  | June 28, 2019  |
| Collateral                     | Unsecured/Unguaranteed   |

|                                |  |
|--------------------------------|--|
| Name of Loan                   | Term Loan 60   |
| Lender                         | Mizuho Bank, Ltd.  |
| Amount of the New Loan         | JPY450M  |
| Interest Rate                  | Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.275%<br>(*1) (*2)  |
| Date of Borrowing              | March 29, 2019 (plan)  |
| Method of Borrowing            | Individual loan contracts to be concluded on March 27, 2019 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 April 26, 2019. Subsequent interest payment dates shall be at the end of each 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 Prepayment | Lump-sum payment on the maturity date  |
| Maturity Date                  | February 28, 2020  |
| Collateral                     | Unsecured/Unguaranteed   |

|                                |  |
|--------------------------------|--|
| Name of Loan                   | Term Loan 61   |
| Lender                         | The Hiroshima Bank, Ltd.,  |
| Amount of the New Loan         | JPY1,000M  |
| Interest Rate                  | Base interest rate (JBA Japanese Yen TIBOR for one month) + 0.275%<br>(*1) (*2)  |
| Date of Borrowing              | March 29, 2019 (plan)  |
| Method of Borrowing            | Individual loan contracts to be concluded on March 27, 2019 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 April 26, 2019. Subsequent interest payment dates shall be at the end of each 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 Prepayment | Lump-sum payment on the maturity date  |
| Maturity Date                  | February 28, 2020  |
| Collateral                     | Unsecured/Unguaranteed   |

(\*1) The base interest rate of first calculation period for each loan will be announced once it is determined.

(\*2) Base interest rate to be applied to the calculation period for the interest to be paid at interest payment dates will be JBA Japanese Yen TIBOR for 1 month at 2 business days prior to preceding interest payment date. Please refer to the website of JBA TIBOR Administration for the JBA Japanese Yen TIBOR (<http://www.jbatibor.or.jp/english/rate/>).

### 3. Summary of the Loans Scheduled for Repayment

#### (1) Summary of the Repayment

JHR plans to repay the loans with using the New Loans and cash on hand.

#### (2) Total amount of repayment

JPY4,100M

- (3) Scheduled date of the Repayment  
March 29, 2019

- (4) Details of the Loans Scheduled for Repayment

|                               |  |
|-------------------------------|--|
| Loan subject to be refinanced | Term Loan 18   |
| Lender                        | Sumitomo Mitsui Banking Corporation, Shinsei Bank, Limited, Mizuho Bank, Ltd., The Hiroshima Bank, Ltd., |
| Date of borrowing             | February 29, 2016  |
| Maturity date                 | March 29, 2019   |
| Borrowing balance             | JPY2,000M  |

|                               |  |
|-------------------------------|--|
| Loan subject to be refinanced | Term Loan 21-1   |
| Lender                        | Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd. |
| Date of borrowing             | March 28, 2016   |
| Maturity date                 | March 29, 2019   |
| Borrowing balance             | JPY960M  |

|                               |   |
|-------------------------------|---|
| Loan subject to be refinanced | Term Loan 21-2  |
| Lender                        | The Nomura Trust and Banking Co., Ltd., Development Bank of Japan Inc., The Chiba Bank, Ltd., The Bank of Fukuoka, Ltd. |
| Date of borrowing             | March 31, 2016  |
| Maturity date                 | March 29, 2019  |
| Borrowing balance             | JPY1,140M   |

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

(Unit: millions of yen)

| Category                           |                      | Before  | After   | Variance |
|------------------------------------|----------------------|---------|---------|----------|
|                                    | Short-term loans     | 2,000   | 6,000   | +4,000   |
|                                    | Long-term loans (*2) | 103,071 | 98,971  | (4,100)  |
| Total Loans                        |                      | 105,071 | 104,971 | (100)    |
| Total investment corporation bonds |                      | 31,600  | 31,600  | 0        |
| Total interest-bearing debt        |                      | 136,671 | 136,571 | (100)    |

(\*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.

\* The fixed interest rate ratio to the total interest-bearing debt after the Refinancing is forecasted to be around 92%.

5. Future Prospects

The impact of the Refinancing is subtle and no change is required for the operating forecast for the fiscal year ending December 2019 (January 1, 2019 through December 31, 2019).

6. Other

With respect to the risks of the New Loans, no important change is required for the “Investment Risks” in the Securities Report submitted on today (Japanese only).

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