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Notice Concerning New Loans

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that the Board of Directors meeting today resolved as below on new borrowings (hereinafter called the “New Loans”).

1. Summary of New Loans

(1) Rationale for the New Loans

The New Loans will be applied toward the funds for part of the acquisition price of real estate beneficial interests in trust of La’gent Stay Sapporo Odori, Oriental Hotel Kyoto Rokujo and Hotel Oriental Express Fukuoka Nakasukawabata, and movable assets attached to it (hereinafter called the “Beneficial Interests, etc.”).

Please see “Notice Concerning Acquisition and Lease of New Assets (La’gent Stay Sapporo Odori, Oriental Hotel Kyoto Rokujo and Hotel Oriental Express Fukuoka Nakasukawabata)” dated today for an overview of the Beneficial Interests, etc.

(2) Breakdown of the New Loans

Name of Loan	Lenders	Amount of the New Loan (millions of yen)	Interest Rate (*1)	Scheduled Borrowing Date	Maturity Date	Collateral / Method of Repayment
Term Loan 86	Aozora Bank, Ltd. MUFG Bank, Ltd. Kansai Mirai Bank, Limited	700	Base interest rate + 0.5%	September 27, 2023	September 30, 2026	Unsecured & Unguaranteed / Lump-sum repayment on the maturity date
Term Loan 87	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. SBI Shinsei Bank, Limited Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited. Development Bank of Japan Inc. Aozora Bank, Ltd. The Minato Bank, Ltd. The Tokyo Star Bank, Limited The Shizuoka Bank, Ltd. Kansai Mirai Bank, Limited	6,300	Base interest rate + 0.6%	September 27, 2023	September 27, 2028	Unsecured & Unguaranteed / Lump-sum repayment on the maturity date

Note: This document is intended to serve as a press release to make available information regarding JHR’s new loans. The document should not be considered as an offer to sell or a solicitation of an offer to purchase any investment unit or other investment of JHR. Prospective investors are advised to make any investment decision at their own risk and responsibility. This press release does not constitute an offer of securities in the United States. Securities may not be offered or sold in the United States without registration or an exemption from registration under the United States Securities Act of 1933 (as amended). Any public offering of securities to be made in the United States will be made by means of an English language prospectus prepared in accordance with the U.S. Securities Act of 1933 that may be obtained from the issuer or distributor of the security and that will contain detailed information about the issuer and its management as well as its financial statements. However, the securities referred to above will not be publicly offered or sold in the United States.

- (*1) The first interest payment date will be the last day of October 2023, and subsequent interest payment dates will be the last day of each month thereafter (or the immediately preceding business day, if that day is not a business day) and the maturity date.
The base interest rate to be applied to the calculation period of the interest to be paid on the interest payment date will be JBA Japanese Yen TIBOR as of two business days prior to the immediately preceding interest payment date (or, two business days prior to the borrowing date as to the first interest calculation period). JBA Japanese Yen TIBOR for three months will be applied for the first interest calculation period and JBA Japanese Yen TIBOR for one month will be applied for all other interest calculation periods.
Please refer to the website of JBA TIBOR Administration for JBA Japanese Yen TIBOR (<https://www.jbatibor.or.jp/english/rate/>).
- (*2) The information for the New Loans is based on the conditional commitment letters issued by financial institutions regarding the debt financing. However, it does not guarantee actual implementation of financing listed above.
- * The LTV ratio (based on book value) is expected to be approximately 41.2% following the execution of the New Loans and the acquisition of Beneficial Interests, etc. This LTV ratio (based on book value) is calculated based on the amount of the net proceeds estimated as of today from the issuance of new investment units through public offering as described in the “Notice Concerning Issuance of New Investment Units” dated today, which is calculated based on the closing price of the investment unit traded on Tokyo Stock Exchange on August 10, 2023. Therefore, the LTV ratio (based on book value) may vary subject to the actual amount of the net proceeds from the offerings.

2. Status of the Interest-Bearing Debt after the New Loans (scheduled)

(Unit: millions of yen)

Category		Before New Loans	After New Loans	Variance
	Short-term loans	35,070	35,070	-
	Long-term loans (*2)	92,261	99,261	+7,000
Total loans		127,331	134,331	+7,000
Total investment corporation bonds		36,900	36,900	-
Total interest-bearing debt		164,231	171,231	+7,000

(*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 ratio of fixed interest rate to total interest-bearing debt after the New Loans is expected to be about 71%.

3. Future Prospects

Please see “Notice Concerning Revision of Operating Forecast for the Fiscal Year Ending December 2023 (24th Period)” dated today for operating forecast taking the New Loans into consideration.

4. Others

With respect to the risk in relation to the New Loans, please refer to the “Investment Risk” stated in the Securities Registration Statement (available in Japanese only) submitted today.

End

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

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