

For Immediate Release

Real Estate Investment Trust Securities Issuer
MORI TRUST Hotel Reit, Inc.
Representative: Amane Sakamoto, Executive Director
(Securities Code: 3478)

Asset Management Company
MORI TRUST Asset Management Co., Ltd.
Representative: Michio Yamamoto,
President and Representative Director

Contact: Nobuyuki Aizawa, General Manager,
Strategic Management Department,
Hotel REIT Management Division
(TEL: +81-3-6435-7011)

Notice Concerning Borrowing of Funds

MORI TRUST Hotel Reit, Inc. (“MORI TRUST Hotel Reit”) hereby announces its decision today to perform the borrowing of funds, repayment of existing loans and new loans (collectively, “borrowing”), as described below.

Details

1. Repayment of existing loans

(1) Purpose of the borrowing

MORI TRUST Hotel Reit has decided to execute the borrowing in order to repay a portion of short-term loans payable of 4,000 million yen (“existing loans”), which reach maturity on August 30, 2019.

(2) Details of the borrowing

Category	Lender	Loan amount (million yen)	Interest rate	Loan type Repayment method	Drawdown date Repayment date
Short-term	MUFG Bank, Ltd.	1,500	Base interest rate (JBA one-month Japanese yen TIBOR) (Note) +0.20%	Unsecured Unguaranteed Lump-sum repayment upon maturity	August 30, 2019 August 31, 2020
	Mizuho Bank, Ltd.	500	Base interest rate (JBA one-month Japanese yen TIBOR) (Note) +0.20%	Unsecured Unguaranteed Lump-sum repayment upon maturity	August 30, 2019 August 31, 2020
	Sumitomo Mitsui Banking Corporation	500	Base interest rate (JBA one-month Japanese yen TIBOR) (Note) +0.20%	Unsecured Unguaranteed Lump-sum repayment upon maturity	August 30, 2019 August 31, 2020
	Sumitomo Mitsui Trust Bank, Limited	500	Base interest rate (JBA one-month Japanese yen TIBOR) (Note) +0.20%	Unsecured Unguaranteed Lump-sum repayment upon maturity	August 30, 2019 August 31, 2020
Total		3,000	–	–	–

Disclaimer: This document is an English translation of a press release for public announcement concerning of borrowing of funds, and has not been prepared for the purpose of solicitation of investment.

(Note) The base interest rate to be applied from now on will be the JBA (Japanese Bankers Association) one-month Japanese Yen TIBOR published by JBA TIBOR Administration two business days prior to the last day of every month (if the relevant day is not a business day, the immediately preceding business day). The JBA Japanese Yen TIBOR can be confirmed on the website of General Incorporated Association JBA TIBOR Administration (<http://www.jbatibor.or.jp/english/>).

(3) Details of existing loans which will be repaid by the borrowing

Category	Lender	Loan amount (million yen)	Interest rate	Drawdown date Repayment date
Short-term	MUFG Bank, Ltd.	2,500	Base interest rate (JBA one-month Japanese yen TIBOR)+0.20%	November 30, 2018 August 30, 2019
	Mizuho Bank, Ltd.	500	Base interest rate (JBA one-month Japanese yen TIBOR)+0.20%	November 30, 2018 August 30, 2019
	Sumitomo Mitsui Banking Corporation	500	Base interest rate (JBA one-month Japanese yen TIBOR)+0.20%	November 30, 2018 August 30, 2019
	Sumitomo Mitsui Trust Bank, Limited	500	Base interest rate (JBA one-month Japanese yen TIBOR)+0.20%	November 30, 2018 August 30, 2019
Total		4,000	—	—

(4) Amount, use and schedule of expenditure of the funds to be procured

① Amount of funds to be procured

3,000 million yen

② Specific use of funds to be procured

To be used to repay a portion of the existing loans (4,000 million yen). Concerning the remainder of the repayment (1,000 million yen), MORI TRUST Hotel Reit will appropriate the cash on hand.

③ Schedule of expenditure

August 30, 2019

2. New loans

(1) Purpose of the borrowing

MORI TRUST Hotel Reit has decided to execute the borrowing in order to acquire “Hilton Odawara Resort & Spa” (the “To-be-Acquired Asset”) to be acquired on September 2, 2019 as announced in the press release “Notice Concerning Acquisition and Leasing of Domestic Real Estate Trust Beneficiary Interest (Hilton Odawara Resort & Spa)” on August 5, 2019.

(2) Details of the borrowing

Category	Lender	Loan amount (million yen)	Interest rate	Loan type Repayment method	Drawdown date Repayment date
Short-term	Sumitomo Mitsui Banking Corporation	1,500	Base interest rate (JBA one-month Japanese yen TIBOR) (Note1) +0.19%	Unsecured Unguaranteed Lump-sum repayment upon maturity	September 2, 2019 August 31, 2020
	Sumitomo Mitsui Trust Bank, Limited	1,500	Base interest rate (JBA one-month Japanese yen TIBOR) (Note1) +0.19%	Unsecured Unguaranteed Lump-sum repayment upon maturity	September 2, 2019 August 31, 2020
	Mizuho Bank, Ltd.	500	Base interest rate (JBA one-month Japanese yen TIBOR) (Note1) +0.19%	Unsecured Unguaranteed Lump-sum repayment upon maturity	September 2, 2019 August 31, 2020
	Subtotal	3,500	–	–	–
Long-term	Shinkin Central Bank	1,000	To be determined (Note 2) (Fixed interest rate)	Unsecured Unguaranteed Lump-sum repayment upon maturity	September 2, 2019 August 29, 2025
	Development Bank of Japan Inc.	500	To be determined (Note 2) (Fixed interest rate)	Unsecured Unguaranteed Lump-sum repayment upon maturity	September 2, 2019 August 29, 2025
	Mizuho Trust & Banking Co., Ltd.	500	To be determined (Note 2) (Fixed interest rate)	Unsecured Unguaranteed Lump-sum repayment upon maturity	September 2, 2019 August 29, 2025
	Resona Bank, Limited	500	To be determined (Note 2) (Fixed interest rate)	Unsecured Unguaranteed Lump-sum repayment upon maturity	September 2, 2019 August 29, 2025
	Mizuho Bank, Ltd.	1,000	To be determined (Note 2) (Fixed interest rate)	Unsecured Unguaranteed Lump-sum repayment upon maturity	September 2, 2019 August 31, 2026
	Subtotal	3,500	–	–	–
Total		7,000	–	–	–

(Note 1) The base interest rate to be applied from now on will be the JBA (Japanese Bankers Association) one-month Japanese Yen TIBOR published by JBA TIBOR Administration two business days prior to the last day of every month (if the relevant day is not a business day, the immediately preceding business day). The JBA Japanese Yen TIBOR can be confirmed on the website of General Incorporated Association JBA TIBOR Administration (<http://www.jbatibor.or.jp/english/>).

(Note 2) MORI TRUST Hotel Reit will make an announcement about the interest rate when it is determined.

(3) Amount, use and schedule of expenditure of the funds to be procured

① Amount of funds to be procured

7,000 million yen

② Specific use of funds to be procured

To be used to acquire the To-be-Acquired Asset.

③ Schedule of expenditure

September 2, 2019

3. Status of loans and bonds after the execution of the borrowing

(Unit: million yen)

	Before the borrowing execution	After the borrowing execution	Changes
Short-term loans	4,000	6,500	+2,500
Long-term loans	44,500	48,000	+3,500
Total loans	48,500	54,500	+6,000
Investment corporation bonds	–	–	–
Total loans and investment corporation bonds	48,500	54,500	+6,000

4. Others

MORI TRUST Hotel Reit has made no change to the details of investment risks stated in the securities report submitted on May 30, 2019 in connection with risks associated with the repayment of the borrowing and the like.

* MORI TRUST Hotel Reit's website: <http://www.mt-hotelreit.jp/en/>