

**This English translation is provided for information purposes only. If any discrepancy is identified between this translation and the Japanese original, the Japanese original shall prevail.**

February 15, 2018

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 Acquisition of BELS Evaluation

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you of its acquisition of a BELS “Building-Housing Energy-efficiency Labeling System” evaluation for our two properties from a third party today.

1. Reasons for acquisition of BELS evaluations

In light of circumstances where approach by companies to ESG (Environment, Social and Governance) is more focused, JHR has implemented various initiatives such as reduction of environmental impact and optimization of energy consumption, etc. As part of these initiatives, JHR has acquired a BELS evaluation as first such cases for hotels assets of J-REIT (\*). A BELS evaluation is a public indicator unique to the energy conservation performance which guideline was established by the Ministry of Land, Infrastructure, Transport and Tourism.

(\*)Investigated by the Asset Management Company based on public information

2. Overview of BELS

“BELS” is a public valuation and display system under a guideline by the Ministry of Land, Infrastructure, Transport and Tourism to evaluate the energy conservation performance of each building. A third party institution verifies the energy performance of a building by evaluating its primary energy consumption based on the government-designated standard. The evaluation result is graded on five scales based on energy performance (from one star “★” to five stars “★★★★★.”) Specifically, the evaluation shows that the more stars a building has acquired, the higher energy performance it has. Also, more than two stars represents that the building meets the existing energy conservation standard.

3. Properties acquired BELS evaluation

Evaluation Result	Property Name	Address	Date of Building Completion
★★★★★	Mercure Okinawa Naha	3-3-19, Tsubogawa, Naha, Okinawa	August 3, 2009
★★	Hotel Nikko Alivila	600, Gima, Yomitan, Nakagami District, Okinawa	April 1, 1994

Evaluator: JAPAN ERI CO., LTD.

#### 4. Significance of the BELS evaluation acquisition

As JHR considers that hotel properties may tend to consume large amount of energy, JHR needs to proactively carry out initiatives for environment and energy optimization. Under such circumstances, JHR has promoted efforts to continuously implement capital expenditure and to maintain and improve asset values. With regard to this BELS evaluation acquisition, JHR thinks that such initiatives for environment and energy conservation have been objectively evaluated. Especially, although the building age of Hotel Nikko Alivila is quite old, it has acquired two stars, which means to meet the existing standard of energy conservation. JHR considers this evaluation as the result of our continuous efforts of capital expenditure.

#### 5. Coming initiatives by JHR

JHR endeavors to proactively implement the initiatives for environment and optimization of energy conservation of our portfolio with an aim to strengthen environmental management and reduce environmental impact.

JHR will aim to build sound relationships with our stakeholders including unitholders, hotel guests, lessees, operators, local communities, etc. Going forward, JHR, as a hotel REIT, will recognize our social responsibility and proactively promote social contribution activities through utilizing the characteristics of the hotel sector and each hotel.

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