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September 13, 2022

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
Kaname Masuda, Executive Director

Asset Management Company:

Japan Hotel REIT Advisors Co., Ltd.
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Notice Concerning Issuance of Investment Corporation Bonds

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you of its decision to issue the thirteenth unsecured investment corporation bonds today as follows.

1. Summary of the Investment Corporation Bonds

- (1) Name of the investment corporation bonds
Thirteenth unsecured investment corporation bonds of JHR
(Pari passu covenants between investment corporation bonds are attached.)
(hereinafter called “Investment Corporation Bonds”)
- (2) Total amount of the Investment Corporation Bonds
JPY 2.8Bn
- (3) Form of the Investment Corporation Bonds
The Investment Corporation Bonds certificates will not be issued. The Investment Corporation Bonds are subject to the Act on Book- Entry Transfer of Corporate Bonds and Shares.
- (4) Issue price
JPY100 for JPY100 of each bond
- (5) Redemption price
JPY100 for JPY100 of each bond
- (6) Interest rate
1.000%/year
- (7) Amount of each bond
JPY100M

- (8) Offering method
Public offering
- (9) Subscription period
September 13, 2022 (Tuesday)
- (10) Payment date
September 20, 2022 (Tuesday)
- (11) Collateral
Neither collateral nor guarantee is provided for the Investment Corporation Bonds, and no assets have been particularly secured for the Investment Corporation Bonds.
- (12) Redemption method and date
The total amount of the Investment Corporation Bonds will be redeemed on September 19, 2025.
The Investment Corporation Bonds may be repurchased and cancelled any time from the day following the payment date except for case(s) separately determined by the book-entry transfer institution.
- (13) Interest payment date
March 20 and September 20 each year
If the payment date falls on a bank holiday, the payment shall be made on the preceding bank business day.
- (14) Financial covenants
A negative pledge clause is applicable.
- (15) Rating of bonds
A+ (Japan Credit Rating Agency, Ltd. (JCR))
- (16) Finance agent, issuing agent, and paying agent
Resona Bank, Limited.
- (17) Underwriters
Mizuho Securities Co., Ltd.
SMBC Nikko Securities Inc.

2. Rationale for issuance

To allocate funds for the prepayment of existing loans and redemption of existing investment corporation bonds.

3. Amount of proceeds, use, and planned payment schedule

- (1) Amount of proceeds (ballpark net amount)
JPY 2,785M
- (2) Detail of intended use of proceeds and planned payment schedule
By the end of December 2022, the funds will be allocated to prepayment of existing loans and the balance will be allocated to redemption of existing investment corporation bonds.

4. Status of interest-bearing debts after the issuance of the Investment Corporation Bonds (plan)

(Unit: millions of yen)

Category		Before Issuance of Investment Corporation Bonds	After Issuance of Investment Corporation Bonds (*3)	Fluctuation
	Short-term loans	32,436	32,436	—
	Long-term loans (*2)	92,218	92,218	—
Total loans		124,654	124,654	—
Total investment corporation bonds		40,100	42,900	+2,800
Total interest-bearing debts		164,754	167,554	+2,800

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

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

(*3) Total interest-bearing debt after the issuance of the Investment Corporation Bonds is the amount before prepayment of existing loans and redemption of existing investment corporation bonds as described in "3. Amount of proceeds, use, and planned payment schedule" described above. A total amount of interest-bearing debt after the prepayment and the redemption are planned to be unchanged compared to the amount before the issuance of the Investment Corporation Bonds.

The fixed interest rate ratio to the total interest-bearing debt after the issuance of the Investment Corporation Bonds is forecasted to be around 79%.

5. Other

With respect to the risks in relation to redemption of the Investment Corporation Bonds, etc., no important change is required for the "Investment Risks" in the Securities Report submitted on March 24, 2022.

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