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REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)

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Notice Concerning New Loan (Refinancing)

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that the Board of Directors meeting of JHR resolved below for the new borrowing (hereinafter called “New loan”) today.

1. Rationale for the borrowing

New loan will be allocated to repay the following loans:

Loan name	Lenders	Loan balance	Borrowing date	Repayment due date
Facility G	Resona Bank, Limited. Shinsei Bank, Limited	5,000,000,000	February 15, 2011	March 31, 2014
Tranche B	Sumitomo Mitsui Banking Corporation Resona Bank, Limited. Shinsei Bank, Limited Sumitomo Mitsui Trust Bank, Limited	4,765,250,000	March 31, 2011	March 31, 2014
Tranche F	Sumitomo Mitsui Banking Corporation The Nomura Trust and Banking Co., Ltd. The Chiba Bank, Ltd. Sampo Japan Insurance Inc.	2,663,603,000	March 29, 2013	March 31, 2014
Total loan amount		12,428,853,000		

2. Total amount of New loan

JPY10,406,000,000 (Plan)

The difference between the total loan amount and New loan, JPY2,022,853,000, will be covered using the net proceeds of the third investment corporation bonds issued in March 19, 2014, and cash on hand.

3. Detail of New loan

(1) Term loan 1 <Term: 4 years> (*1)

Lenders	Sumitomo Mitsui Banking Corporation Resona Bank, Limited. Shinsei Bank, Limited Sumitomo Mitsui Trust Bank, Limited The Nomura Trust and Banking, Co., Ltd. The Chiba Bank, Ltd. Sampo Japan Insurance Inc.
Loan amount	JPY3,606,000,000 (Plan)
Interest rate	Base interest rate (Japanese Yen TIBOR for three months in JBA) + 0.45% (*2)
Borrowing date	March 31, 2014 (Plan)
Borrowing method	The loan agreement to be concluded with each aforementioned lender on March 27, 2014 based on the Basic Agreement concluded in November 13, 2013 (including subsequent changes). (Syndicated loan method)
Interest payment date	The first interest payment date shall be June 30, 2014. The interest shall be subsequently paid on the end of every three months (If the end of the month is not a business day, it shall be paid on the preceding business day.) and on the due date of principal payment.
Principal repayment method	JPY19,000,000 shall be repaid on June 30, 2014, and the same amount will be subsequently repaid on the end of every three months (If the end of the month is not a business day, it shall be repaid on the preceding business day.) The all remaining amount shall be repaid on the due date of principal payment.
Due date of principal payment	March 31, 2018. (If it is not a business day, it shall be repaid on the preceding business day.)
Collateral	Secured

(2) Term loan 2 <Loan term: 7 years> (*1)

Lenders	Sumitomo Mitsui Banking Corporation Resona Bank, Limited. Shinsei Bank, Limited Sumitomo Mitsui Trust Bank, Limited
Loan amount	JPY6,800,000,000 (Plan)
Interest rate	Base interest rate (Japanese Yen TIBOR for three months in JBA) + 0.60% (*2)
Borrowing date	March 31, 2014 (Plan)
Borrowing method	The loan agreement to be concluded with each aforementioned lender on March 27, 2014 based on the Basic agreement concluded in November 13, 2013 (including subsequent changes). (Syndicated loan method)
Interest payment date	The first interest payment date shall be June 30, 2014. The interest shall be subsequently paid on the end of every three months (If the end of the months is

	not a business day, it shall be paid on the preceding business day.) and on the due date of principal payment.
Principal repayment method	Lump-sum payment shall be made on the repayment due date.
Due date of principal payment	March 31, 2021 (If it is not a business day, it shall be repaid on the preceding business day.)
Collateral	Secured

(*1) The new borrowing(s) (including refinancing) to be made after New loan will be collectively called “Term loan” (Plan).

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

4. Interest-bearing debts before and after New loan (Plan)

(Unit: JPY M)

Category		Before New loan	After New loan (*1)	Fluctuation
	Short term loan	2,663	0	-2,663
	Long term loan due within one year	20,528	10,826	-9,702
	Long term loan	48,538	58,725	+ 10,186
Total loans		71,731	69,551	-2,179
Investment corporation bonds		4,500	4,500	0
Total interest bearing debts		76,231	74,051	-2,179

(*1) It is the amount after the contractual repayment due on March 31, 2014, (JPY156,375,000) and payment of the amount indicated on above 2 (JPY2,022,853,000) (Plan).

(*2) The numbers less than JPY1M is rounded down.

5. Other

With respect to the risk in relation to repayment of New loan, etc., no important change is required for the “Investment Risk” on the Securities Report for the 14th period submitted today.