



<p>This English translation is prepared for information purpose only. If any discrepancy is identified between this translation and the Japanese original, the Japanese original shall prevail.</p>
--

October 29, 2013

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
Yukio Isa, Executive Director

Asset Management Company:

Japan Hotel REIT Advisors Co., Ltd.
Hiroyuki Suzui, Representative Director

Contact:

Kazuyuki Udo
Director and Officer
Management & Planning Office
Phone: +81-3-6422-0530

Notice Concerning New Loan (Determination of conditions and interest rate, etc.)

With reference to the new loan announced by our press release “Notice Concerning New Loan” dated September 30, 2013 (hereinafter called “new loan”), Japan Hotel REIT Investment Corporation informs you that the conditions and interest rate have been determined as follows:

1. Detail of the new loan:

(1) Facility T

- | | | |
|----|------------------------------------|--|
| a. | Lenders: | Sumitomo Mitsui Banking Corporation
Sumitomo Mitsui Trust Bank, Limited
Mizuho Bank, Co., Ltd.
Shinsei Bank, Limited |
| b. | Amount of the new loan: | JPY3B |
| c. | Interest rate: | Base interest rate (Japanese Yen TIBOR for three months in JBA) + 0.60% (*) |
| d. | Date of borrowing: | October 31, 2013 |
| e. | Method of borrowing: | The Term Loan Agreement (Facility T) to be concluded with the lenders indicated on above a. today based on the Modification Agreement for the Base Agreement concluded in April 24, 2013 and Written Agreement concluded with all lenders dated March 30, 2012. |
| f. | Interest payment date: | Interest will be paid on December 30, 2013 first. It will then be paid on the end of every three months thereafter (If it is not a business day, it will be paid on the following business day. If it falls on the next month, it will be paid on the preceding business day.) and on the maturity date. |
| g. | Method of the principal repayment: | Lump-sum payment on the maturity date |
| h. | Date of the principal repayment: | September 30, 2018 (If it is not a business day, it will be paid on the following business day. If it falls on the next month, it will be paid on the preceding business day.) |
| i. | Collateral: | Requested. |

*Please refer to the website of Japanese Bankers Association for confirming the base interest rate (Japanese Yen TIBOR for three months in JBA) <http://www.zenginkyo.or.jp/tibor/>.

However, the base interest rate for the first compounding interval (October 31, 2013 through December 29, 2013) is to be the rate practically determined by the individual agent as the offered rate for the debt-credit transaction in Japanese Yen in Tokyo Interbank market for the period nearest to the compounding interval of the loan above at 11:00am or immediately preceding 11:00am of the day in which the interest rate is determined.

Therefore, the base interest rate for the period above will be 0.18%, and the interest rate of Facility T will be 0.78%

2. Status of the interest-bearing debts before and after the new loan

(JPY1M)			
Category	Before the new loan	After the new loan	Fluctuation
Short-term loan	2,888	2,888	0
Long-term loan that will be repaid within one year	14,429	14,429	0
Long-term loan	53,850	56,850	+3,000
Total loans	71,168	74,168	+3,000
Investment Corporation Bonds that will be redeemed within one year	2,000	2,000	0
Total interest-bearing debts	73,168	76,168	+3,000

* The balance after the contractual repayment (JPY23.875M) scheduled to be made on the date of new loan.

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