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Notice Concerning GRESB Real Estate Assessment Results
Acquired “4-star” in GRESB Rating

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that JHR acquired “Green Star” in the GRESB Real Estate Assessment conducted in 2018 as first in J-REIT specializing in hotels, and it also acquired “4-star” in “GRESB Public Disclosure”(the highest being 5-stars).

1. Overview of GRESB Real Estate Assessment

The GRESB is an annual benchmarking program to evaluate Environment, Social and Governance (ESG) considerations of property companies and real estate funds, established in 2009 primarily by major European pension fund groups which took the lead in Principles for Responsible Investment (PRI).

The GRESB Real Estate Assessment is distinguished by its comprehensive evaluation of initiatives for sustainability of property companies, REITs and real estate funds, not of individual properties.
For more information about the GRESB, please see the GRESB websites (<https://gresb.com/>).

2. Results of the Assessment

JHR has received a “Green Star” evaluation, as it is evaluated in both areas “Management & Policy” and “Implementation & Measurement” with regards to initiatives for environmental considerations and sustainability. Moreover, JHR has received “4-star” in “GRESB Rating” by relative evaluation based on comprehensive scores.

JHR ranked third out of 14 in hotel sector, which JHR considers as high evaluation.

Also, JHR has received “A,” the highest ranking in “GRESB Public Disclosure,” which evaluates level of ESG disclosures in five-star scale.



Followings are the key aspects of JHR's ESG initiatives highly evaluated by the GRESB.

- Establishment of various sustainability policies, structuring of management system and initiatives for disclosure
- Management and execution system for effective implementation of governance policies
- Measures include assessment of risk for environment and society, energy conservation as well as water saving and other initiatives in individual property
- Establishment of cooperation system with stakeholders to monitor and enhance environmental performance

3. Significance of GRESB Real Estate Assessment acquisition

In recent years, there has been growing importance of the risks and opportunities of ESG in the real estate investment management industry from the standpoint of long-term sustainability. Under these circumstances, JHR has implemented sustainability initiatives as JHR believes that conducting real estate investment management based on consideration for ESG is important to enhance unitholder value and to further raise the attractiveness of JHR.

JHR considers this objective evaluation as the result of the management policy and management system which are necessary to implement various sustainability initiatives, in addition to the energy optimization of individual hotel properties as well as maintenance and enhancement of asset value, which JHR has been conducting.

Going forward, JHR continues to build sound relationships with our stakeholders including unitholders, hotel guests, lessees, operators and local communities, etc., and proactively promotes various initiatives for sustainability.

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