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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
TEL : +81-3-6422-0530

Notice Concerning Conclusion of Interest Rate Swap Contract

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that JHR concluded the interest rate swap contract with the aim of fixing the interest rate as follows:

1. Loans for which interest rates are fixed

Loan names	Lenders	Loan amount (Plan) (JPY M)	Interest rate	Borrowing date (Plan)	Repayment due date
Term loan 1	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. Sompo Japan Insurance Inc.	3,606	Japanese Yen TIBOR for three months in JBA + 0.45%	March 31, 2014	March 31, 2018
Term loan 2	Sumitomo Mitsui Banking Corporation Resona Bank, Limited. Shinsei Bank, Limited Sumitomo Mitsui Trust Bank, Limited	6,800	Japanese Yen TIBOR for three months in JBA + 0.60%	March 31, 2014	March 31, 2021

*For detail of Term loan 1 and 2, please refer to our press release “Notice Concerning New Loan (Refinancing)” dated March 20, 2014. The interest rates for these loans shall be substantially fixed as below, thus no press release is scheduled for the determined interest rate.

2. Detail of the interest rate swap contract

(1) Interest rate swap contract for Term loan 1

Counterparty	Daiwa Securities Co. Ltd.
Notional principal	JPY3.321B (Principal balance on the repayment due date)
Interest rate	Fixed interest rate to pay 0.27738% Variable interest rate to receive (Japanese Yen TIBOR for three months in JBA)
Contract term	March 31, 2014 through March 31, 2018
Interest payment date	The first interest payment date is June 30, 2014. Then, the interest shall be paid on the end of every three months and on the expiration date of the contract. (If the payment date is not a business day, it shall be paid on the preceding business day.)

*Through conclusion of this interest rate swap contract, 0.72738% shall be substantially fixed for the interest rate for Term loan 1.

(2) Interest rate swap contract for Term loan 2

Counterparty	Daiwa Securities Co. Ltd.
Notional principal	JPY6.8B
Interest rate	Fixed interest rate to pay 0.55039% Variable interest rate to receive (Japanese Yen TIBOR for three months in JBA)
Contract term	March 31, 2014 through March 31, 2021
Interest payment date	The first interest payment date shall be June 30, 2014. Then, the interest shall be paid on the end of every three months and on the expiration date of the contract. (If the payment date is not a business day, it shall be paid on the preceding business day.)

*Through conclusion of this interest rate swap contract, 1.15039% shall be substantially fixed for the interest rate for Term loan 2.

3. Future outlook

The impact for the operating forecast for the fiscal period December 2014 (January 1, 2014 through December 31, 2014) is slight thus no change is required.

4. Other

With respect to the risk in relation to repayment of the aforementioned loans, etc., no important change is required for the “Investment Risk” on the Securities Report for the 14th period submitted on March 20, 2014.