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REIT Issuer:

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Notice Concerning Issuance of New investment Units and Secondary Offering

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) has resolved at the Board of Directors meeting today to issue new investment units and secondary offering as follows:

1. Issuance of new investment units through public offering (Primary offering)

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| (1) | Number of investment units to be offered: | 510,000 units |
| (2) | Issue price
(Offer price): | To be determined
The issue price (offer price) shall be determined by taking the price arrived at when the closing price in regular trading of the investment units of JHR (“JHR investment units”) on the Tokyo Stock Exchange, Inc. on any day between April 10, 2013 (Wed) through April 15, 2013 (Mon) (the “Pricing Date”) (when there is no closing price on that day, the closing price on the most recent day preceding that day) is multiplied by a factor between 0.90 and 1.00 (price shall be rounded down to the nearest 1 yen) as the provisional condition, in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting, etc. of Securities provided by the Japan Securities Dealers Association, then taking the demand conditions and other factors into account. |
| (3) | Paid-in amount
(Issue value): | To be determined
The paid-in amount (issue value) shall be determined on the Pricing Date in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting, etc. of Securities provided by the Japan Securities Dealers Association. Please note that the paid-in amount (issue value) refers to the amount per JHR investment unit that JHR is to receive as the amount paid in for new investment units. |
| (4) | Total paid-in amount
(Issue value): | To be determined |

Note: This documents is intended to serve as a press release to make available the information on public offerings and secondary offering of units. This documents should not be construed as an offer to sell or solicitation of an offer to purchase any unit or other investment of JHR. Prospective investors are advised to read the JHR's prospectus for new unit issuance and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

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| (5) | Offering method: | The offering shall be a primary offering in which all JHR investment units subject to the primary offering shall be purchased and underwritten by an underwriting syndicate (“Underwriters”) of which managed by Daiwa Securities Co. Ltd., and SMBC Nikko Securities Inc. (collectively referred to as the “Co-lead Managers”). |
| (6) | Underwriting agreement details: | The Underwriters shall purchase and underwrite JHR investment units at the Paid-in amount determined on the Pricing Date, and conduct a primary offering at an amount that differs to the concerned Paid-in amount (Issue value). JHR shall not pay an underwriting fee to the Underwriters. However, the Underwriters shall pay in the total paid-in amount (issue value) on the payment date stated in (9) below, and the difference between the total issue price (offer price) and total paid-in amount (issue value) shall be the proceeds of the Underwriters. |
| (7) | Subscription unit: | 1 unit or more in multiples of 1 unit |
| (8) | Subscription period: | The subscription period shall be between the business day following the Pricing Date and the date that marks two business days after the Pricing Date. |
| (9) | Payment date: | The payment date shall be any day between April 17, 2013 (Wed) and April 22, 2013 (Mon). However, the date shall be five business days after the Pricing Date. |
| (10) | Transfer date: | The transfer date shall be the business day following the payment date. |
| (11) | When the offering through Underwriters is suspended, the primary offering is also suspended. | |
| (12) | The issue price (offer price), paid-in amount (issue value) and other matters necessary for this issuance of new investment units shall be determined at JHR’s future meeting of the Board of Directors. | |
| (13) | Each of the items above is subject to the condition that the securities registration statement filed in accordance with the Financial Instruments and Exchange Act takes effect. | |

2. Secondary Offering of the investment units (Offering through the Underwriter)

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| (1) | Number of investment units to be offered: | 190,000 units |
| (2) | Seller: | Daiwa Securities Co. Ltd. |
| (3) | Selling price | To be determined |
| | | Pursuant to the method stated in Article 25 of the Regulations Concerning Underwriting, etc. of Securities provided by the Japan Securities Dealers Association, the price will be determined by taking the price arrived at when the closing price in regular trading of the investment units of JHR on the Tokyo Stock Exchange, Inc. on the Pricing Day (when there is no closing price on that day, the closing price on the most recent day preceding that day) is multiplied by a factor between 0.90 and 1.00 (price shall be rounded down to the nearest 1 yen) as the provisional condition, taking the demand conditions and other factors into account. The selling price is to be the same as the issue price (offer price) of the primary offering. |
| (4) | Offering method | The investment units shall be offered through the |

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Underwriters and the all investment units shall be purchased by the Underwriters. The compensation of the Underwriters is the total amount obtained by subtracting the underwriting price which is to be paid by the Underwriters to the Seller from the amount of the selling price.

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| (5) | Total selling price : | To be determined |
| (6) | Subscription unit: | 1 unit or more in multiples of 1 unit |
| (7) | Subscription period: | The subscription period is to the same as the subscription period of the primary offering. |
| (8) | Transfer date | The transfer date is to the same as the transfer date of the primary offering. |
| (9) | The seller shall purchase 109,257 investment units of JHR and 80,743 investment units of JHR from Taiyo Investment Special Purpose Company and Umi Investment Special Purpose Company respectively (hereinafter called "Purchase by Daiwa Securities") and 190,000 units in total shall be sold. In the event that purchase by Daiwa Securities is suspended, the offering through the Underwriters is also suspended. In the event that the offering through the Underwriters is suspended, the Purchase by Daiwa Securities is also suspended. | |
| (10) | When the primary offering is suspended, the offering through the Underwriters will also be suspended. | |
| (11) | The selling price and other necessary matters for offering the investment units shall be determined at the JHR's future meeting of the Board of Directors. | |
| (12) | Each of the items above is subject to the condition that the securities registration statement filed in accordance with the financial Instruments and Exchange Act takes effect. | |

3. Secondary offering (Secondary offering through over-allotment) (See <Reference 1> below)

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| (1) | No. of investment units to be sold | 51,000 units
The number of investment units to be sold above indicates the maximum number of investment units of the secondary offering through over-allotment. There may be cases where the number is reduced in light of demand conditions and other factors, or there may be cases where the secondary offering through over-allotment itself does not take place at all. The number of investment units to be sold shall be determined on the Pricing Date, taking the demand conditions and other factors into account. |
| (2) | Seller: | Daiwa Securities Co. Ltd. |
| (3) | Selling price: | To be determined.
The selling price shall be determined on the Pricing Date. The selling price shall be the same as the issue price (Offer price) of the primary offering. |
| (4) | Total selling price: | To be determined |
| (5) | Offering method: | Upon the primary offering and offering through the Underwriters, taking the demand conditions and other factors of those into account, Daiwa Securities Co. Ltd. will conduct, separate from the primary offering and offering through the Underwriters, a secondary offering of JHR investment units that it is to borrow from JHR unitholders with 51,000 units set as the maximum number. |
| (6) | Subscription unit: | 1 unit or more in multiples of 1 unit |
| (7) | Subscription period: | The subscription period is to the same as the subscription period of the primary offering. |

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- (8) Transfer date: The transfer date shall be the same as the transfer date of the primary offering.
- (9) When the primary offering or offering through the underwriters is suspended, the secondary offering through over-allotment is also suspended.
- (10) The number of investment units to be sold, selling price and other matters necessary for this secondary offering of investment units shall be determined at JHR's future meeting of the Board of Directors .
- (11) Each of the items above is subject to the condition that the securities registration statement filed in accordance with the Financial Instruments and Exchange Act takes effect.

<Reference>

1. Secondary offering through over-allotment

Upon the primary offering and offering through the Underwriters, taking the demand conditions and other factors into account, Daiwa Securities Co. Ltd. may offer the investment units borrowed from the unitholders of JHR (hereinafter called "Borrowed Investment Units"), the maximum units of 51,000 units (secondary offering through over-allotment). 51,000 units have been currently scheduled for the secondary offering through the over-allotment but this is the maximum number of issuance and it may decrease or secondary offering through the over-allotment will not take place at all depending on the condition.

In association with this secondary offering through over-allotment, the unitholders of JHR will provide Daiwa Securities Co. Ltd. with the right to acquire the additional investment units of JHR up to the maximum number of investment units designated for the over-allotment (hereinafter called "Green Shoe Option") from the day following the close of the subscription period designated for the primary offering, offering through the Underwriters and secondary offering through the over-allotment (hereinafter called "Subscription Period") through May 10, 2013 (Fri).

Daiwa Securities Co., Ltd. may be required to conduct stabilizing transaction in relation to the primary offering, offering through the Underwriters, and secondary offering through the over-allotment. The all or a part of the investment units purchased through such stabilizing transaction may possibly be used for returning the borrowed investment units.

In order to return the borrowed investment units, there may be cases where Daiwa Securities Co. Ltd. may also acquire the investment units up to the number of investment units for the secondary offering through the over-allotment at the Tokyo Stock Exchange, Inc. (hereinafter called "Syndicated Cover Transaction") during the period from the day following the close of the subscription period until May 10, 2013 (Fri) (hereinafter called "Syndicated Cover Transaction Period"). All of the investment units acquired by Daiwa Securities Co. Ltd. through the syndicated cover transaction will be used for returning the borrowed investment units. There may be cases where Daiwa Securities Co. Ltd. does not conduct the syndicated cover transaction at all or completes the syndicated cover transaction with the number of investment units which are less than the number of investment units offered through the secondary offering through over-allotment, at its own discretion.

For the number of investment units as a result of reducing the number of investment units acquired through the syndicated cover transaction and stabilizing transactions and used to return the borrowed investment units from the number of investment units for the secondary offering through over-allotment, Daiwa Securities Co. Ltd. intends to exercise the green shoe option.

Whether the secondary offering through over-allotment takes place or not, or the number of the investment units to be sold through the secondary offering through over-allotment if secondary offering through the over-allotment takes place will be determined on the Pricing Date. If secondary offering through the over-allotment does not take place, Daiwa Securities Co. Ltd. does not borrow the investment units from the unitholders, unitholders of JHR will not provide Daiwa Securities Co. Ltd. with green shoe option, and syndicate cover transaction will not take place at Tokyo Stock Exchange, Inc. The foregoing transaction will be conducted upon consultation between Daiwa Securities Co. Ltd. and SMBC Nikko Securities Inc.

2. Total number of issued investments units after new issue

Total number of issued investment units	2,111,281 units
Number of additional investment units to be issued through the primary offering	510,000 units
Total number of issued investment units after the primary offering	2,621,281 units

3. Purpose and rationale of issuance

JHR plans to acquire, “Hilton Tokyo Bay Hotel”, the so-called trophy asset of JHR and the biggest property to be in the portfolio. JHR believes that the acquisition of a large scale property will not only expand the asset size and improve the profitability but strengthen the portfolio stability further. In addition, acquisition of one of the prominent hotels in Japan will greatly contribute to enhance the publicity and image of JHR. JHR determined to issue the new investment units considering the financial soundness of JHR, market trend, and dividend level per unit. Simultaneously with the above fundraising, JHR will also offer the units through the seller, Daiwa Securities Co. Ltd., to improve the liquidity of the investment units.

4. Amount of funds to be procured, intended use and payment schedule

(1) Amount of funds to be procured (Ballpark net amount JHR will receive)

JPY17,146,200,000.-

(Note: The amount is the forecast calculated by using the closing price of the regular transaction at Tokyo Stock Exchange, Inc. dated March 22, 2013 (Fri).)

(2) Concrete intended use of the funds to be procured and payment schedule

The net amount to be received by the primary offering, JPY17,146,200,000, will be allocated to the new acquisition funds notified by “Notice Concerning Acquisition of New Assets (Hilton Tokyo Bay Hotel)” dated today. In the event that the amount remains, it will be saved for the future property acquisition or repayment of loan.

5. Designated destination of distribution

None

6. Future prospect

Please refer to “Notice Concerning the Revision of the Operating Forecast for the Fiscal Year December 2013 (14th period)”.

7. Operating results of the last three fiscal terms and status of the equity finance

(1) Operating result of the past three fiscal terms

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	Fiscal period September 2011	Fiscal period March 2012	Fiscal year December 2012
Current net profit per unit (*1,2,3)	JPY713	JPY680.-	JPY9,711.-
Dividend per unit(*1)	JPY8,502.-	JPY8,166.-	JPY1,427.-
Actual payment ratio (*4)	99.3%	100%	15.8%
Net asset per unit(*2)	JPY33,969.-	JPY33,941.-	JPY32,686.-

- *1) The financial settlement of the fiscal year December 2012 is irregular (nine months from April 1, 2012 through December 31, 2012) owing to the change of the financial settlement period. Therefore, the current net profit and dividend per unit in the fiscal year December 2012 are not for a full year.
- *2) JHR has divided one investment unit into twelve effective on April 1, 2012. The current net profit has been calculated based on the premise that the investment unit was divided at the beginning of the fiscal period September 2011. The current net profit per unit for the fiscal year December 2012 has been calculated based on the average number of investment units during the term, and the net asset per unit has been calculated based on the number of investment units issued as of the end of the term.
- *3) The current net profit for the fiscal year December 2012 includes the extraordinary profit, negative goodwill of JPY18,578B, and it is different from the dividend source.
- *4) Actual payment ratio for the fiscal period September 2011 and the fiscal period March 2012 is “Dividend per unit / Current net profit per unit x 100”. Actual payment ratio of the fiscal year December 2012 is “Total dividend amount (excluding the total dividend from excess of earning surplus) / Current net profit x 100.” Fraction less than two decimal places is rounded off.

(2) Recent price of the investment unit

a) Status of the recent three fiscal terms

	Fiscal period September 2011(*2)	Fiscal period March 2012 (*2)	Fiscal year December 2012 (*2)
Opening price	JPY21,083.-	JPY16,208.-	JPY18,670.-
High	JPY24,166.-	JPY19,550.-	JPY25,110.-
Low	JPY16,583.-	JPY15,008.-	JPY17,830.-
Closing price	JPY16,583.-	JPY18,700.-	JPY23,880.-

- *1) Opening price, high price, low price and closing price are JHR's regular trading prices of the Tokyo Stock Exchange, Inc. and they are indicated for comparison.
- *2) JHR has divided a unit into twelve effective on April 1, 2012. The above was made based on the premise that the investment unit was divided at the beginning of the fiscal period September 2011.

b) Status of the recent six months

	November 2012	December	January 2013	February	March	April (*2)
Opening price	JPY22,780.-	JPY24,000.-	JPY24,170.-	JPY28,910.-	JPY31,600.-	JPY36,600
High	JPY24,090.-	JPY25,110.-	JPY29,790.-	JPY31,600.-	JPY40,950	JPY36,600
Low	JPY22,050.-	JPY23,720.-	JPY23,670.-	JPY27,890.-	JPY31,100	JPY36,600
Closing price	JPY24,090.-	JPY23,880.-	JPY29,790.-	JPY31,150.-	JPY39,350	JPY36,600

- *1) Opening price, high price, low price and closing price are JHR's regular trading prices of the Tokyo Stock Exchange, Inc. and they are indicated for comparison.
- *2) The price of April 2013 is as of April 1, 2013.

c) Investment unit price on the business day preceding the resolution day of the issuance.

	April 1, 2013
Opening price	JPY39,500.-
High	JPY40,000.-
Low	JPY36,500.-
Closing price	JPY36,600.-

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(3) Status of the equity finance for the recent three fiscal terms

a) Public offering

Date of Issuance	September 12, 2012
Procured amount	JPY4,855,680,000.- (Ballpark net amount)
Issue price	JPY20,232 per unit
No. of units issued at offering	1,859,281 units
No. of units issued for this offering	240,000 units
Total No. of units issued after the offering	2,099,281 units
Initial intended use at offering	To be allocated to the acquisition funds (*)
Scheduled payment period at offering	September 2012
How it has been allocated as of today	The all amount has been allocated according to the initial intended use.

*See “Notice Concerning Acquisitions of New Assets (“Hotel Keihan Universal City” and “Hotel Sunroute Shinbashi”)

dated August 28, 2012 for detail.

b) Capital increase through the third-party allotment

Date of issuance	October 11, 2012
Procured amount	JPY242,784,000 (Ballpark net amount)
Issue price	JPY20,232 per unit
No. of units issued at offering	2,099,281 units
No. of units issued for this offering	12,000 units
Total No. of units issued after the offering	2,111,281 units
Allottee and No. of units allotted	Daiwa Securities Co. Ltd. 12,000 units
Initial intended use at offering	To be allocated to repay loan.
Scheduled payment period at offering	Undetermined
How it has been allocated as of today	The all amount has been allocated according to the initial intended use.

Date of issuance	April 6, 2011
Procured amount	JPY3,599,969,400.- (Ballpark net amount)
Issue price	JPY227,400 per unit
No. of units issued at offering	42,200 units
No. of units issued for this offering	15,831 units
Total No. of units issued after the offering	58,031 units
Allottee and No. of units allotted	Umi Investment Special Purpose Company 14,450 units Opal Paramount Sdn Bhd 1,381 units
Initial intended use at offering	To be allocated to the acquisition funds (*)
Scheduled payment period at offering	April 2011
How it has been allocated as of today	The all amount has been allocated according to the initial intended use.

*See “Notice Concerning Acquisition of New Assets (“Nihonbashi Bakurocho NH Building “Comfort Hotel Tokyo Higashi Nihonbashi” and Kumamoto NH Building “Dormy Inn Kumamoto”) dated March 22, 2011 for detail.

8. Other (Restrictions on disposition and additional issuance of new investment units)

- (1) With reference to the primary offering and offering through the Underwriters, the unitholders of JHR such as Taiyo Investment Special Purpose Company, Umi Investment Special Purpose Company and Opal Paramount Sdn Bhd have agreed with the Co-lead Managers not to sell the investment units they

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own as of today, for the period of sixty days after the transfer date of the offerings above starting from the Pricing Date, without written approval of the Co-lead Managers in advance. (It excludes the Purchase by Daiwa Securities Co. Ltd., lending units to Daiwa Securities Co. Ltd. for Secondary offering through the over-allotment, and selling units to Daiwa Securities Co. Ltd. for the green shoe option.) The above-mentioned unitholders belong to the major sponsor of the asset management company of JHR. The main sponsor will continuously retain its position after Purchase by Daiwa Securities, the primary offering and offering through the Underwriters and continuously own the investment units of JHR. The main sponsor has already confirmed through the asset management company of JHR that they intend to continuously invest in the asset management company of JHR and involve in the operation of JHR through dispatching Director(s).

The number of investment units each unitholder owns as of December 31, 2012 is as follows:

Name of the unitholders	No. of investment units owned
Taiyo Investment Special Purpose Company	257,059 units
Umi Investment Special Purpose Company	173,400 units
Opal Paramount Sdn Bhd	16,572 units
Total	447,031 units

(*) The investment units jointly owned by the above unitholders of JHR after the Purchase by Daiwa Securities, primary offering and offering through the Underwriters complete (In case all green shoe option indicated on <Reference> 1. "Secondary offering through the over-allotment" is all executed.) are 206,031 units. (Ownership share to the total investment units after the issuance of investment units through primary offering, (2,621,281 units), is 7.86%. (Fraction less than two decimal places is rounded down.)

- (2) With reference to the primary offering and offering through the Underwriters, JHR has agreed with Co-lead managers not to issue new investment unit for the period of ninety days after the Transfer date of the above offerings starting from the Pricing Date, without written approval of Co-lead managers in advance.

The Co-lead Managers have been authorized to remove restriction (1) and (2) above partially or entirely in their own discretion.

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