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REIT Issuer:

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

Asset Management Company:

Japan Hotel REIT Advisors Co., Ltd.
Hisashi Furukawa, Representative Director and President

Contact:

Makoto Hanamura
General Manager
Investor Relations Department, Operations Division
TEL: +81-3-6422-0530

Notice Concerning Impact of Earthquakes in
Kumamoto Region in Kumamoto Prefecture (Third Release)

Our deepest sympathies go out to all who suffer from 2016 Kumamoto earthquakes. We also hope for people's safety and reconstruction of affected areas as soon as possible.

With regard to Kumamoto earthquakes, of which the April 14, 2016 earthquake was the foreshock, Japan Hotel REIT Investment Corporation (hereinafter called "JHR") informs you of the future course of action related to Dormy Inn Kumamoto (hereinafter called the "Property") owned by JHR and the impact on JHR, and others.

1. JHR's course of action and other measures for the restoration work of the Property

As announced in our press releases "Notice Concerning Impact of Earthquake in Kumamoto Region in Kumamoto Prefecture" dated April 15, 2016 and "Notice Concerning Impact of Earthquakes in Kumamoto Region in Kumamoto Prefecture (Follow-Up)" dated April 18, the Property has suffered minor damage to parts of the exterior and interior of the building. The Property has been closed temporarily since the earthquakes struck the Kumamoto region to inspect the safety of facilities. Aiming for quick restoration and reopening of the hotel, JHR has been working closely with the lessee of the Property to inspect the detailed status of the damage and review the description of restoration work. Since the details of the restoration work are mostly determined this time, JHR plans to start the restoration work promptly. The hotel is scheduled to reopen at the end of August 2016.

2. Repair expenses and other items for the Property damaged by Kumamoto earthquakes

Based on the result of the inspection report of the status of the damage and the description of the restoration work by Shimizu Corporation, the construction company that built the building, JHR preliminarily estimates repair expenses to be ¥90 million.

Note: This document is intended to serve as a press release to make available the information on assets under management by JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility. This press release does not constitute an offer of securities in the United States. The securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933 (the "Securities Act"). Public offerings of securities to be conducted in the United States will use a prospectus in English which is made in accordance with the Securities Act. The prospectus may be obtained from JHR or any holders of securities. It includes detailed information about JHR and its management, as well as its financial statements. The securities referred to above will not be publicly offered or sold in the United States.

In accordance with accounting standards (business accounting principles), JHR plans to record this amount as allowance for the midterm of the fiscal year ending December 2016 and post the same amount as extraordinary loss in statements of income. Please note that the amount is an estimate as of today and there is a possibility that it may change in the future.

3. Future prospects of operating status

For JHR's operating status and other conditions including the impact of the repair expenses for the Property as mentioned in 2. above, please see "Notice Concerning Revision of Operating Forecast for Fiscal Year Ending December 2016 (17th Period)" dated July 7, 2016.

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

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