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Notice Concerning Conclusion of the Interest Rate Swap Contract

With reference to the borrowings below announced by the press release “Notice Concerning New Loan (Refinance)” dated November 8, 2012, Japan Hotel REIT Investment Corporation has concluded the Interest Rate Swap Contract as below to fix the interest rate for hedging against fluctuation of the interest rate and enhancement of the financial stability.

- The borrowings to which the Interest Rate Swap Contracts have been concluded.

	Lenders	Loan balance	Rate of interest	Repayment date
Facility O	Sumitomo Mitsui Banking Corporation The Hiroshima Bank, Ltd. The Tokyo Star Bank, Ltd.	JPY1.6B	Japanese Yen TIBOR for 3 months in JBA + 0.85%	November 15, 2015
Facility P	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. The Norinchukin Bank	JPY4.6532B	Japanese Yen TIBOR for 3 months in JBA +1.00%	March 26, 2016
Facility Q	Sumitomo Mitsui Banking Corporation Shinsei Bank, Ltd. The Tokyo Star Bank, Ltd.	JPY6.5B	Japanese Yen TIBOR for 3 months in JBA + 1.05%	November 15, 2017

## 2. Detail of the Interest Rate Swap Contracts

### <The Interest Rate Swap Contract for Facility O>

1. Counterparty	Goldman Sachs Japan Co., Ltd.
2. Assumed principal	JPY1.6B
3. Interest rate	Fixed interest rate to pay 0.28800% Floating interest rate to receive Japanese Yen TIBOR in JBA (3 months)
4. Contract term	February 28, 2013 to November 15, 2015
5. Interest payment date	For both paying the fixed interest rate and receiving the floating interest rate, the first interest will be paid/received on the end of May 2013. Then it will be paid/received at the end of August, the end of November, the end of February, the end of May, and the end of the contract term. (If the day was not a business day, it shall be the next business day. If it comes under the next month, it shall be the business day immediately before the original day.)

- The interest rate of 1.138% will be substantially fixed for Facility O by this Interest Rate Swap Contract.

### <The Interest Rate Swap Contract for Facility P>

1. Counterparty	Goldman Sachs Japan Co., Ltd.
2. Assumed principal	JPY4.6532B
3. Interest rate	Fixed interest rate to pay 0.29000% Floating interest rate to receive Japanese Yen TIBOR in JBA (3 months)
4. Contract term	February 28, 2013 to March 26, 2016
5. Interest payment date	For both paying the fixed interest rate and receiving the floating interest rate, the first interest will be paid/received on the end of May 2013. Then it will be paid/received at the end of August, the end of November, the end of February, the end of May, and the end of the contract term. (If the day was not a business day, it shall be the next business day. If it comes under the next month, it shall be the business day immediately before the original day.)

- The interest rate of 1.29% will be substantially fixed for Facility P by this Interest Rate Swap Contract.

### <The interest rate swap contract for Facility Q>

1. Counterparty	Goldman Sachs Japan Co., Ltd.
2. Assumed principal	JPY6.5B
3. Interest rate	Fixed interest rate to pay 0.33000% Floating interest rate to receive Japanese Yen TIBOR in JBA (3 months)
4. Contract term	February 28, 2013 to November 15, 2017
5. Interest payment date	For both paying the fixed interest rate and receiving the floating interest rate, the first interest will be paid/received on the end of May 2013. Then it will be paid/received at the end of August, the end of November, the end of February, the end of May, and the end of the contract term. (If the day was not a business day, it shall be the next business day. If it comes under the next month, it shall be the business day immediately before the original day.)

- The interest rate of 1.38% will be substantially fixed for Facility Q by this Interest Rate Swap Contract.



3. Outlook going forward

No impact is assumed for the operating forecast of FY12/2012 (April 1, 2012 through December 31, 2012), as the above Interest Rate Swap Contract will be effective from February 28, 2013.

4. Other

With respect to the loan repayment risk, no significant change has been made to “Investment Risk” of the Securities Report submitted on August 28, 2012.

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