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June 24, 2024

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Notice Concerning Acquisition and Lease of Domestic Real Estate Beneficial Interests in Trust
(OKINAWA HARBORVIEW HOTEL, Southern Beach Hotel & Resort OKINAWA,
MIMARU Tokyo Shinjuku West and HOTEL AMANEK Shinjuku-Kabukicho.)

This is to inform you that Japan Hotel REIT Advisors, Co., Ltd. (hereinafter called the “Asset Management Company”), the asset management company of Japan Hotel REIT Investment Corporation (hereinafter called “JHR”), has resolved to acquire and lease the domestic real estate beneficial interests in trust below (hereinafter called the “Assets for Anticipated Acquisition”) today on behalf of JHR.

The lessee of OKINAWA HARBORVIEW HOTEL falls under an “Interested Party, etc.” as stipulated in the Act on Investment Trust and Investment Corporation (Act No. 198 of 1951, as amended; hereinafter called the “Investment Trust Act”). Therefore, the execution of lease contract of OKINAWA HARBORVIEW HOTEL has been approved by JHR based on a resolution at JHR’s Board of Directors meeting pursuant to the Investment Trust Act and the Code for Transactions with Sponsor-related Parties stipulated by the Asset Management Company (Please see “6. Transactions with Interested Party” below.).

1. Summary of the Assets for Anticipated Acquisition

Name of the Assets for Anticipated Acquisitions	Asset type (*1)	Rent type	Anticipated acquisition price (*2)	Anticipated acquisition date (*2)	Collateral
OKINAWA HARBORVIEW HOTEL	Full-service hotel	Fixed rent and Variable rent (*3)	JPY21,500,000 thousand	July 31, 2024	Unsecured
Southern Beach Hotel & Resort OKINAWA	Resort hotel	Fixed rent and Variable rent	JPY16,200,000 thousand		
MIMARU Tokyo Shinjuku West	Limited-service hotel	Fixed rent and Variable rent	JPY9,645,000 thousand	July 12, 2024	
HOTEL AMANEK Shinjuku-Kabukicho.	Limited-service hotel	Fixed rent and Variable rent	JPY8,845,000 thousand		
Total			JPY56,190,000 thousand		

(*1) JHR categorizes hotels into three types, “Limited-service hotel” (hotels specialized in selling guest rooms), “Full-service hotel” (hotels providing comprehensive services, not only selling guest rooms) and “Resort hotel” (among full-service hotels, hotels located in vacation resorts, which are areas with rich natural environment or tourist attractions such as hot spring resorts and scenic spots, or areas surrounding famous leisure facilities, leisure facilities attracting customers, etc.) according to the manner of operation provided. The same shall apply hereinafter.

(*2) The purchase and sale agreement for beneficial interest in trust, etc. (hereinafter called the “PSA, etc.”) for each real estate beneficial interest in trust has been concluded with the relevant seller to acquire the relevant Assets for Anticipated Acquisition. The anticipated acquisition

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price is the price set forth in the PSA, etc. for acquisition of the relevant Assets for Anticipated Acquisition (consumption tax, local consumption tax and the acquisition expense such as brokerage fee are not included). Note that of the Assets for Anticipated Acquisition, the PSA concerning the OKINAWA HARBORVIEW HOTEL and Southern Beach Hotel & Resort OKINAWA fall under the contract with forward commitments. Please see “9. Matters concerning forward commitments” for details on the PSA.

- (*3) Rent will be based on only fixed rent from July 2024 to July 2026. From August 2026 onwards, rent will be based on fixed rent and variable rent. Please see “2. Rationale for Acquisition and Lease” below for details.
- (*4) Please see “5. Summary of the Sellers” below for the sellers.

2. Rationale for Acquisition and Lease

JHR aims to provide investors with attractive investment opportunities in hotels that can realize “both stability and upside potential.” The Asset Management Company has made the determination to acquire the Assets for Anticipated Acquisition (hereinafter called the “Acquisition”) as it considers the Acquisition is in line with such aim for the following reasons.

The Assets for Anticipated Acquisition are four properties: OKINAWA HARBORVIEW HOTEL, Southern Beach Hotel & Resort OKINAWA, MIMARU Tokyo Shinjuku West and HOTEL AMANEK Shinjuku-Kabukicho.

OKINAWA HARBORVIEW HOTEL is a full-service hotel located in Naha city, Okinawa Prefecture. It has such as approx. 10-minute drive from Naha Airport/approx. 10-minute walk from both Tsubogawa Station and Asahibashi Station on the Okinawa Urban Monorail. In addition, it has convenient access to various tourist spots such as Kokusai dori street and also it is very close to the Okinawa Prefectural Government Building and the Naha city Hall. JHR believes it is a hotel that can accommodate the abundant demand for both leisure and business.

JHR’s strategic partner, HMJ (*1), intends to acquire the 100% of outstanding stock of lessee of this hotel to make it a 100% subsidiary of HMJ. JHR plans to implement a large-scale renovation of guest rooms, restaurants, pools, etc. in 2025, following the acquisition (hereinafter called the “Renovations”). JHR will undertake the Renovations needed to unlock the maximum growth potential of this hotel, and together with the lessee (which becomes 100% subsidiary of HMJ), aim to maximize growth and revenue through an active asset management (*2) strategy.

The lease contract has only fixed rent for the initial 2 years from July 2024 to July 2026, followed by a rent structure that combines fixed and variable rents from August 2026 after the completion of the Renovations and the operations by the HMJ subsidiary will be fully on track. JHR intends to adopt a new rent structure that captures upside while securing stability.

Southern Beach Hotel & Resort OKINAWA is a large resort hotel in Itoman city, the southernmost part of Okinawa’s main island, located approx. 20-minute by car from Naha Airport. It is a resort hotel that has particularly convenient access to Naha Airport. It also has easy access to tourist spots in Naha city and southern Okinawa. The hotel is equipped with a garden pool with a water slide, an indoor pool, banquet halls, wedding chapel, restaurants, etc. A variety of activities can be enjoyed at the beach adjacent to the hotel. There are no nearby buildings that block the view from the guest rooms over 30 m² with balconies, so the view from this hotel can be enjoyed.

The lease contract for this hotel has a rent structure that combines fixed and variable rents. This lease contract is scheduled to expire in December 2025, and there are possibilities for further upside by changing the rent scheme or by revising the existing contract when it expires.

JHR already owns four hotels in the Okinawa prefecture. JHR aims to expand its portfolio in Okinawa prefecture, an area with potential high growth, by acquiring large hotels in the Naha area and resort areas nearby Naha area to capture tourist demand through operations that utilize expertise gained from operating existing properties.

MIMARU Tokyo Shinjuku West and HOTEL AMANEK Shinjuku-Kabukicho are both relatively newly built limited-service hotels located in the Shinjuku area. Both hotels are equipped with highly competitive guest rooms, all of which can accommodate two or more people, in order to capture foreign tourists (hereinafter called “inbound”) demand. Actual results show that inbound accounted for 90% or more of guests on a room sales basis. In addition, MIMARU Tokyo Shinjuku West has large guest rooms accommodating four or more guests (up to six). Since kitchenettes and dining tables are also placed in all rooms, availing medium to long-term stays for a large number of guests.

The lease contracts for MIMARU Tokyo Shinjuku West and HOTEL AMANEK Shinjuku-Kabukicho have a rent structure that can pursue upside potential, with the combination of variable rents linked to GOP (*3) and stable fixed rents.

Shinjuku is an area visited by many tourists and is also an area with excellent accessibility to tourist spots across Japan, and is particularly popular for inbound tourism. JHR expects upside potential from diverse inbound accommodation

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demand with further growth potential.

Each of the Assets for Anticipated Acquisition is a large high-quality property located in areas where stable accommodation demand and growth can be expected going forward. Following the Acquisition, we are planning to pursue improvements in portfolio quality and medium to long-term growth through the active asset management strategy utilizing JHR's experience and knowledge. In addition, the lease contracts have the rent structure that can be expected to have upside potential through variable rents linked to GOP or AGOP (*4) (OKINAWA HARBORVIEW HOTEL will shift to a combined fixed/variable rent structure from August 2026 onwards.), and JHR believes that the Acquisition will enhance the quality of the portfolio. Also, the Acquisitions of these hotels at attractive prices (*5), which are considerably lower than the appraisal values, will improve NAV per unit (*6).

JHR sets its criteria to select hotel lessees combining credibility and hotel management capability. JHR has confirmed each of the lessees of the Assets for Anticipated Acquisition satisfies its criteria to select hotel tenants mentioned in "Report on the Management Structure and System, etc. of the Issuer of Real Estate Investment Trust Securities and Related Parties," which was disclosed on March 29, 2024.

- (*1) HMJ refers to Hotel Management Japan Co., Ltd. (a corporation in which SC J-Holdings Pte. Ltd. indirectly holds 100% of the issued shares), and HMJ Group refers to HMJ and its subsidiaries (a corporation in which HMJ holds more than 50% of the issued shares). The same shall apply hereinafter.
- (*2) Active asset management refers to active asset management that aims to achieve strong internal growth, increase revenue, and particularly increase the asset value of the portfolio. Specific examples include (a) a policy to improve ADR (*) by implementing strategic capital expenditure (hereinafter called the "Strategic CAPEX") (**) such as renovation of guest rooms aimed at improving a hotel's competitiveness, (b) a change and rebranding (***) to an operator (company which is entrusted management of hotel. The same shall apply hereinafter.) that is optimal for the features of the hotel, (c) change to a rent structure that can capture upside potential, and (d) switching (selling) assets aimed at improving the quality of the portfolio. The same shall apply hereinafter.
 - (*) ADR represents the Average Daily Rate, which is calculated by dividing the total room revenue of the rooms department (including service charges) for a certain period by the total number of rooms sold during the period.
 - (**) JHR classifies capital expenditures into the following three categories. (I) Capital expenditures related to the renewal of facilities and equipment of buildings, which is required to maintain proper values of properties; (II) capital expenditures for fixtures, furniture, and equipment that are not directly related to building structure or facilities but necessary for operating hotels, and (III) Strategic CAPEX such as renovating guest rooms and others in order to improve the competitiveness of the hotels.
 - (***) Rebranding means the reconstruction of a hotel brand through a combination of hotel name change, operator change and Strategic CAPEX.
- (*3) GOP represents Gross Operating Profit, which is the remainder after expenses incurred in hotel operation, such as personnel costs and general and administrative expenses, are deducted from total sales. The same shall apply hereinafter.
- (*4) AGOP (Adjusted GOP = GOP after adjustment) is the remaining amount after deducting certain payment of fees and other charges from the GOP. The same shall apply hereinafter.
- (*5) "Attractive prices" means that the acquisition prices of Anticipated Acquisitions are considerably lower than the appraisal values. The ratio calculated as the anticipated acquisition price of each Asset for Anticipated Acquisition divided by the appraisal value of each asset as of April 30, 2024 is as follows. OKINAWA HARBORVIEW HOTEL: 88.8%; Southern Beach Hotel & Resort OKINAWA: 79.8%; MIMARU Tokyo Shinjuku West: 82.4%; HOTEL AMANEK Shinjuku-Kabukicho: 69.1%.
- (*6) NAV (Net Asset Value) per unit is the amount obtained by subtracting the total amount of distributed dividend from the amount of net assets stated in the balance sheet, adding difference between appraisal value and book value on the entire portfolio as of the end of the relevant fiscal year, and then dividing the result by the total number of investment units issued and outstanding as of the end of the relevant fiscal year. It differs from the amount of net assets per unit for accounting purposes.

3. Features of the Assets for Anticipated Acquisition

I. OKINAWA HARBORVIEW HOTEL

(1) Okinawa Market

Okinawa has beautiful nature and abundant tourism resources and is one of the Japan's popular tourist destinations as a domestic resort. According to officials in the Okinawa Prefecture, the accumulated number of tourists visiting Okinawa from January to April in 2024 recovered to approx. 90% in comparison to the pre-COVID levels in the same period in 2019. This figure is primarily made up of strong demand from domestic tourists, which exceeds that of the same period in 2019. Conversely, inbound demand has only recovered to approx. 62%, in comparison to the same period in 2019. This is due to the delayed recovery of international flights and cruise ships. However, inbound demand is expected to recover in 2024 with predictions of increased international flights and cruise ship destinations.

To accommodate the anticipated increase in demand, Naha Airport started operation of a second runway in March 2020 aimed at improving the capacity of their runways for increased numbers of flights from inbound demand and freight. There have been ongoing initiatives to improve the airport functions for further development of the tourism, a main industry in Okinawa, such as seven large companies in Okinawa submitting a proposal (*) in

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December 2023 to expand the airport capacity to boost the economy.

- (*) The recommendations by the “Okinawa Future Creation Council,” composed of seven large Okinawa based companies, will be discussed by a task force, which is planning to be established in 2024 to develop specific measures. These measures aim to incorporate the recommendations into the “New Basic Plan for 21st Century Vision of Okinawa (Okinawa Promotion Plan)” expected to be revised around FY2027. However, there is no guarantee that the suggested structural of the airport expansion will be implemented.

(2) Features of the Assets for Anticipated Acquisition

a. Superiority in location

OKINAWA HARBORVIEW HOTEL is located in central Naha city, approx. a 10-minute drive from Naha Airport and 10-minute walk from Tsubogawa Station and Asahibashi Station on the Okinawa Urban Monorail. Despite its proximity to the major public transportation hubs, the hotel has a sense of calm within a quiet residential neighborhood. Moreover, the hotel captures the rich history and tradition of Okinawa. The hotel is located approx. 7-minute walk from Kokusai Dori, Okinawa’s largest downtown area and it is very close to the Okinawa Prefectural Government Building, the Naha city Hall and the Okinawa Prefectural Assembly, so it is a location expected to capture diverse demand for both leisure and business.

b. Superiority in infrastructure

OKINAWA HARBORVIEW HOTEL was built as a full-fledged city hotel in Naha city by leveraging the Okinawa International Ocean Exposition held in 1975 to commemorate the reversion of Okinawa to Japan in 1972. At the time, the facility operated as the Harborview Club with the atmosphere of a salon for leaders from various fields in politics and business from Japan and the US to wine and dine. Even now, it is used by the members of the Japanese imperial family and VIPs from Japan and overseas and is loved as a very formal, long-established hotel.

There is a variety of guest room types from standard rooms to suites. All guest rooms are over 25 m², making them some of the largest guest rooms for hotels in Naha city. In addition to 352 guest rooms, the facilities include restaurants, bar lounge, banquet halls, wedding chapel, a garden swimming pool, and club lounge. The interior is decorated with appealing art that gives a sense of Okinawan culture and tradition, such as banyan trees and Shisa (Okinawa’s guardian lion) walls. As a full-service hotel providing refined service, the facility caters to the diverse needs of guests from Japan and overseas.

c. Superiority in operations

OKINAWA HARBORVIEW HOTEL is currently operated by HMJ. At the timing of the Acquisition, HMJ intends to acquire the 100% of outstanding shares of lessee of this hotel to make it a 100% subsidiary of HMJ. We aim for growth through the active asset management strategy that utilizes the HMJ platform needed to realize the impact of the planned Renovations to the maximum extent.

II. Southern Beach Hotel & Resort OKINAWA

(1) Features of the Assets for Anticipated Acquisition

a. Superiority in location

The Southern Beach Hotel & Resort OKINAWA is a southern resort hotel close to Naha Airport, located on the southern tip of Okinawa’s main island in Itoman city, an approx. 20-minute drive from Naha Airport and approx. 45-minute ride on Tokyo Bus (Umikaji Liner) from Naha Airport Domestic Terminal. Additionally, the hotel has convenient access to tourist spots within Naha city, such as the Peace Memorial Park and the Himeyuri Memorial Tower in southern Okinawa, with direct access to the white-sand public beach Bibi Beach Itoman.

b. Superiority in infrastructure

The Southern Beach Hotel & Resort OKINAWA is a large resort hotel with 448 guest rooms. This establishment opened in June 2009. All guest rooms are over 30 m² and comes with a balcony, with no buildings nearby to block the view. The ocean view guest rooms provide a distant view of the Kerama Islands and a view of the horizon. Additionally, the harbor view rooms have views of Itoman city and its famous fishing harbor. Activities include various marine sports and guests can enjoy BBQing on the beach right in front of the hotel.

In addition to restaurants, banquet halls and wedding chapel, this hotel is equipped with a 70m-long pool with a water slide, as well as an indoor pool that can be enjoyed all year round. Additionally, the hotel features a

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premium lounge located on the top floor of the hotel, a dedicated desk for checking in and out, light snacks and drinks from 7am to 11pm daily.

c. Superiority in operations

The lessee, Okinawa Hotel Management Co., Ltd, is a 100% owned subsidiary of Green House Co., Ltd. The current lease contract allows for upside potential with a rent structure that combines fixed and variable rents, but the fixed-term lease contract is due to expire at the end of December 2025. JHR believes further upside potential can be gained by changing the rent scheme or revising the contract.

III. MIMARU Tokyo Shinjuku West

(1) Tokyo and Shinjuku Markets

The Tokyo market is strong due to the increase of inbound demand in addition to the stable domestic business and tourism demand. Shinjuku has Shinjuku Station, one of the Japan's leading terminals, and has developed a transportation network that includes express buses originating from the Shinjuku Expressway Bus Terminal. In addition to enabling excellent tourism access within the Tokyo Metropolitan Area, Shinjuku Station provides easy access to Nikko and Mt. Fuji, and other popular tourist areas representative of Japan. All this makes Shinjuku an excellent destination for tourists.

There are various features within the vicinity of Shinjuku. West Shinjuku, where MIMARU Tokyo Shinjuku West is located, has Shinjuku Central Park and the Tokyo Metropolitan Government Buildings and is a leading office building area in Japan with rows of skyscrapers. Additionally, the Kabukicho area, where HOTEL AMANEK Shinjuku-Kabukicho is located, is a lively area representative of Japan as area full of entertainment and nightlife facilities. Shinjuku is particularly popular with inbound guests and JHR believes that further growth is possible driven by the inbound demand.

(2) Features of the Assets for Anticipated Acquisition

a. Superiority in location

MIMARU Tokyo Shinjuku West is located in a convenient location approx. 10-minute walk from JR Shinjuku Station, approx. a 5-minute walk from the Toei Subway Shinjuku Line Shinjuku Station, and approx. an 8-minute walk from the Toei Subway Oedo Line Tochomae Station. Additionally, located nearby is a large observatory at the Tokyo Metropolitan Government Building and many large commercial facilities which altogether make it an excellent location as a tourist spot.

b. Superiority in infrastructure

MIMARU Tokyo Shinjuku West is a newly built limited-service hotel that opened in March 2020. It has 76 spacious guest rooms, averaging 41.5 m². All rooms (except a universal room) accommodate four or more guests (up to six). All guest rooms come with a kitchenette, dining table, cookware and tableware, all in an apartment-style hotel that enables long-term stays for families and groups. In addition, rooms are equipped with independent washstands and bathtubs, which provide a comfortable and relaxing space. There are few limited-service hotels with spacious guest rooms in the surrounding area, and as such JHR believes it makes this hotel distinct and very competitive.

c. Superiority in operations

The lessee, Cosmos Initia Co., Ltd., is part of the Daiwa House Group, and the operator is its affiliate, COSMOS Hotel Management Co., Ltd. There are 27 hotels under the MIMARU brand nationwide, and it has management know-how with a track record that is referred to as a market leader in apartment hotels. The rent scheme adopts GOP linked variable rent in addition to fixed rent and the lease contract allows for upside potential.

IV. HOTEL AMANEK Shinjuku-Kabukicho.

(1) Features of the Assets for Anticipated Acquisition

a. Superiority in location

HOTEL AMANEK Shinjuku-Kabukicho is located in the Kabukicho area, approx. 10-minute walk from JR Shinjuku Station, approx. 7-minute walk from Higashi Shinjuku Station on Tokyo Metro Fukutoshin Line and Toei Subway Oedo Line and approx. 8-minute walk from the Shinjuku Sancho Station on the Tokyo Metro

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Fukutoshin and Marunouchi Line. Kabukicho is a popular area for inbound, and suitable for capturing leisure demand. The hotel is in a convenient location with excellent access to nearby tourist attractions.

b. Superiority in infrastructure

HOTEL AMANEK Shinjuku-Kabukicho is a newly built limited-service hotel that opened in April 2023. It has 169 guest rooms and all rooms accommodate two or more guests, mainly with doubles (16-18 m²). Twin (19 m²) / triple (21-24 m²) rooms are also available, each serving various needs with a focus on inbound demand. The hotel caters to broad accommodation demand focused on inbound demand. All of the guest rooms have three separate areas for the bathtub, toilet and sink, with the aim to differentiate them and provide guests with comfortable rooms including the installation of bathtubs in all rooms. Food is also provided in the lounge and courtyard.

c. Superiority in operations

The lessee, AMANEK Corporation, operates nine AMANEK brand hotels nationwide. It excels at low-cost operations such as multi-tasking, and is expected to maximize GOP from a cost management perspective. The rent scheme adopts GOP linked variable rent in addition to fixed rent and the lease contract allows for upside potential.

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4. Details of the Assets for Anticipated Acquisition

(1) OKINAWA HARBORVIEW HOTEL

Property No.	63	Property Name	OKINAWA HARBORVIEW HOTEL		
1. Asset summary (*1)					
Asset category	Real estate beneficial interest in trust and movable assets associated with the hotel				
Anticipated acquisition date	July 31, 2024				
Anticipated acquisition price	JPY21,500,000 thousand				
Appraisal value	JPY24,200,000 thousand (See “13. Real Estate Appraisal Report Summary” below for details.)				
2. Summary of real estate (or trusted real estate) (*2)					
Intended use of the property	Hotel/Full-service hotel				
Ownership	Land	Ownership			
	Building	Ownership			
Land	Plot No	46, 101-20, 101-21 and 299, Izumizaki 2-chome, Naha city, Okinawa			
	Address	2-46, Izumizaki, Naha city, Okinawa			
	Acreage	13,500.80 m ²			
	Zoning, etc.	Category 2 residential district			
	Building-to-land ratio	60%			
	Floor area ratio	200%			
Building	Structure and stories	SRC with flat roof; 12 stories above ground with 2 stories below ground			
	Intended use	Hotel			
	Completion	Main building: April 24, 1975, South Annex: September 27, 1983			
	Total floor space (*3)	26,402.86 m ²			
	Designer	Shimizu Corporation			
	Constructor	Consortium of Shimizu Corporation, Obayashi Corporation and KOKUBA-GUMI Co., Ltd.			
	Institute that confirmed building	Naha City Building Official			
Present owner	Trustee: Mitsubishi UFJ Trust and Banking Corporation (Trust period expiration date: December 31, 2034) Beneficiary: Not disclosed (*4)				
Collateral	None				
3. Transportation (*5)					
Approx. 10-minute by car from Naha Airport					
Approx. 10-minute walk from Tsubogawa station and Asahibashi station on the Okinawa Urban Monorail					
4. Lease status					
Total number of tenants	1				
Leasable area (*6)	26,402.86 m ²				
Leased area (*6)	26,402.86 m ²				
Form of lease	Fixed-term lease contract (fixed-term building lease contract as stipulated in Article 38 of the Act on Land and Building Leases)				
Contractual rent (*7)	Fixed rent	July 31, 2024 to July 31, 2026: JPY87,500 thousand per month From August 1, 2026 onwards: JPY55,000 thousand per month			
	Variable rent	August 1, 2026 to December 31, 2026: (AGOP for the said period – base amount (JPY300,000 thousand)) × 95% From January 1, 2027 onwards: (annual AGOP – base amount (JPY720,000 thousand/year)) × 95%			
Term of contract (*7)	From July 31, 2024 to December 31, 2034				
Deposit and guarantee money	JPY0				
Change in occupancy rate for the past five years (based on area)	End of December 2019	End of December 2020	End of December 2021	End of December 2022	End of December 2023
	100%	100%	100%	100%	100%
5. Related parties for hotel operation					
Hotel lessee	The Hotelier Group Naha K.K.				
Property manager	The Dai-Ichi Building Co., Ltd.				
6. Hotel website (*8)					
https://oka-hvh.com.e.asa.hp.transer.com/					

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7. Summary of the building inspection report		
Investigation company	Tokyo Bldg-Tech Center Co., Ltd.	
Investigation date	April 8, 2024	
Repair expenses	Urgently required	JPY0
	Required within one year	JPY0
	Total amount for another 12 years	JPY1,974,260 thousand
Earthquake PML value (*9)	4.5%	
8. Special remark		
None		

- (*1) “Asset summary”
- “Asset category” indicates category of real estate beneficial interest in trust as specified asset and the hotel’s movable assets to be purchased together with the real estate beneficial interest in trust (hereinafter called the “Real estate and other assets”).
 - “Anticipated acquisition price” is the price stated on the PSA, etc. and does not include various expenses required for the acquisition of the Real estate, etc. (e.g., brokerage fee).
- (*2) “Summary of real estate (or trusted real estate)”
- Information set out in the “Structures and stories”, “Intended use” and “Completion” of the building are taken from the certified copy of real estate registry. However, if erroneous information is identified by investigation, correct information is stated.
 - In the “Structure and stories” column, S means Steel-framed structure, RC means Reinforced Concrete structure and SRC means Steel Reinforced Concrete structure.
 - “Zoning, etc.” (“use district”, “special use district” and “fire prevention district or quasi-fire prevention district”) are stated based on Article 8, Clause 1-1, Clause 1-2, and Clause 1-5 of City Planning Act.
- (*3) “Total floor space”
- It is a total floor space of the building and attached buildings taken from the certified copy of real estate registry.
- (*4) “Beneficiary on “Present owner” section
- Undisclosed as consent of the beneficiary has not been obtained.
- (*5) “Transportation”
- It is stated according to the information from the market report prepared by KPMG FAS Co., Ltd.
- (*6) “Leasable area” and “Leased area”
- It is a total contracted area (including car parking space in the basement) based on the building lease contract with hotel lessees, retail space lessees and office lessees.
- (*7) “Contractual rent” and “Term of contract”
- On the anticipated acquisition date, the lease contract in effect as of today will be terminated upon agreement and a new fixed-term building lease contract will be concluded. “Contractual rent” and “Term of contract” describe the terms of the new contract.
- (*8) “Hotel website”
- It states the website address currently operated by the hotel lessee.
- (*9) “PML”
- “PML (Probable Maximum Loss)” means the anticipated maximum damage ratio resulting from an earthquake. Since no uniform definition has been made yet on PML, we used the following method. Probability and anticipated loss amount caused by a major earthquake that may occur once every 475 years are evaluated and statistically processed to identify the anticipated percentage of loss amount against the building replacement cost. It has been calculated based on site inspection, assessment of building condition, confirmation of the consistency with the design document, ground investigation, local factors and structural investigation.
- (*10) All amounts are rounded down to the nearest JPY1,000.

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(2) Southern Beach Hotel & Resort OKINAWA

Property No.	64	Property Name	Southern Beach Hotel & Resort OKINAWA		
1. Asset summary (*1)					
Asset category	Real estate beneficial interest in trust and movable assets associated with the hotel				
Anticipated acquisition date	July 31, 2024				
Anticipated acquisition price	JPY16,200,000 thousand				
Appraisal value	JPY20,300,000 thousand (See “13. Real Estate Appraisal Report Summary” below for details.)				
2. Summary of real estate (or trusted real estate) (*2)					
Intended use of the property	Hotel/Resort Hotel				
Ownership	Land	Ownership			
	Building	Ownership			
Land	Plot No	1-6-1, Nishizakicho, Itoman city, Okinawa			
	Address	1-6-1, Nishizakicho, Itoman city, Okinawa			
	Acreage	34,927.46 m ²			
	Zoning, etc.	Quasi-industrial district			
	Building-to-land ratio	60%			
	Floor area ratio	200%			
Building	Structure and stories	S with flat roof; 10stories above ground			
	Intended use	Hotel			
	Completion	April 30, 2009			
	Total floor space (*3)	29,874.76 m ²			
	Designer	Tokyo First Class Architects Office of Takenaka Corporation			
	Constructor	Takenaka Corporation Kyushu Branch			
	Institute that confirmed building	ERI Holdings			
Present owner	Trustee: Sumitomo Mitsui Trust Bank, Limited (Trust period expires on July 31, 2034) Beneficiary: Not disclosed (*4)				
Collateral	None				
3. Transportation (*5)					
Approx. 20-minute by car from Naha Airport					
Approx. 45-minute by Tokyo Bus (Umikaji Liner) from Naha Airport Domestic Terminal					
4. Lease status					
Total number of tenants	1				
Leasable area (*6)	29,874.76 m ²				
Leased area (*6)	29,874.76 m ²				
Form of lease	Fixed-term lease contract (fixed-term building lease contract as stipulated in Article 38 of the Act on Land and Building Leases)				
Contractual rent	Fixed rent	JPY50,000 thousand per month			
	Variable rent	Linked to GOP			
Terms of contract	From December 28, 2015 to December 27, 2025				
Deposit and guarantee money	JPY150,000 thousand				
Change in occupancy rate for the past five years (based on area)	End of December 2019	End of December 2020	End of December 2021	End of December 2022	End of December 2023
	100%	100%	100%	100%	100%
5. Related parties for hotel operation					
Hotel lessee	Okinawa Hotel Management Co., Ltd.				
Property manager	Okinawa Hotel Management Co., Ltd.				
6. Hotel website (*7)					
https://www.southernbeach-okinawa.com/en/					

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7. Summary of the building inspection report		
Investigation company	Tokyo Bldg-Tech Center Co., Ltd.	
Investigation date	April 9, 2024	
Repair expenses	Urgently required	JPY0
	Required within one year	JPY0
	Total amount for another 12 years	JPY1,002,320 thousand
Earthquake PML value (*8)	10.5%	
8. Special remark		
The roads adjacent to this property are fishing port roads managed by Okinawa Prefecture and is not a road under the Building Standards Act, so it does not satisfy the road access obligation. As such, the building was constructed with permission from Nanbu Regional Public Works Office. For future reconstruction or expansion or renovation of this property, another permission from Nanbu Regional Public Works Office will be required.		

(*1) “Asset summary”

- “Asset category” indicates category of real estate beneficial interest in trust as specified asset and the hotel’s movable assets to be purchased together with the real estate beneficial interest in trust (hereinafter called the “Real estate and other assets”).
- “Anticipated acquisition price” is the price stated on the PSA, etc. and does not include various expenses required for the acquisition of the Real estate and other assets (e.g., brokerage fee).

(*2) “Summary of real estate (or trusted real estate)”

- Information set out in the “Structures and stories”, “Intended use” and “Completion” of the building are taken from the certified copy of real estate registry. However, if erroneous information is identified by investigation, correct information is stated.
- In the “Structure and stories” column, S means Steel-framed structure, RC means Reinforced Concrete structure and SRC means Steel Reinforced Concrete structure.
- “Zoning, etc.” (“use district”, “special use district” and “fire prevention district or quasi-fire prevention district”) are stated based on Article 8, Clause 1-1, Clause 1-2, and Clause 1-5 of City Planning Act.

(*3) “Total floor space”

- It is a total of the exclusive areas of the building and the floor space of attached buildings taken from the certified copy of real estate registry.

(*4) “Beneficiary on “Present owner” section

- Undisclosed as consent of the beneficiary has not been obtained.

(*5) “Transportation”

- It is stated according to the information from the market report prepared by KPMG FAS Co., Ltd.

(*6) “Leasable area” and “Leased area”

- It is a total contracted area (including car parking space in the basement) based on the building lease contracts with hotel lessees, retail space lessees and office lessees.

(*7) “Hotel website”

- It states the website address currently operated by the hotel lessee.

(*8) “PML”

- “PML (Probable Maximum Loss)” means the anticipated maximum damage ratio resulting from an earthquake. Since no uniform definition has been made yet on PML, we used the following method. Probability and anticipated loss amount caused by a major earthquake that may occur once every 475 years are evaluated and statistically processed to identify the anticipated percentage of loss amount against the building replacement cost. It has been calculated based on site inspection, assessment of building condition, confirmation of the consistency with the design document, ground investigation, local factors and structural investigation.

(*9) All amounts are rounded down to the nearest JPY1,000.

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(3) MIMARU Tokyo Shinjuku West

Property No.	61	Property Name	MIMARU Tokyo Shinjuku West		
1. Asset summary (*1)					
Asset category	Real estate beneficial interest in trust and movable assets associated with the hotel				
Anticipated acquisition date	July 12, 2024				
Anticipated acquisition price	JPY9,645,000 thousand				
Appraisal value	JPY11,700,000 thousand (See “13. Real Estate Appraisal Report Summary” below for details.)				
2. Summary of real estate (or trusted real estate) (*2)					
Intended use of the property	Hotel/Limited-service hotel				
Ownership	Land	Ownership			
	Building	Ownership			
Land	Plot No.	152-29, 152-30, 152-47, 152-48, 152-49, 152-50, 152-51, 152-52, 152-53, 152-54, Nishi-Shinjuku 3-chome, Shinjuku-ku, Tokyo			
	Address	3-11 Nishi-Shinjuku 3-chome, Shinjuku-ku, Tokyo			
	Acreage	491.34 m ²			
	Zoning, etc.	Commercial district, fire prevention district, parking place development zone			
	Building-to-land ratio	80%			
	Floor area ratio	800%			
Building	Structure and stories	RC with flat roof; 14 stories above ground			
	Intended use	Hotel			
	Completion	February 14, 2020			
	Total floor space (*3)	3,972.70 m ²			
	Designer	ATAKA SEKKEI CO., LTD			
	Constructor	Tokyo Branch of Fujita Corporation			
	Institute that confirmed building	The Building Center of Japan			
Present owner	Trustee: Sumitomo Mitsui Trust Bank, Limited (Trust period expires on July 31, 2034) Beneficiary: Not disclosed (*4)				
Collateral	None				
3. Transportation (*5)					
Approx. 5-minute walk from Shinjuku station on Toei Subway Shinjuku Line Approx. 10-minute walk from Shinjuku station on JR Lines Approx. 8-minute walk from Tochomae station on Toei Subway Oedo Line.					
4. Lease status					
Total number of tenants	2				
Leasable area (*6)	4,181.68 m ²				
Leased area (*6)	4,181.68 m ²				
Form of lease	Fixed-term lease contract (fixed-term building lease contract as stipulated in Article 38 of the Act on Land and Building Leases)				
Contractual rent	Fixed rent	Not disclosed (*7)			
	Variable rent	Linked to GOP			
Terms of contract	From February 28, 2020 to February 27, 2040				
Deposits and guarantee money	Not disclosed (*7)				
Change in occupancy rate for the past five years (based on area)	End of December 2019	End of December 2020	End of December 2021	End of December 2022	End of December 2023
	-	100%	100%	100%	100%
5. Related parties for hotel operation					
Hotel lessee	Cosmos Initia Co.,Ltd.				
Property manager	FUJITA BUILDING MAINTENANCE CO., LTD.				
6. Hotel website (*8)					
https://mimaruhotels.com/en/hotel/shinjuku-west/					

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7. Summary of the building inspection report		
Investigation company	Tokio Marine dR Co., Ltd.	
Investigation date	November 20, 2023	
Repair expenses	Urgently required	JPY0
	Required within one year	JPY0
	Total amount for another 12 years	JPY148,432 thousand
Earthquake PML value (*9)	4.2%	
8. Special remark		
None		

- (*1) "Asset summary"
- "Asset category" indicates category of real estate beneficial interest in trust as specified asset and the hotel's movable assets to be purchased together with the real estate beneficial interest in trust (hereinafter called the "Real estate and other assets").
 - "Anticipated acquisition price" is the price stated on the PSA, etc. and does not include various expenses required for the acquisition of the Real estate and other assets (e.g., brokerage fee).
- (*2) "Summary of real estate (or trusted real estate)"
- Information set out in the "Structures and stories", "Intended use" and "Completion" of the building are taken from the certified copy of real estate registry. However, if erroneous information is identified by investigation, correct information is stated.
 - In the "Structure and stories" column, S means Steel-framed structure, RC means Reinforced Concrete structure and SRC means Steel Reinforced Concrete structure.
 - "Zoning, etc." ("use district", "special use district", "fire prevention district or quasi-fire prevention district" and "parking place development zone") are stated based on Article 8, Clause 1-1, Clause 1-2, Clause 1-5, and Clause 1-8 of City Planning Act.
- (*3) "Total floor space"
- It is a total of the exclusive areas of the building and the floor space of attached buildings taken from the certified copy of real estate registry.
- (*4) Beneficiary on Present Owner section
- Undisclosed as consent of the beneficiary has not been obtained.
- (*5) "Transportation"
- It is stated according to the information from the market report prepared by Japan Real Estate Institute.
- (*6) "Leasable area" and "Leased area"
- It is a total contracted area (including car parking space in the basement) based on the building lease contracts with hotel lessees, retail space lessees and office lessees.
- (*7) "Fixed rent" in "Contractual rent" and "Deposits and guarantee money"
- Undisclosed as consent of the tenant has not been obtained.
- (*8) "Hotel website"
- It states the website address currently operated by the hotel lessee.
- (*9) "PML"
- "PML (Probable Maximum Loss)" means the anticipated maximum damage ratio resulting from an earthquake. Since no uniform definition has been made yet on PML, we used the following method. Probability and anticipated loss amount caused by a major earthquake that may occur once every 475 years are evaluated and statistically processed to identify the anticipated percentage of loss amount against the building replacement cost. It has been calculated based on site inspection, assessment of building condition, confirmation of the consistency with the design document, ground investigation, local factors and structural investigation.
- (*10) All amounts are rounded down to the nearest JPY1,000.

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(4) HOTEL AMANEK Shinjuku-Kabukicho.

Property No.	62	Property Name	HOTEL AMANEK Shinjuku-Kabukicho.		
1. Asset summary (*1)					
Asset category	Real estate beneficial interest in trust				
Anticipated acquisition date	July 12, 2024				
Anticipated acquisition price	JPY8,845,000 thousand				
Appraisal value	JPY12,800,000 thousand (See “13. Summary of Real Estate Appraisal Report” below for details.)				
Summary of real estate (or trusted real estate) (*2)					
Intended use of the property	Hotel/Limited-service hotel				
Ownership	Land	Ownership			
	Building	Ownership			
Land	Plot No.	441-1 Kabukicho 2-chome, Shinjuku-ku, Tokyo			
	Address	24-10 Kabukicho 2-chome, Shinjuku-ku, Tokyo			
	Acreage	760.36 m ²			
	Zoning, etc.	Commercial district, fire prevention district, parking place development zone			
	Building-to-land ratio	80%			
	Floor space ratio	600%			
Building	Structure and stories	SRC with flat roof; 14 stories above ground with one story below ground			
	Intended use	Hotel/Retail			
	Completion	March 9, 2023			
	Total floor space (*3)	4,326.52 m ²			
	Designer	UNIVERSAL DESIGN OFFICE INC.			
	Constructor	HIRAIWA Construction, Co., Ltd.			
	Institute that confirmed building	JAPAN ERI CO.,LTD.			
Present owner	Trustee: Shinsei Trust & Banking Co., Ltd. (Trust period expires on December 31, 2034) Beneficiary: Not disclosed (*4)				
Collateral	None				
3. Transportation (*5)					
Approx. 10-minute walk from Shinjuku station on JR Lines Approx. 7-minute walk from Higashi-Shinjuku station on Fukutoshin Line and Toei Subway Oedo Line Approx. 8-minute walk from Shinjuku Sanchome station on Fukutoshin and Marunouchi Line					
4. Lease status					
Total number of tenants	2				
Leasable area (*6)	4,326.52 m ²				
Leased area (*6)	4,326.52 m ²				
Form of lease	Fixed-term lease contract (fixed-term building lease contract as stipulated in Article 38 of the Act on Land and Building Leases)				
Contractual rent	Fixed rent	Not disclosed (*7)			
	Variable rent	Linked to GOP			
Terms of contract	From March 20, 2023 to March 19, 2043				
Deposits and guarantee money	Not disclosed (*7)				
Change in occupancy rate for the past five years (based on area)	End of December 2019	End of December 2020	End of December 2021	End of December 2022	End of December 2023
	-	-	-	-	100%
5. Related parties for hotel operation					
Hotel lessee	AMANEK Corporation				
Property manager	FUJITA BUILDING MAINTENANCE CO., LTD.				
6. Hotel website (*8)					
https://amanekhotels.jp/kabuki/					

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7. Summary of the building inspection report		
Investigation company	Tokio Marine dR Co., Ltd.	
Investigation date	November 20, 2023	
Repair expenses	Urgently required	JPY0
	Required within one year	JPY0
	Total amount for another 12 years	JPY103,617 thousand
Earthquake PML value (*9)	3.0%	
8. Special remark		
None		

- (*1) "Asset summary"
- "Asset category" indicates category of real estate beneficial interest in trust as specified asset and the hotel's movable assets to be purchased together with the real estate beneficial interest in trust (hereinafter called the "Real estate and other assets").
 - "Anticipated acquisition price" is the price stated on the PSA, etc. and does not include various expenses required for the acquisition of the Real estate and other assets (e.g., brokerage fee).
- (*2) "Summary of real estate (or trusted real estate)"
- Information set out in the "Structures and stories", "Intended use" and "Completion" of the building are taken from the certified copy of real estate registry. However, if erroneous information is identified by investigation, correct information is stated.
 - In the "Structure and stories" column, S means Steel-framed structure, RC means Reinforced Concrete structure and SRC means Steel Reinforced Concrete structure.
 - "Zoning, etc." ("use district", "special use district", "fire prevention district or quasi-fire prevention district" and "parking place development zone") are stated based on Article 8, Clause 1-1, Clause 1-2, Clause 1-5, and Clause 1-8 of City Planning Act.
- (*3) "Total floor space"
- It is a total of the exclusive areas of the hotel and the floor space of attached buildings taken from the certified copy of real estate registry.
- (*4) Beneficiary on Present Owner section
- Undisclosed as consent of the beneficiary has not been obtained.
- (*5) "Transportation"
- It is stated according to the information from the market report prepared by Japan Real Estate Institute.
- (*6) "Leasable area" and "Leased area"
- It is a total contracted area (including car parking space in the basement) based on the building lease contracts with hotel lessees, retail space lessees and office lessees.
- (*7) "Fixed rent" in "Contractual rent" and "Deposits and guarantee money"
- Undisclosed as consent of the tenant has not been obtained.
- (*8) "Hotel website"
- It states the website address currently operated by the hotel lessee.
- (*9) "PML"
- "PML (Probable Maximum Loss)" means the anticipated maximum damage ratio resulting from an earthquake. Since no uniform definition has been made yet on PML, we used the following method. Probability and anticipated loss amount caused by a major earthquake that may occur once every 475 years are evaluated and statistically processed to identify the anticipated percentage of loss amount against the building replacement cost. It has been calculated based on site inspection, assessment of building condition, confirmation of the consistency with the design document, ground investigation, local factors and structural investigation.
- (*10) All amounts are rounded down to the nearest JPY1,000.

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5. Summary of the Sellers

(1) OKINAWA HARBORVIEW HOTEL, MIMARU Tokyo Shinjuku West and HOTEL AMANEK Shinjuku-Kabukicho.

The relevant information is not disclosed as consent on disclosure has not been obtained from each seller. There are no capital, human or business relationships to be specifically noted between JHR or the Asset Management Company and the sellers.

(2) Southern Beach Hotel & Resort OKINAWA

The relevant information is not disclosed as consent on disclosure has not been obtained from the seller. There are no capital, human or business relationships to be specifically noted between JHR or the Asset Management Company and the seller, except for those stated in “6. Transactions with Interested Party” below. Moreover, the affiliated parties and companies of JHR and the Asset Management Company do not have any capital, human and business relationships with the affiliated parties and companies of the seller that should be specifically reported.

6. Transactions with Interested Party

With respect to OKINAWA HARBORVIEW HOTEL, one of the Assets for Anticipated Acquisition, HMJ plans to acquire 100% of the issued shares of the hotel lessee, THE HOTELIER GROUP NAHA K.K.. Since HMJ falls under the category of an interested party, etc. as stipulated in Article 201 of the Investment Trust Act as well as Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000, as amended), the above hotel lessee, whose 100% of the issued shares are to be held by HMJ, will also fall under the category of interested party, etc. Therefore, in accordance with the “Code for Transactions with Sponsor-related Party” stipulated by the Asset Management Company, appropriate procedures stipulated in the Code for Transactions with Sponsor-related Party such as approval of the compliance committee with outside experts attending and of the Board of Directors meeting of JHR have been obtained, prior to the conclusion of the amendment to the fixed-term building lease contract with THE HOTELIER GROUP NAHA K.K..

With respect to Southern Beach Hotel & Resort OKINAWA, one of the Assets for Anticipated Acquisition, the seller is a business corporation with which the Asset Management Company has concluded an investment (advisory) agreement, and falls under the category of sponsors as defined in the internal rules of the Asset Management Company. As a result, the acquisition of the asset by JHR falls under a transaction with a sponsor-related party as defined in the internal rules of the Asset Management Company. Therefore, in accordance with the “Code for Transactions with Sponsor-related Party,” appropriate procedures have been taken such as approval at a compliance committee meeting attended by outside experts and JHR’s Board of Directors meeting, as well as the consent of the seller’s end investors.

7. Status of Previous Owners, etc.

With the exception of Southern Beach Hotel & Resort OKINAWA, the previous owners do not have any special interest relationship with either JHR or the Asset Management Company. The status of Southern Beach Hotel & Resort OKINAWA is as follows.

	Present Owners, etc.	Previous Owners, etc.
Company name	Not disclosed	Other than those with a special interest relationship
Relationship with parties having a special interest relationship with JHR or the Asset Management Company	Does not fall under Interested parties, etc. of the Investment Trust Act, but falls under Sponsor-related Party as defined in the “Code for Transactions with Sponsor-related Party” as the investment advisory business is outsourced to the Asset Management Company	-
Background, reason, etc. for acquisition	Investment	-
Acquisition date	September 2019	-
Acquisition price	Not disclosed (Omitted since the present owners have owned the property for more than one year.)	-

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8. Summary of Broker

There is no broker in the transactions for the Assets for Anticipated Acquisition.

9. Forward Commitments (*)

(1) Assets for Anticipated Acquisition subject to Forward Commitment

Property name	Conclusion of sales contract	Scheduled payment and acquisition
OKINAWA HARBORVIEW HOTEL	June 24, 2024	July 31, 2024 (scheduled)
Southern Beach Hotel & Resort OKINAWA	June 24, 2024	July 31, 2024 (scheduled)

(*) In the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” of Financial Services Agency, “forward commitment” is defined as “a postdated sales contract under which payment and delivery shall be made at least one month after the conclusion of the contract, or any other contract similar thereto”.

(2) Impact on JHR’s Financial Standing if Forward Commitment is not implemented

In order to secure the Assets for Anticipated Acquisition, JHR executed the PSA, etc. for the properties listed in (1) above with the respective sellers as of today. Under the PSA, etc., either party may terminate the agreement if the other party has breached its obligations thereunder (hereinafter called the “breaching party”), after giving a written notice with a reasonable period of time for cure. In such case, the breaching party shall pay an amount equivalent to (i) 20% of the acquisition price for OKINAWA HARBORVIEW HOTEL, (ii) up to 10% of the acquisition price for Southern Beach Hotel & Resort OKINAWA.

However, the PSA, etc. stipulates that the completion of financing necessary for the payment by JHR is a condition precedent for the payment of the acquisition price, and in addition, it is stipulated that the failure of JHR to complete the financing shall not constitute an event of default and grounds for compensation for damages, etc. under the agreement. Therefore, even if JHR is unable to fulfill the forward commitment, etc. due to its failure to complete the procurement of funds for the payment of the purchase price, JHR will not be obligated to pay the penalty, and therefore, JHR believes that the possibility of a material impact on its financial standing is low.

10. Settlement Method

JHR plans to pay the transaction amounts in the lump sum payment at the time of settlement by using new loans, funds to be procured through issuance of new investment units, together with cash on hand.

11. Schedule of Settlement Dates

(1) OKINAWA HARBORVIEW HOTEL and Southern Beach Hotel & Resort OKINAWA

Resolution for the acquisition	June 24, 2024
Conclusion of purchase and sale agreement	June 24, 2024
Settlement and transfer	July 31, 2024 (scheduled)

(2) MIMARU Tokyo Shinjuku West and HOTEL AMANEK Shinjuku-Kabukicho.

Resolution for the acquisition	June 24, 2024
Conclusion of purchase and sale agreement	June 24, 2024
Settlement and transfer	July 12, 2024 (scheduled)

12. Future prospects

With respect to the operating forecast after the acquisition of the Assets for Anticipated Acquisition, please refer to “Notice Concerning Revision of Operating and Dividend Forecast for the Fiscal Year Ending December 2024 (25th Period)” dated today.

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13. Real Estate Appraisal Report Summary

(1) OKINAWA HARBORVIEW HOTEL

Real Estate Appraisal Report Summary		
Property name	OKINAWA HARBORVIEW HOTEL	
Appraisal value	JPY24,200,000 thousand	
Name of appraiser	Japan Real Estate Institute	
Date of appraisal	April 30, 2024	
Item	Details	Summary, etc.
Indicated value by income approach	JPY24,200,000 thousand	
Value by direct capitalization method	JPY24,600,000 thousand	
Operating income	JPY1,559,885 thousand	
Potential gross income	JPY1,559,885 thousand	
Rental revenue	JPY1,559,885 thousand	
Common service fee revenue	JPY0	
Utilities revenue	JPY0	
Parking lot revenue	JPY0	
Other revenue	JPY0	
Vacancy loss, etc.	JPY0	
Operating expenses	JPY85,051 thousand	
Maintenance and management expenses	JPY0	
Utilities cost	JPY0	
Repair expenses	JPY42,900 thousand	
Property management fee	JPY2,400 thousand	
Tenant recruitment cost, etc.	JPY0	
Tax and public dues	JPY36,627 thousand	
Non-life insurance premium	JPY3,124 thousand	
Other Expenses	JPY0	
Net operating income	JPY1,474,834 thousand	
Gain on management of deposits	JPY0	
Capital expenditures	JPY101,950 thousand	Assessed considering the level of capital expenditure for similar properties, the building age, the average value of annual repair and renewal expenses on the engineering report and renewal costs for furniture, fixtures and equipment
FF&E reserve	JPY67,807 thousand	
Net cash flow	JPY1,305,077 thousand	
Cap rate	5.3%	
Value by DCF method	JPY23,800,000 thousand	
Discount rate	4.3%	
Terminal cap rate	4.6%	
Indicated value by cost approach	JPY15,500,000 thousand	
Land ratio	91.4%	
Building ratio	8.6%	Including movable assets
Other matters noted in appraisal by appraiser	The appraiser considered that indicated value by income approach which reliably reproduced price formation process from earnings' perspective is more persuasive than indicated value by cost approach. Therefore, the appraiser determined the appraisal value by standardizing on the indicated value by income approach and by using the indicated value by cost approach as reference.	

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(2) Southern Beach Hotel & Resort OKINAWA

Real Estate Appraisal Report Summary		
Property name	Southern Beach Hotel & Resort OKINAWA	
Appraisal value	JPY20,300,000 thousand	
Name of appraiser	Japan Real Estate Institute	
Date of appraisal	April 30, 2024	
Item	Details	Summary, etc.
Indicated value by income approach	JPY20,300,000 thousand	
Value by direct capitalization method	JPY20,600,000 thousand	
Operating income	JPY1,224,998 thousand	
Potential gross income	JPY1,224,998 thousand	
Rental revenue	JPY1,224,728 thousand	
Common service fee revenue	JPY0	
Utilities revenue	JPY0	
Parking lot revenue	JPY0	
Other revenue	JPY270 thousand	
Vacancy loss, etc.	JPY0	
Operating expenses	JPY89,696 thousand	
Maintenance and management expenses	JPY0	
Utilities cost	JPY0	
Repair expenses	JPY25,058 thousand	
Property management fee	JPY2,400 thousand	
Tenant recruitment cost, etc.	JPY0	
Tax and public dues	JPY58,811 thousand	
Non-life insurance premium	JPY3,427 thousand	
Other expenses	JPY0	
Net operating income	JPY1,135,302 thousand	
Gain on management of deposits	JPY0	
Capital expenditures	JPY61,392 thousand	Assessed considering the level of capital expenditure for similar properties, the building age, the average value of annual repair and renewal expenses on the engineering report and renewal costs for furniture, fixtures and equipment
FF&E reserve	JPY45,179 thousand	
Net cash flow	JPY1,028,731 thousand	
Cap rate	5.0%	
Value by DCF method	JPY19,900,000 thousand	
Discount rate	4.6%	
Terminal cap rate	4.9%	
Indicated value by cost approach	JPY15,500,000 thousand	
Land ratio	54.8%	
Building ratio	45.2%	Including movable assets
Other matters noted in appraisal by appraiser	The appraiser considered that indicated value by income approach which reliably reproduced price formation process from earnings' perspective is more persuasive than indicated value by cost approach. Therefore, the appraiser determined the appraisal value by standardizing on the indicated value by income approach and by using the indicated value by cost approach as reference.	

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(3) MIMARU Tokyo Shinjuku West

Real Estate Appraisal Report Summary		
Property name	MIMARU Tokyo Shinjuku West	
Appraisal value	JPY11,700,000 thousand	
Name of appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.	
Date of appraisal	April 30, 2024	
Item	Details	Summary, etc.
Indicated value by income approach	JPY11,700,000 thousand	
Value by direct capitalization method	JPY12,000,000 thousand	
Operating income	JPY497,282 thousand	
Potential gross income	JPY497,282 thousand	
Rental revenue	JPY493,862 thousand	
Common service fee revenue	JPY0	
Utilities revenue	JPY0	
Parking lot revenue	JPY3,420 thousand	
Other revenue	JPY0	
Vacancy loss, etc.	JPY0	
Operating expenses	JPY38,251 thousand	
Maintenance and management expenses	JPY321 thousand	
Utilities cost	JPY0	
Repair expenses	JPY3,723 thousand	
Property management fee	JPY1,800 thousand	
Tenant recruitment cost, etc.	JPY0	
Tax and public dues	JPY31,630 thousand	
Non-life insurance premium	JPY775 thousand	
Other expenses	JPY0	
Net operating income	JPY459,030 thousand	
Gain on management of deposits	JPY425 thousand	
Capital expenditures	JPY26,181 thousand	Assessed considering the level of capital expenditure for similar properties, the building age, the average value of annual repair and renewal expenses on the engineering report and renewal costs for furniture, fixtures and equipment
Net cash flow	JPY433,273 thousand	
Cap rate	3.6%	
Value by DCF method	JPY11,600,000 thousand	
Discount rate	3.4%	
Terminal cap rate	3.8%	
Indicated value by cost approach	JPY6,960,000 thousand	
Land ratio	79.4%	
Building ratio	20.6%	Including movable assets
Other matters noted in appraisal by appraiser	The appraiser considered that indicated value by income approach which reliably reproduced price formation process from earnings' perspective is more persuasive than indicated value by cost approach. Therefore, the appraiser determined the appraisal value by standardizing on the indicated value by income approach and by using the indicated value by cost approach as reference.	

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(4) HOTEL AMANEK Shinjuku-Kabukicho.

Real Estate Appraisal Report Summary		
Property name	HOTEL AMANEK Shinjuku-Kabukicho.	
Appraisal value	JPY12,800,000 thousand	
Name of appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.	
Date of appraisal	April 30, 2024	
Item	Details	Summary, etc.
Indicated value by income approach	JPY12,800,000 thousand	
Value by direct capitalization method	JPY13,100,000 thousand	
Operating income	JPY521,477 thousand	
Potential gross income	JPY521,477 thousand	
Rental revenue	JPY517,037 thousand	
Common service fee revenue	JPY0	
Utilities revenue	JPY0	
Parking lot revenue	JPY4,440 thousand	
Other revenue	JPY0	
Vacancy loss, etc.	JPY0	
Operating expenses	JPY31,864 thousand	
Maintenance and management expenses	JPY517 thousand	
Utilities cost	JPY0	
Repair expenses	JPY4,472 thousand	
Property management fee	JPY1,800 thousand	
Tenant recruitment cost, etc.	JPY0	
Tax and public dues	JPY24,232 thousand	
Non-life insurance premium	JPY843 thousand	
Other expenses	JPY0	
Net operating income	JPY489,613 thousand	
Gain on management of deposits	JPY942 thousand	
Capital expenditures	JPY4,399 thousand	Assessed considering the level of capital expenditure for similar properties, the building age, the average value of annual repair and renewal expenses on the engineering report
Net cash flow	JPY486,156 thousand	
Cap rate	3.7%	
Value by DCF method	JPY12,700,000 thousand	
Discount rate	3.5%	
Terminal cap rate	3.9%	
Indicated value by cost approach	JPY5,560,000 thousand	
Land ratio	69.1%	
Building ratio	30.9%	
Other matters noted in appraisal by appraiser	The appraiser considered that indicated value by income approach which reliably reproduced price formation process from earnings' perspective is more persuasive than indicated value by cost approach. Therefore, the appraiser determined the appraisal value by standardizing on the indicated value by income approach and by using the indicated value by cost approach as reference.	

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

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<Attachment 1> Map of the area around the Assets for Anticipated Acquisition

(1) OKINAWA HARBORVIEW HOTEL

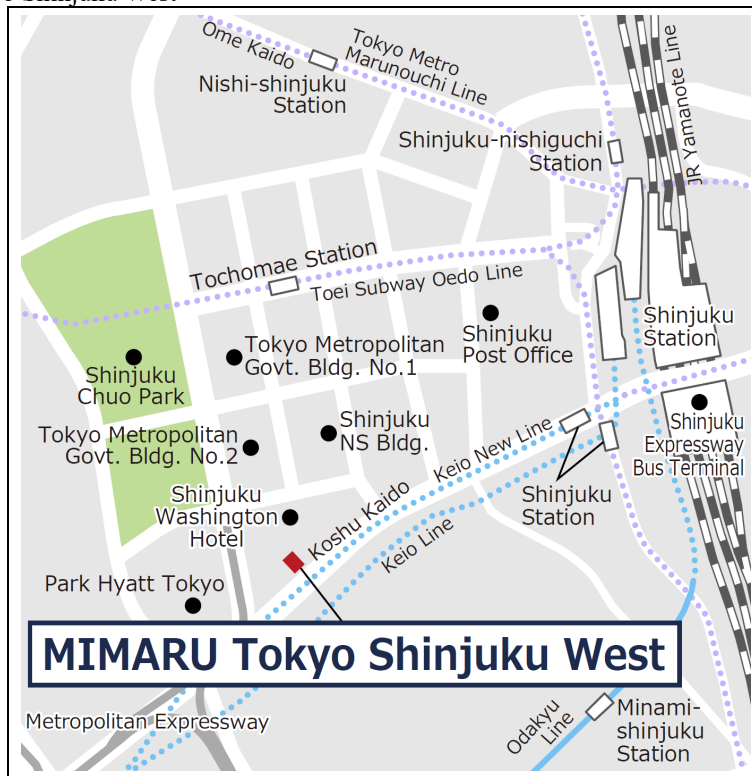


(2) Southern Beach Hotel & Resort OKINAWA

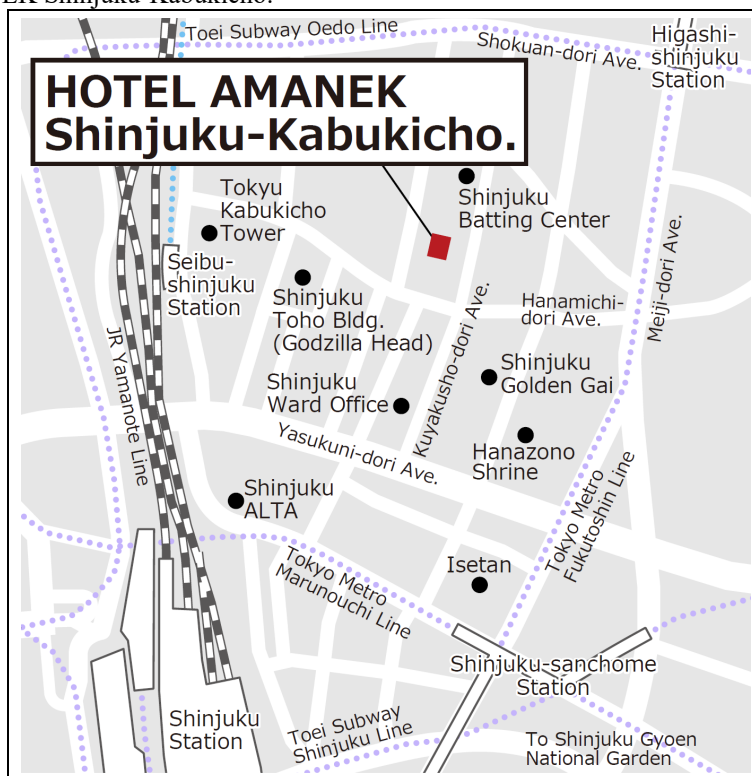


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(3) MIMARU Tokyo Shinjuku West



(4) HOTEL AMANEK Shinjuku-Kabukicho.



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<Attachment 2> Exterior appearance and interior of the Assets for Anticipated Acquisition

(1) OKINAWA HARBORVIEW HOTEL

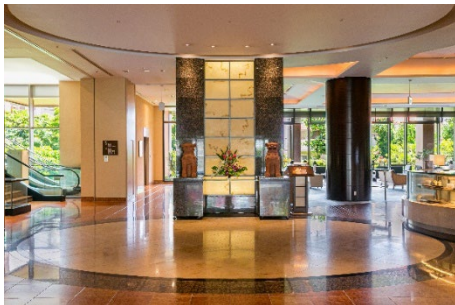
Appearance of Building



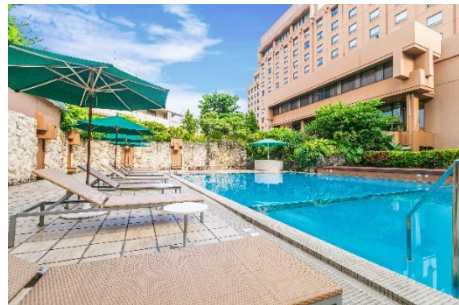
Guest Room



Lobby



Swimming Pool

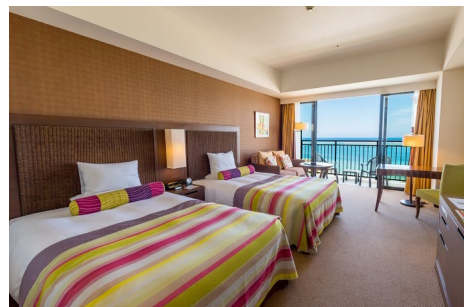


(2) Southern Beach Hotel & Resort OKINAWA

Appearance of Building



Guest Room



Swimming Pool



Restaurant



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(3) MIMARU Tokyo Shinjuku West

Appearance of Building



Front Desk/Lobby



Guest Room



Guest Room (Kitchen/Dining Room)



(4) HOTEL AMANEK Shinjuku-Kabukicho.

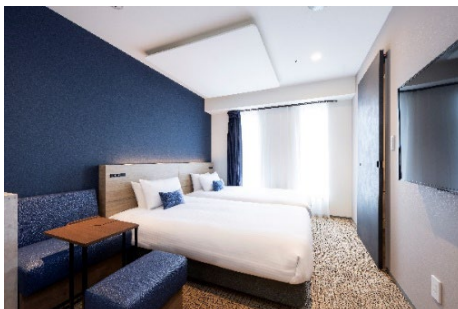
Appearance of Building



Front Desk/Lobby



Guest Room



Lounge



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(Reference) The portfolio list after the acquisition of the Assets for Anticipated Acquisition

Property No.	Property name	Type	Grade (*1)	Total number of guest rooms (*2)	Area (*3)	Building completion	(Anticipated) Acquisition price (*4) (JPY MM)	Investment ratio (*5)
1	Kobe Meriken Park Oriental Hotel	Full-service	Upper-middle	323	Kansai (excluding Osaka)	Jul. 1995	10,900	2.4%
2	Oriental Hotel Tokyo Bay	Full-service	Upper-middle	511	Kanto (excluding Tokyo)	May 1995	19,900	4.4%
3	Namba Oriental Hotel	Limited-service	Mid-price	258	Osaka	Mar. 1996	15,000	3.3%
4	Hotel Nikko Alivila	Resort	Luxury	397	Okinawa	Apr. 1994	18,900	4.2%
5	Oriental Hotel Hiroshima	Full-service	Upper-middle	227	Chugoku	Sep. 1993 Extended in Sep. 2006	4,100	0.9%
8	The Beach Tower Okinawa	Resort	Mid-price	280	Okinawa	Mar. 2004 Extended in Jun. 2005 Extended in May 2006	7,610	1.7%
9	Hakone Setsugetsuka	Resort	Mid-price	158	Kanto (excluding Tokyo)	Oct. 2006	4,070	0.9%
10	dormy inn Kumamoto	Limited-service	Mid-price	291	Kyushu (excluding Okinawa)	Jan. 2008	2,334	0.5%
12	the b suidobashi	Limited-service	Mid-price	99	Tokyo	Aug. 1986 Extended in Sep. 1989	1,120	0.2%
13	dormy inn EXPRESS Asakusa	Limited-service	Economy	75	Tokyo	Mar. 1997	999	0.2%
14	Washington Hotel Plaza Hakata, Nakasu	Limited-service	Mid-price	247	Kyushu (excluding Okinawa)	Mar. 1995	2,130	0.5%
15	Washington Hotel Plaza Nara	Limited-service	Mid-price	203	Kansai (excluding Osaka)	Mar. 2000	2,050	0.5%
16	R&B Hotel Ueno-hirokoji	Limited-service	Economy	176	Tokyo	Apr. 2002	1,720	0.4%
18	Comfort Hotel Tokyo Higashi Nihombashi	Limited-service	Economy	259	Tokyo	Jan. 2008	3,746	0.8%
22	Smile Hotel Nihombashi Mitsukoshimae	Limited-service	Economy	164	Tokyo	Mar. 1997	2,108	0.5%
24	Toyoko Inn Hakata-guchi Ekimae	Limited-service	Economy	256	Kyushu (excluding Okinawa)	Sep. 2001 for both main building and annex	1,652	0.4%
25	Chisun Hotel Kamata	Limited-service	Economy	105	Tokyo	Jan. 1992	1,512	0.3%
26	Chisun Inn Kamata	Limited-service	Economy	70	Tokyo	Apr. 2003	823	0.2%
29	Oriental Hotel Universal City	Resort	Upper-middle	330	Osaka	Jun. 2001	6,753	1.5%
31	Hilton Tokyo Bay	Resort	Luxury	828	Kanto (excluding Tokyo)	Jun. 1988	26,050	5.7%
32	ibis Styles Kyoto Station	Limited-service	Mid-price	215	Kansai (excluding Osaka)	Mar. 2009	6,600	1.5%
33	ibis Styles Sapporo	Limited-service	Mid-price	278	Hokkaido	Jul. 2010	6,797	1.5%
34	Mercure Sapporo	Limited-service	Mid-price	285	Hokkaido	Apr. 2009	6,000	1.3%
35	Mercure Okinawa Naha	Limited-service	Mid-price	260	Okinawa	Aug. 2009	3,000	0.7%

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Property No.	Property name	Type	Grade (*1)	Total number of guest rooms (*2)	Area (*3)	Building completion	(Anticipated) Acquisition price (*4) (JPY MM)	Investment ratio (*5)
37	the b ikebukuro	Limited-service	Mid-price	175	Tokyo	Jun. 1982	6,520	1.4%
39	the b hachioji	Limited-service	Mid-price	196	Tokyo	Aug. 1986 Extended in Apr. 1987	2,610	0.6%
40	the b hakata	Limited-service	Mid-price	175	Kyushu (excluding Okinawa)	Sep. 1997	2,300	0.5%
41	Hotel Francs	Full-service	Mid-price	222	Kanto (excluding Tokyo)	Aug. 1991	3,105	0.7%
42	Mercure Yokosuka	Full-service	Upper-middle	160	Kanto (excluding Tokyo)	Nov. 1993	1,650	0.4%
43	Oriental Hotel Okinawa Resort & Spa	Resort	Upper-middle	361	Okinawa	Feb. 2005 Extended in Dec. 2006	14,950	3.3%
44	ACTIVE-INTER CITY HIROSHIMA (*6) (Sheraton Grand Hiroshima Hotel)	Full-service	Luxury	238	Chugoku	Aug. 2010	17,320	3.8%
45	CANDEO HOTELS Ueno Koen	Limited-service	Mid-price	268	Tokyo	Dec. 2009	6,705	1.5%
46	Oriental Hotel Fukuoka Hakata Station	Full-service	Upper-middle	221	Kyushu (excluding Okinawa)	Jul. 1985	7,197	1.6%
47	Holiday Inn Osaka Namba	Limited-service	Mid-price	314	Osaka	Aug. 2008	27,000	6.0%
48	Hotel Oriental Express Fukuoka Tenjin	Limited-service	Mid-price	263	Kyushu (excluding Okinawa)	Apr. 1999	5,248	1.2%
49	Hilton Nagoya	Full-service	Luxury	460	Chubu	Feb. 1989	15,250	3.4%
50	Hilton Tokyo Narita Airport	Full-service	Upper-middle	548	Kanto (excluding Tokyo)	Aug. 1993	13,175	2.9%
51	International Garden Hotel Narita	Full-service	Mid-price	463	Kanto (excluding Tokyo)	May 1996	9,125	2.0%
52	Hotel Nikko Nara	Full-service	Upper-middle	330	Kansai (excluding Osaka)	Feb. 1998	10,373	2.3%
53	Hotel Oriental Express Osaka Shinsaibashi	Limited-service	Mid-price	124	Osaka	Jan. 2018	2,738	0.6%
54	Hilton Tokyo Odaiba	Full-service	Upper-middle	453	Tokyo	Jan. 1996	62,400	13.8%
55	UAN kanazawa	Limited-service	Upper-middle	47	Chubu	Sep. 2017	2,050	0.5%
56	Sotetsu Fresa Inn Shimbashi-Karasumoriguchi	Limited-service	Mid-price	220	Tokyo	Mar. 2008	8,400	1.9%
57	La'gent Stay Sapporo Odori	Limited-service	Mid-price	219	Hokkaido	Jun. 2016	10,020	2.2%
58	Oriental Hotel Kyoto Rokujo	Limited-service	Mid-price	166	Kansai (excluding Osaka)	Sep. 2019	4,446	1.0%
59	Hotel Oriental Express Fukuoka Nakasukawabata	Limited-service	Mid-price	183	Kyushu (excluding Okinawa)	Apr. 2021	4,460	1.0%
60	Hotel JAL City Kannai Yokohama	Limited-service	Mid-price	170	Kanto (excluding Tokyo)	Nov. 2006	4,000	0.9%
61	MIMARU Tokyo Shinjuku West	Limited-service	Upper-middle	76	Tokyo	Feb. 2020	9,645	2.1%
62	HOTEL AMANEK Shinjuku-Kabukicho.	Limited-service	Mid-price	169	Tokyo	Mar. 2023	8,845	2.0%

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Property No.	Property name	Type	Grade (*1)	Total number of guest rooms (*2)	Area (*3)	Building completion	(Anticipated) Acquisition price (*4) (JPY MM)	Investment ratio (*5)
63	OKINAWA HARBORVIEW HOTEL	Full-service	Mid-price	352	Okinawa	Main building: Apr. 1975 South wing: Sep. 1983	21,500	4.7%
64	Southern Beach Hotel & Resort OKINAWA	Resort	Mid-price	448	Okinawa	Apr. 2009	16,200	3.6%
	Total	-	-	13,316	-	-	453,108	100.0%

- (*1) Mainly from the viewpoint of ADR, etc., JHR classifies its hotels into 4 grade categories: “Luxury,” “Upper middle,” “Mid price,” and “Economy.” The hotel grade for Oriental Hotel Tokyo Bay, Oriental Hotel Universal City and Mercure Yokosuka is changed from Mid price to Upper middle as of the date of this document.
- (*2) Total number of guest rooms column refers to the number of guest rooms available for sale as of May 31, 2024 (excluding rooms for our own long-term use). For the Anticipated Acquisitions, the (expected) number of guest rooms available for sale as of the acquisition date of each property is shown.
- (*3) “Tokyo” means Tokyo metropolitan area. “Kanto (excluding Tokyo)” means Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi prefectures. “Chubu” means Aichi, Mie, Shizuoka, Nagano, Gifu, Niigata, Toyama, Ishikawa and Fukui prefectures. “Osaka” means Osaka prefecture. “Kansai (excluding Osaka)” means Kyoto, Shiga, Hyogo, Nara and Wakayama prefectures. “Chugoku” means Hiroshima, Okayama, Tottori, Yamaguchi and Shimane prefectures. “Kyushu (excluding Okinawa)” means Fukuoka, Nagasaki, Miyazaki, Kumamoto, Saga, Oita and Kagoshima prefectures. “Okinawa” means Okinawa prefecture.
- (*4) The acquisition prices stated on the purchase and sale agreement for beneficial interest in trust and other agreements are indicated (consumption tax, local consumption tax and the acquisition expense such as brokerage fee are not included). The acceptance prices are indicated for the assets that have been accepted through the merger.
- (*5) The percentage of each acquisition price or anticipated acquisition price to the total of acquisition price (including anticipated acquisition price) is indicated and the numbers are rounded off to one decimal place. Therefore, the sum of investment ratio may not match the total.
- (*6) Type, grade and total number of guest rooms of ACTIVE-INTER CITY HIROSHIMA are those of the main facility, Sheraton Grand Hiroshima Hotel.
- (*7) Property numbers for the assets having been disposed of are excluded from the table above.

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