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Notice Concerning New Loan (Refinancing), Partial Prepayment of Existing Loans
and Partial Cancellation of Interest Rate Swap Contract

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that JHR resolved today on new borrowing (hereinafter called the “New Loan”), partial prepayment of existing loans (hereinafter called the “Prepayment”) and partial cancellation of interest rate swap contract.

1. Summary of the New Loan

JHR will effectively refinance the investment corporation bond, which is due on December 17, 2021 (hereinafter called the “Investment Corporation Bond to Be Redeemed”).

2. Details of the New Loan

(1) Total Amount of the New Loan

JPY1,500M

(2) Details of the New Loan

Name of loan	Term Loan 72
Lender	Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Development Bank of Japan Inc.
Amount of the New Loan	JPY1,500M
Interest Rate	Base interest rate (JBA Japanese Yen TIBOR for 3 months) + 0.50% (*1) (*2)
Date of borrowing	December 16, 2021 (plan)
Method of borrowing	Individual loan contracts to be concluded on December 14, 2021 with the lenders indicated above based on the Basic Agreement concluded on November 13, 2013 (including subsequent amendments).
Interest payment date	The first interest payment date is the end of December 2021. Subsequent interest payment dates shall be at the end of March 2022, the end of June 2022, the end of September 2022 (if the payment date is not a business day, it shall be paid on the preceding business day) and on the maturity date.
Method of principal repayment	Lump-sum payment on the maturity date
Maturity date	December 16, 2022 (borrowing term: 1 year)

Collateral	Unsecured/Unguaranteed
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(*1) Except for the initial interest payment, base interest rate to be applied to the calculation period for the interest to be paid at interest payment dates, will be JBA Japanese Yen TIBOR for 3 months at 2 business days prior to preceding interest payment date. Please refer to the website of JBA TIBOR Administration for the JBA Japanese Yen TIBOR (<https://www.jbatibor.or.jp/english/rate/>).

(*2) The base interest rate for the initial interest calculation period will be JBA Japanese Yen TIBOR for 1 month.

3. Summary of the Investment Corporation Bond to Be Redeemed

(1) Details of the redemption

JHR plans to redeem the investment corporation bond with using the New Loan.

(2) Total amount of the redemption

JPY1,500M

(3) Scheduled date of the redemption

December 17, 2021

(4) Details of the Investment Corporation Bond to be Redeemed

Investment Corporation Bond	Fourth unsecured investment corporation bonds (Pari passue covenants between investment corporation bonds are attached.)
Issue date	December 19, 2014
Redemption date	December 17, 2021
Issue balance	JPY1,500M

4. Summary of the Prepayment

(1) Details of the Prepayment

In accordance with the sale of the property announced in the press release, “Notice Concerning Sale of Asset (ibis Tokyo Shinjuku)” dated September 15, 2021, JHR plans to prepay the loans below with using the portion of the proceeds from the sale.

(2) Total amount of the Prepayment

JPY4,000M

(3) Scheduled date for the Prepayment

December 17, 2021

(4) Details of the individual loans to be prepaid

Loan	Term Loan 70
Lenders to be borrowed	Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited
Lenders to be prepaid	Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited
Borrowing balance before prepayment	JPY935M
Prepayment amount	JPY935M
Date of borrowing	June 30, 2021
Maturity date	December 30, 2021

Interest rate	Base interest rate (JBA Japanese Yen TIBOR for 1 month) + 0.50%
Borrowing balance after prepayment	JPY0M

Loan	Term Loan 11
Lenders to be borrowed	Sumitomo Mitsui Banking Corporation, Shinsei Bank, Limited Mizuho Bank, Ltd., Resona Bank, Limited Sumitomo Mitsui Trust Bank, Limited, Aozora Bank, Ltd.
Lenders to be prepaid	Sumitomo Mitsui Banking Corporation, Shinsei Bank, Limited Mizuho Bank, Ltd., Resona Bank, Limited Sumitomo Mitsui Trust Bank, Limited, Aozora Bank, Ltd.
Borrowing balance before prepayment	JPY7,900M
Prepayment amount	JPY2,389M
Date of borrowing	January 30, 2015
Maturity date	January 31, 2022
Interest rate	Base interest rate (JBA Japanese Yen TIBOR for 1 month) + 0.55%
Borrowing balance after prepayment	JPY5,511M

Loan	Term Loan 14
Lenders to be borrowed	Aozora Bank, Ltd., MUFG Bank, Ltd.
Lenders to be prepaid	MUFG Bank, Ltd.
Borrowing balance before prepayment	JPY1,500M
Prepayment amount	JPY77M
Date of borrowing	July 10, 2015
Maturity date	June 30, 2022
Interest rate	Base interest rate (JBA Japanese Yen TIBOR for 1 month) + 0.55%
Borrowing balance after prepayment	JPY1,423M

Loan	Term Loan 22-2
Lenders to be borrowed	The Nomura Trust and Banking Co., Ltd., Development Bank of Japan Inc., The Chiba Bank, Ltd., The Bank of Fukuoka, Ltd.
Lenders to be prepaid	The Bank of Fukuoka, Ltd.
Borrowing balance before prepayment	JPY2,650M
Prepayment amount	JPY114M
Date of borrowing	March 31, 2016
Maturity date	March 31, 2024
Interest rate	Base interest rate (JBA Japanese Yen TIBOR for 1 month) + 0.60%
Borrowing balance after prepayment	JPY2,536M

Loan	Term Loan 23
Lenders to be borrowed	Sumitomo Mitsui Banking Corporation, Shinsei Bank, Limited Mizuho Bank, Ltd., Resona Bank, Limited, The Nomura Trust and Banking Co., Ltd.
Lenders to be prepaid	The Nomura Trust and Banking Co., Ltd.
Borrowing balance before prepayment	JPY4,200M
Prepayment amount	JPY112M
Date of borrowing	March 31, 2016
Maturity date	March 31, 2023
Interest rate	Base interest rate (JBA Japanese Yen TIBOR for 1 month) + 0.55%
Borrowing balance after prepayment	JPY4,088M

Loan	Term Loan 46
Lenders to be borrowed	Sumitomo Mitsui Banking Corporation, Shinsei Bank, Limited The Chiba Bank, Ltd., THE NISHI-NIPPON CITY BANK, LTD., Sompo Japan Insurance Inc.
Lenders to be prepaid	The Chiba Bank, Ltd., THE NISHI-NIPPON CITY BANK, LTD., Sompo Japan Insurance Inc.
Borrowing balance before prepayment	JPY2,850M
Prepayment amount	JPY170M
Date of borrowing	April 26, 2018
Maturity date	March 31, 2023
Interest rate	Base interest rate (JBA Japanese Yen TIBOR for 1 month) + 0.35%
Borrowing balance after prepayment	JPY2,680M

Loan	Term Loan 47
Lenders to be borrowed	The Hiroshima Bank, Ltd.
Lenders to be prepaid	The Hiroshima Bank, Ltd.
Borrowing balance before prepayment	JPY500M
Prepayment amount	JPY46M
Date of borrowing	April 26, 2018
Maturity date	March 31, 2023
Interest rate	0.5225% (fixed rate)
Borrowing balance after prepayment	JPY454M

Loan	Term Loan 49
Lenders to be borrowed	The Shizuoka Bank, Ltd.
Lenders to be prepaid	The Shizuoka Bank, Ltd.
Borrowing balance before prepayment	JPY500M

Prepayment amount	JPY12M
Date of borrowing	September 28, 2018
Maturity date	September 29, 2023
Interest rate	0.5488% (fixed rate)
Borrowing balance after prepayment	JPY488M

Loan	Term Loan 71
Lenders to be borrowed	Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Resona Bank, Limited, Shinsei Bank, Limited, Sumitomo Mitsui Trust Bank, Limited, Development Bank of Japan Inc., Aozora Bank, Ltd.
Lenders to be prepaid	Development Bank of Japan Inc.
Borrowing balance before prepayment	JPY15,847M
Prepayment amount	JPY145M
Date of borrowing	September 30, 2021
Maturity date	September 30, 2022
Interest rate	Base interest rate (JBA Japanese Yen TIBOR for 3 months) + 0.50%
Borrowing balance after prepayment	JPY15,702M

5. Details of Partial Cancellation of Interest Rate Swap Contract
 < Interest Rate Swap Contract for Term Loan 23 >

Counterparty	Daiwa Securities Co. Ltd.
Notional amount before cancellation	JPY4,700M
Cancellation amount	JPY612M
Notional amount after cancellation	JPY4,088M
Cancellation date	December 17, 2021
Contract term	March 31, 2016 to March 31, 2023
Interest rate	Fixed interest rate to pay 0.1259% Variable rent to receive JBA Japanese Yen TIBOR for 1 month
Date to swap interest	The first date is April 30, 2016. Subsequent dates shall be at the end of each month and the expiration date of the contract (if the date is not a business day, it shall be paid on the preceding business day).

6. Status of the Interest-Bearing Debt Before and After the New Loan (scheduled)

(Unit: millions of yen)

Category		Before	After	Variance
	Short-term loans	23,582	24,002	+420
	Long-term loans (*2)	103,572	100,652	(2,920)
Total Loans		127,154	124,654	(2,500)
Total investment corporation bonds		41,600	40,100	(1,500)
Total interest-bearing debt		168,754	168,754	(4,000)

(*1) Amounts are rounded down to the nearest millions of yen.

(*2) Long-term loans payable within one year are included in the long-term loans.

* The fixed interest rate ratio to the total interest-bearing debt after the New Loan and the Prepayment is forecasted to be around 85%.

7. Future Prospects

The impact is subtle, and no change is required for the operating forecast for the fiscal year ending December 2021 (January 1, 2021 through December 31, 2021).

8. Other

With respect to the risks of the New Loan, no important change is required for the “Investment Risks” in the Securities Report submitted on March 25, 2021 and in the Semiannual Securities Report (Japanese only) submitted on September 22, 2021.

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