



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

November 20, 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 Issuance of Investment Corporation Bonds

This is to inform you that Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) has determined to issue the investment corporation bonds as below based on the comprehensive resolution at the Board of Directors meeting dated September 3, 2013.

1. Summary of the investment corporation bonds

(1) Name of the investment corporation bonds

Second unsecured investment corporation bonds of JHR (Pari Passu covenants between investment corporation bonds are attached.) (Hereinafter called “Bonds”).

(2) Total amount of Bonds

JPY 2,500,000,000.-

(3) Form of Bonds

Abiding by applicable Act on Book-Entry Transfer of Company Bonds, Shares, etc., JHR will not issue the bonds certificate.

(4) Issue price

JPY100 for JPY100 of each Bond.

(5) Redemption price

JPY100 for JPY100 of each Bond.

(6) Interest rate

0.89% per annum

(7) Amount of each Bond

JPY100,000,000.-

(8) Offering method

Public offering

(9) Subscription date

November 20, 2013 (Wed)

(10) Payment date

November 26, 2013 (Tue)

(11) Collateral

Neither collateral nor guarantee is provided for Bonds, and no asset has been particularly secured for Bonds.

(12) Redemption method and date

The total amount of Bonds will be redeemed on November 25, 2016.

Redemption by purchase will be available any time on and after the following day of the payment date except for the case separately determined by the depository.

(13) Interest payment date

May 26 and November 26 each year

(14) Financial covenants

Negative pledge clause is applicable.

(15) Ratings of JHR

A (Japan Credit Rating Agency, Ltd.)

A- (Rating and Investment Information, Inc.)

(16) Fiscal agent, issuing agent and payment agent

Sumitomo Mitsui Banking Corporation

(17) Underwriting securities firms

SMBC Nikko Securities Inc.

Daiwa Securities Co., Ltd.

2. Rationale for issuance

It will be the funds for redeeming the first investment corporation bonds of JHR (JPY2,000,000,000.-), as well as for acquiring the specified asset(s) in future.

3. The procured amount, use and timing for spending (plan)

(1) The amount to be procured (ballpark net amount)

JPY2,481,000,000.-

(2) Concrete use of the procured amount and timing for spending (plan)

It will be the funds for redeeming the first unsecured investment corporation bonds of JHR (JPY2,000,000,000.-) on December 27, 2013. The remaining amount is scheduled to be reserved for future acquisition(s) of the specified asset(s).

4. Interest-bearing debts after issuance of the Bonds

(Unit: JPY1M)

Category		Before issuance of the Bonds	After issuance of the Bonds	Fluctuation
	Short-term loan	2,676	2,676	0
	Long-term loan to be repaid within one year	13,727	13,727	0
	Long-term loan	56,057	56,057	0
Total borrowings		72,462	72,462	0
	Investment corporation bonds of JHR to be redeemed within one year	2,000	2,000	0
	Investment corporation bonds except for those that are scheduled to be redeemed within one year.	0	2,500	+ 2,500
	Total Investment corporation bonds	2,000	4,500	+ 2,500
Total interest-bearing debts		74,462	76,962	+ 2,500

(*) The amount is rounded down to the nearest one million yen.

5. Other necessary matters that the investors ought to know for understanding and judging the information above appropriately

With respect to the risk in relation to redemption of the Bonds, etc., no important change is required for the Securities Report for the 13th period submitted on March 22, 2013 and “Investment Risk” of the mid-period Securities Report for the 14th period submitted on September 20, 2013.