

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.

January 8, 2019

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 and Lease of New Assets
(Hilton Tokyo Odaiba and Hotel Oriental Express Osaka Shinsaibashi)

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 properties below (hereinafter called the “Assets for Anticipated Acquisition”) today on behalf of JHR.

The lessees of Hilton Tokyo Odaiba and Hotel Oriental Express Osaka Shinsaibashi fall 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 leasing of Hilton Tokyo Odaiba and Hotel Oriental Express Osaka Shinsaibashi has been approved by JHR based on resolution at JHR’s Board of Directors meeting pursuant to the Investment Trust Act and the internal codes for transactions with Sponsor-Related Parties stipulated by the Asset Management Company (Please see “8. Transaction 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 (*3)	Collateral
Hilton Tokyo Odaiba	Full-service hotel	Fixed rent and Variable rent	JPY62,400,000,000	April 8, 2019	Unsecured
Hotel Oriental Express Osaka Shinsaibashi	Limited-service hotel	Fixed rent and Variable rent (*4)	JPY2,738,000,000	February 1, 2019	
Total			JPY65,138,000,000		

(*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 below.

(*2) The anticipated acquisition price is the price set forth in the purchase and sale agreement for beneficial interest in trust for acquisition of the relevant Assets for Anticipated Acquisition, etc. (hereinafter called the “PSA”) and other related agreements. The anticipated acquisition price does not include expenses for acquisition, property taxes, city planning taxes and consumption tax, etc.

(*3) The PSA for each real estate beneficial interest in trust has been concluded with the relevant seller to acquire the relevant Assets for Anticipated Acquisition. The PSA for Hilton Tokyo Odaiba, among the Assets for Anticipated Acquisition, falls under forward

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. The document should not be considered as an offer to sell or solicitation of an offer to purchase any investment unit or other investment of JHR. Prospective investors are advised to make any investment decision at their own risk and responsibility. This press release does not constitute an offer of securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1993, as amended (hereinafter called the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

commitment. See “9. Matters on Forward Commitment, etc.” below for details on the PSA.

(*4) The rent type is fixed rent from April 2, 2018 to June 30, 2019 and will be a combination of fixed and variable rent on and after July 1, 2019.

(*5) 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 as they benefit JHR for the following reasons.

(*) Upside means an increase in income from variable rent, etc. resulting from improvement in hotels’ performance. Upside potential is the possibility of upside. The same shall apply below.

The Assets for Anticipated Acquisition are Hilton Tokyo Odaiba and Hotel Oriental Express Osaka Shinsaibashi.

Hilton Tokyo Odaiba is a large-scale full-service hotel located in Minato-ku, Tokyo with a 4-star rating (*1), which is a highly rare asset in Japan’s property market and the first hotel with such characteristics for JHR. The hotel, which will be the largest hotel property held by a J-REIT in terms of the anticipated acquisition price (*2), will become a trophy asset for JHR. In addition to good access to renowned tourist spots in Tokyo such as Ginza, Asakusa and Shibuya, many leisure and commercial facilities and other facilities such as Tokyo Big Sight, one of the biggest international convention centers in Japan, are located nearby. Therefore, JHR believes that it can expect to attract active demand for both leisure and business purposes.

Hotel Oriental Express Osaka Shinsaibashi is a newly-built hotel (completed in January 2018) in Osaka’s Minami area, where JHR has abundant experience of managing hotels. HMJ Group (*3) participated in the planning of the hotel from the development phase as the operator (An operator is a trustee of a hotel operation. The same shall apply below). As HMJ Group’s management expertise was utilized since the planning, all of the hotel’s guest rooms can accommodate at least two people, which provides an advantage in meeting inbound demand.

Each of the Assets for Anticipated Acquisition is a high quality property located in areas where stable accommodation demand and steady growth can be expected going forward, and JHR believes that the acquisitions of these properties will enhance the quality of its portfolio.

JHR sets its criteria to select hotel lessees combining credibility and hotel management capability. JHR believes 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 of the Issuer, etc. of Real Estate Investment Trust Securities and Related Parties” which was disclosed on March 30, 2018 (available in Japanese only).

(*1) According to the data on Five Star Alliance as of November 30, 2018. The same shall apply below.

(*2) Based on the (anticipated) acquisition price as of November 30, 2018. The same shall apply below.

(*3) HMJ is an abbreviated name of Hotel Management Japan Co., Ltd. HMJ Group consists of HMJ and its subsidiaries (joint-stock corporations in which over 50% of total shares issued and outstanding are held by HMJ). The same shall apply below.

3. Features of the Assets for Anticipated Acquisition

I. Hilton Tokyo Odaiba

(1) Odaiba Market

As a representative tourist spot in Tokyo, Odaiba allows easy access from JR Tokyo Station and Tokyo International Airport (hereinafter called “Haneda Airport”), gateways to Tokyo, and it is located approximately 15 minutes away by car from Ginza, one of Tokyo’s most famous tourist spots. It also enjoys good access to other renowned tourist spots like Asakusa and Shibuya. In addition, there are many leisure and commercial facilities as well as business facilities such as Tokyo Big Sight, which is one of the biggest international convention centers in Japan, in the area. Therefore, JHR believes further growth can be expected in this market due to stable demand for leisure and business and demand from inbound

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. The document should not be considered as an offer to sell or solicitation of an offer to purchase any investment unit or other investment of JHR. Prospective investors are advised to make any investment decision at their own risk and responsibility. This press release does not constitute an offer of securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1993, as amended (hereinafter called the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

visitors.

(2) Features of the Assets for Anticipated Acquisition

a. Superiority in location

According to the market report prepared by KPMG FAS Co., Ltd. (hereinafter called the “MR”), the hotel is directly linked to Daiba Station of the Yurikamome Line and located approximately 20 minutes away from Haneda Airport by limousine bus. Moreover, the hotel is a large-scale full-service hotel with a 4-star rating, a rare feature shared by few other hotels. Furthermore, it provides good access to major stations in Tokyo and airports as free shuttle buses engage in a regular transport service from the hotel to Shinagawa and Tamachi Stations, and direct limousine buses serve a regular route between the hotel and Narita International Airport. In addition, many leisure and commercial facilities and other facilities such as Tokyo Big Sight, one of the biggest international convention centers in Japan, are located nearby. Therefore, the hotel is believed to be able to attract robust demand for both leisure and business purposes.

b. Superiority in infrastructure

According to the MR, the hotel has high visibility due to the unique curving shape of its building designed after an image of sailing ship. As the 14-story hotel (with 1-story below ground) is located on Tokyo’s water front with few neighboring buildings that obstruct its view, it provides a beautiful ocean panorama of the Tokyo Bay front. Each guest room is at least 33m² wide, providing adequate space for use by two or more persons. In addition, the hotel is also equipped with various facilities including Japanese, Western and Chinese restaurants, a lounge, conference rooms, wedding halls, a fitness gym, a swimming pool and a spa, as well as large and small banquet halls, such as “Pegasus” that can accommodate up to 1,600 people, meeting the demand of the various business and leisure events, and providing convenience with respect to both business and leisure purposes as a full-service hotel that provides Hilton Hotel’s sophisticated services.

c. Superiority in operations

The strongest selling point of the hotel is that it is a large-scale full-service hotel located in an urban resort and operated under an international brand, “Hilton”. The Hilton brand strongly appeals to middle and higher-class inbound guests who come on business associated with international listed companies and leisure use. According to the MR, inbound guests accounted for 56% in terms of the number of guest rooms sold from January to April 2018, which is a relatively high proportion. The hotel is designated as a “good neighbor hotel” of the Tokyo Disney Resort (hereinafter called “TDR”), providing up-to-date information on TDR, such as opening / closing hours and events, and the free “good neighbor hotel shuttle”, a regular transport service between the hotel and bus terminals of the two TDR parks, Tokyo Disneyland and Tokyo DisneySea.

The hotel will be the largest hotel property held by a J-REIT in terms of the anticipated acquisition price and will become a trophy asset for JHR. As it will account for a substantial part of JHR’s portfolio, JHR has decided to set the rent structure with a large fixed-rent portion and an added smaller variable-rent component to share upside for the first two years and nine months until December 2021. With this rent structure, JHR can enjoy stability of its revenue while retaining upside potential driven by the Tokyo Olympics and Paralympics in 2020, etc. Starting January 2022, when HMJ Group’s management of the hotel is expected to get on the right track, the rent structure will become a more balanced combination of fixed rent and variable rent, similar to other JHR’s properties under HMJ group’s management, and the proportion of variable rent will be increased.

II. Hotel Oriental Express Osaka Shinsaibashi

(1) Osaka Market

JHR believes that Osaka is a market where it can expect an increase of inbound visitors and further growth. Osaka’s Minami area, which includes mainly Namba and Shinsaibashi, is a representative entertainment and shopping district in Osaka City, and provides convenient access to the major neighboring tourist areas as the nearby Shinsaibashi Station of Osaka Metro’s Midosuji Line is approximately 50 minutes to each of JR Kyoto Station, JR Nara Station, JR Kobe Station, etc. In addition, Namba Station is a gateway to Kansai International Airport, approximately 45 minutes away by Nankai Airport Line rapid train. As many low

<p>Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. The document should not be considered as an offer to sell or solicitation of an offer to purchase any investment unit or other investment of JHR. Prospective investors are advised to make any investment decision at their own risk and responsibility. This press release does not constitute an offer of securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1993, as amended (hereinafter called the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.</p>
--

cost carriers launched regular flights between Kansai International Airport and mainly Asian cities, JHR believes Osaka is a market where further growth in lodging demand from tourists can be expected in line with the increase of inbound tourist demand.

(2) Features of the Assets for Anticipated Acquisition

a. Superiority in location

The hotel is located in Osaka's Minami area, one of the most famous tourist spots in the Kansai area, and approximately 4 minutes on foot from Shinsaibashi Station of Osaka Metro's Midosuji Line and Nagahori Tsurumi-ryokuchi Line. Osaka Metro's Midosuji Shinsaibashi intersection is the end point of the Shinsaibashi shopping arcade starting from Namba Dotonbori, and there are many luxury brand shops and famous stores concentrated in surrounding areas. Therefore, JHR believes the hotel can attract leisure guests, mainly inbound visitors. The subway's Shinsaibashi Station is approximately 6 minutes away from Umeda Station and approximately 13 minutes away from Shin-Osaka Station, by the Midosuji Line. Using Osaka Metro's Nagahori Tsurumi-ryokuchi Line gives access to the Osaka Business Park and the Kyobashi district.

b. Superiority in infrastructure

The hotel is a newly-built hotel opened in April 2018, which is dedicated to lodging. As all of the hotel's guest rooms are double or twin rooms (*) with high twin room ratio of 86.3%, the hotel is able to accommodate multiple people in all rooms, and therefore, JHR believes the hotel is well-positioned to meet increasing demand from inbound visitors. Moreover, as guest rooms are equipped with the Handy Phone, guests have free access to Wi-Fi, telephone and the Web, and there is a laundromat and a cafe area exclusively for use by guests. As such, the hotel provides convenient facilities dedicated to guests and meets various needs from domestic and inbound guests.

(*) Twin rooms include Universal rooms. A "Universal room" is a barrier-free room type designed for use of a wheel-chair.

c. Superiority in operations

The hotel has been operated by HMJ group since its opening, and it is the third hotel operated by HMJ group in Osaka's Minami area. HMJ group can utilize its expertise gained in the operations of two hotels, Namba Oriental Hotel and Holiday Inn Osaka Namba, which it already operates. As the hotel is in a different grade and price range from the other two hotels, it can attract demand of a different segment. JHR will aim at growth through its "Active Asset Management" strategy using HMJ group's platform including cost management by the synergy effect through optimization of staffing of operators, cost reduction through integration of back offices and joint purchases of goods, etc. by leveraging economies of scale of operating the three properties in the same area, as well as enjoying upside of revenue through referring guests to our other hotels nearby and mitigating the effects of double booking.

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. The document should not be considered as an offer to sell or solicitation of an offer to purchase any investment unit or other investment of JHR. Prospective investors are advised to make any investment decision at their own risk and responsibility. This press release does not constitute an offer of securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1993, as amended (hereinafter called the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

4. Details of the Assets for Anticipated Acquisitions

(1) Hilton Tokyo Odaiba

Property No.	54	Property Name	Hilton Tokyo Odaiba		
1. Asset summary (*1)					
Asset category		Real estate beneficial interest in trust			
Anticipated acquisition date		April 8, 2019			
Anticipated acquisition price		JPY62,400,000,000			
Appraisal value		JPY65,800,000,000 (See “13. 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.	1-2, Daiba, Minato-ku, Tokyo			
	Address	1-9-1, Daiba, Minato-ku, Tokyo			
	Acreage	18,825.30 m ²			
	Zoning, etc.	Commercial district, fire preventive district, district plan for Tokyo Waterfront Subcenter City’s Daiba Area			
	Building-to-land ratio	100%			
	Floor area ratio	300%			
Building	Structure and stories	S and SRC with flat roof, Fourteen stories above ground with one story below ground			
	Intended use	Hotel			
	Completion	January 1996			
	Total floor space (*3)	64,907.76 m ²			
	Designer	K.K. YAMAGI SEKKEI, others			
	Constructor	Sato Kogyo Co., Ltd., others			
	Institute that confirmed building	Building official, Tokyo Metropolitan			
Present owner		Trustee: Mitsubishi UFJ Trust and Banking Corporation (Trust period expires on April 30, 2028) Beneficiary: Hulic Co., Ltd.			
3. Transportation (*4)					
1 minute by foot from “Daiba” Station of Tokyo Waterfront New Transit Waterfront Line (Yurikamome)					
4. Lease status					
Total number of tenants		1			
Leasable area (*5)		64,907.76 m ²			
Leased area (*5)		64,907.76 m ²			
Contractual rent	From April 8, 2019 to December 31, 2021				
	Fixed rent	JPY258,300,000 /month (JPY258,700,000 for December)			
	Variable rent	Until December 31, 2019: In case AGOP (*6) exceeds AGOP base amount (JPY2,450,000,000), the amount arrived by multiplying 30% to the exceeded amount On and after January 1, 2020: In case AGOP exceeds AGOP base amount (JPY2,970,000,000 a year), the amount arrived by multiplying 30% to the exceeded amount			
	From January 1, 2022 to December 31, 2029				
	Fixed rent	JPY133,300,000 /month (JPY133,700,000 for December)			
	Variable rent	In case AGOP exceeds AGOP base amount (JPY1,660,000,000 a year), the amount arrived by multiplying 98% to the exceeded amount			
Terms of lease		From April 8, 2019 to December 31, 2029			
Deposit and guarantee money		JPY0			
Change in occupancy rate for the past five years based on area	End of December 2014	End of December 2015	End of December 2016	End of December 2017	End of December 2018
	100%	100%	100%	100%	100%
5. Related parties for hotel operation					

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. The document should not be considered as an offer to sell or solicitation of an offer to purchase any investment unit or other investment of JHR. Prospective investors are advised to make any investment decision at their own risk and responsibility. This press release does not constitute an offer of securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1993, as amended (hereinafter called the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

Hotel lessee	Tokyo Humania Enterprise Inc.	
Property manager	Tokyo Humania Enterprise Inc.	
6. Hotel website (*7)		
https://www.hiltonodaiba.jp/		
7. Summary of the building inspection report		
Investigation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
Investigation date	June 20, 2018	
Repair expenses	Urgently required	JPY0
	Required within one year	JPY0
	Total amount for another 12 years	JPY1,991,145,000
Earthquake PML value (*8)	4.3%	
8. Special remark		
<p>HMJ and Hilton Worldwide Manage Limited (hereinafter called the “Franchiser”) entered into a franchise agreement subject to JHR’s acquisition of trust beneficiary interest of the property, etc. (hereinafter called the “Franchise Agreement”) on December 18, 2018. With regard to the Franchise Agreement, certain conditions including Franchiser’s prior consent are required for JHR to sell trust beneficiary interest of the property or terminate the lease agreement by mutual consent or amend the lease agreement of the property.</p>		

(*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 purchase and sale agreement of real estate beneficial interest in trust and other related agreements 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)

- Structures and stories, intended use of the buildings 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 Structures, 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) 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 hotel and the floor space of attached buildings taken from the certified copy of real estate registry.

(*4) Transportation

- Stated according to the information on the website currently operated by the hotel lessee.

(*5) Leasable area and Leased area

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

(*6) AGOP

- GOP (Gross Operating Profit) is the remainder after hotel operating expenses are deducted from total hotel sales. Hotel operating expenses are expenses such as personnel costs and general and administrative expenses, etc., incurred from hotel operation. AGOP is the amount calculated by subtracting certain fees and other items from hotel GOP.

(*7) Hotel website

- Stated the website address currently operated by the hotel lessee.

(*8) PML

- PML (Probable Maximum Loss) is the anticipated 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. Indicated PML is the PML on detailed valuation (Phase 2) by the investigation company.

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

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. The document should not be considered as an offer to sell or solicitation of an offer to purchase any investment unit or other investment of JHR. Prospective investors are advised to make any investment decision at their own risk and responsibility. This press release does not constitute an offer of securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1933, as amended (hereinafter called the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

(2) Hotel Oriental Express Osaka Shinsaibashi

Property No.	53	Property name	Hotel Oriental Express Osaka Shinsaibashi		
1. Asset summary (*1)					
Asset category	Real estate beneficial interest in trust				
Anticipated acquisition date	February 1, 2019				
Anticipated acquisition price	JPY2,738,000,000				
Appraisal value	JPY3,050,000,000 (See “13. 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.	3-15-6, Minamisemba, Chuo-ku, Osaka-shi, Osaka			
	Address	3-2-13, Minamisemba, Chuo-ku, Osaka-shi, Osaka			
	Acreage	456.74m ²			
	Zoning, etc.	Commercial district, fire preventive district			
	Building-to-land ratio	80%			
	Floor area ratio	600%			
Building	Structure and stories	S with flat roof, Ten stories above ground			
	Intended use	Hotel			
	Completion	January 2018			
	Total floor space (*3)	2,710.55 m ²			
	Designer	Nikki Architectural Office Inc., offices of registered architects			
	Constructor	Shinwa Construction Co., Ltd.			
	Institute that confirmed building	KENCHIKU KENSA KIKO K.K., designated inspection agency			
Present Owner	Trustee: Mitsubishi UFJ Trust and Banking Corporation (Trust period expires on March 31, 2028) Beneficiary: Undisclosed (*4)				
3. Transportation (*5)					
Approximately 4 minutes by foot from “Shinsaibashi” Station of Osaka Metro's Midosuji Line and Nagahori Tsurumi-ryokuchi Line					
4. Lease status					
Total number of tenants	1				
Leasable area (*6)	2,710.55 m ²				
Leased area (*6)	2,710.55 m ²				
Contractual rent	From April 2, 2018 to June 30, 2019				
	Fixed rent	JPY9,500,000 /month			
	From July 1, 2019 to March 31, 2028				
	Fixed rent	JPY9,200,000 /month			
	Variable rent	Until December 31, 2019: In case GOP (*7) exceeds GOP base amount (JPY64,000,000 a year), the amount arrived by multiplying 91% to the exceeded amount On and after January 1, 2020: In case GOP exceeds GOP base amount (JPY128,000,000 a year), the amount arrived by multiplying 91% to the exceeded amount			
Terms of lease	From April 2, 2018 to March 31, 2028				
Deposit and guarantee money	JPY0				
Change in occupancy rate for the past five years based on area	End of December 2014	End of December 2015	End of December 2016	End of December 2017	End of December 2018
	No operation result available as the hotel was completed in January 2018				100%
5. Related parties for hotel operation					
Hotel lessee	K.K. HOTEL ORIENTAL EXPRESS				
Property manager	CBRE K.K.				
6. Hotel website (*8)					
https://hotelorientalexpress.com/osakashinsaibashi/					

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. The document should not be considered as an offer to sell or solicitation of an offer to purchase any investment unit or other investment of JHR. Prospective investors are advised to make any investment decision at their own risk and responsibility. This press release does not constitute an offer of securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1993, as amended (hereinafter called the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

7. Summary of the building inspection report		
Investigation company	Daiwa Real Estate Appraisal Co., Ltd.	
Investigation date	October 4, 2018	
Repair expenses	Urgently required	JPY0
	Required within one year	JPY0
	Total amount for another 12 years	JPY26,532,000
Earthquake PML value (*9)	7.3%	
8. Special remark		
None.		

(*1) Asset summary

- Asset category indicates category of real estate and other assets.
- Anticipated acquisition price is the price stated on the purchase and sale agreement of real estate beneficial interest in trust and other related agreements 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)

- Structures and stories, intended use of the buildings 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 Structures, 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) 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 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 could not be obtained.

(*5) Transportation

- Stated according to the information on the website currently operated by the hotel lessee.

(*6) Leasable area and Leased area

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

(*7) GOP

- GOP (Gross Operating Profit) is the remainder after hotel operating expenses are deducted from total hotel sales. Hotel operating expenses are expenses such as personnel costs and general and administrative expenses, etc., incurred from hotel operation.

(*8) Hotel website

- Stated the website address currently operated by the hotel lessee.

(*9) PML

- PML (Probable Maximum Loss) is the anticipated 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. Indicated PML is the PML on detailed valuation (Phase 2) by the investigation company.

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

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. The document should not be considered as an offer to sell or solicitation of an offer to purchase any investment unit or other investment of JHR. Prospective investors are advised to make any investment decision at their own risk and responsibility. This press release does not constitute an offer of securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1993, as amended (hereinafter called the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

5. Summary of the Sellers

(1) Hilton Tokyo Odaiba

Name	Hulic Co., Ltd.
Headquarters	7-3 Nihonbashi Odenmachi, Chuo-ku, Tokyo
Representative	President, Representative Director: Manabu Yoshidome
Capital	JPY62,718,000,000 (as of September 30, 2018)
Establishment	March 26, 1957
Net assets	JPY348,855 million (as of December 31, 2017)
Total assets	JPY1,352,137 million (as of December 31, 2017)
Major shareholder and shareholding ratio	Meiji Yasuda Life Insurance Company (7.18%) Sompo Japan Nipponkoa Insurance Inc. (6.67%) Tokyo Tatemono Co., Ltd. (6.31%) Fuyo General Lease Co., Ltd. (6.13%) (as of December 31, 2017)
Major business	Holding, Leasing, Purchase and Sale and Brokerage of real estate
Capital relationship Human relationship Business relationship	There are no capital, human or business relationships to be specifically noted between JHR or the Asset Management Company and the seller. 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.
Related parties	The seller does not fall under the category of related parties of JHR and the Asset Management Company. Affiliated parties and companies of the seller do not fall under the category of related parties of JHR and the Asset Management Company.

(2) Hotel Oriental Express Osaka Shinsaibashi

The seller of the hotel is a domestic joint stock company. The detail 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.

6. Status of Previous Owners

The previous owners do not have any special interest relationship with either JHR or the Asset Management Company.

7. Summary of Broker

Not applicable

8. Transaction with Interested Party

With respect to Hilton Tokyo Odaiba, HMJ is scheduled to acquire 99.9% of the shares of the hotel lessee, Tokyo Humania Enterprise Inc., on the same day as the anticipated acquisition date. With respect to Hotel Oriental Express Osaka Shinsaibashi, HMJ owns 100% of the shares of the hotel lessee, K.K. HOTEL ORIENTAL EXPRESS. 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, the hotel Lessees, which is/will be subsidiaries of HMJ, is/will also fall under the category of interested party, etc. Therefore, in accordance with “the Rule for Transaction with the Sponsor-Related Parties” stipulated by the Asset Management Company, appropriate procedures stipulated in the Code for Transactions with Sponsor-Related Parties such as approval of the compliance committee attended by outside experts and of the Board of Directors meeting of JHR have been obtained, prior to the conclusion of the modification memorandum of the fixed-term building lease agreement with K.K. HOTEL ORIENTAL EXPRESS and succession to the fixed-term building lease agreement subject to fulfillment of the condition precedent signed between Tokyo Humania Enterprise Inc. and the current owner, respectively.

9. Matters on Forward Commitment, etc.(*)

(1) Asset to be acquired subject to Forward Commitment, etc.

Property name	Conclusion of purchase and sale agreement	Settlement date and anticipated acquisition date
Hilton Tokyo Odaiba	January 8, 2019	April 8, 2019

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. The document should not be considered as an offer to sell or solicitation of an offer to purchase any investment unit or other investment of JHR. Prospective investors are advised to make any investment decision at their own risk and responsibility. This press release does not constitute an offer of securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1933, as amended (hereinafter called the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

(*) “Forward commitment, etc.” is defined in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. by Financial Services Agency as “a postdated real estate transaction contract where there is an agreement to either make a financial settlement or close on a property sales after a period of one month or more following the conclusion of the contract, or any other similar contracts.”

(2) Impact on the financial condition of JHR if forward commitment, etc. cannot be implemented

In order to ensure acquisition of the Assets for Anticipated Acquisitions, JHR today concluded the PSA of Hilton Tokyo Odaiba, one of the Assets for Anticipated Acquisition, with the seller. This PSA stipulates that either party may cancel the PSA if the other party violates the obligations stipulated in the PSA and that the violating party shall pay a certain amount of trading value to the other party.

However, the PSA contains a special condition which stipulates that completion of debt financing (Please refer to today’s press release “Notice Concerning New Loans”) or other fundraising by JHR is a condition precedent to the payment of the transaction amount. Accordingly, in the event that debt financing or fundraising by JHR for the payment of the transaction amount is not completed, the PSA will be terminated without payment of cancellation penalty.

10. Settlement method

JHR plans to pay the transaction amounts 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) Hilton Tokyo Odaiba

Resolution for the acquisition	January 8, 2019
Conclusion of purchase and sale agreement	January 8, 2019
Settlement and transfer	April 8, 2019 (scheduled)

(2) Hotel Oriental Express Osaka Shinsaibashi

Resolution for the acquisition	January 8, 2019
Conclusion of purchase and sale agreement	January 8, 2019
Settlement and transfer	February 1, 2019 (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 Forecast and Forecast of Dividend for the Fiscal Year Ended December 2018 (19th Period), and Operating Forecast and Forecast of Dividend for the Fiscal Year Ending December 2019 (20th Period)” dated today.

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. The document should not be considered as an offer to sell or solicitation of an offer to purchase any investment unit or other investment of JHR. Prospective investors are advised to make any investment decision at their own risk and responsibility. This press release does not constitute an offer of securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1993, as amended (hereinafter called the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

13. Appraisal Report Summary

(1) Hilton Tokyo Odaiba

Appraisal Report Summary		
Property name	Hilton Tokyo Odaiba	
Appraisal value	JPY65,800,000,000	
Name of appraiser	Japan Real Estate Institute	
Date of appraisal	October 1, 2018	
Item	Details	Summary, etc.
Indicated value by income approach		
Value by direct capitalization method	JPY66,900,000,000	
Operating income	JPY3,208,282,000	
Potential gross income	JPY3,208,282,000	
Fixed rent	-	
Variable rent	-	
Vacancy loss, etc.	JPY0	
Operating expenses	JPY379,220,000	
Maintenance and management expenses	JPY0	
Utilities cost	JPY0	
Repair expenses	JPY49,779,000	
Property management fee	JPY2,400,000	
Tenant leasing cost, etc.	JPY0	
Tax and public dues	JPY323,332,000	
Non-life insurance premium	JPY3,709,000	
Other expenses	JPY0	
Net operating income	JPY2,829,062,000	
Gain on management of deposits	JPY0	
Capital expenditures	JPY218,629,000	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	JPY2,610,433,000	
Cap rate	3.9%	
Value by DCF method	JPY64,600,000,000	
Discount rate	3.7%	
Terminal cap rate	4.1%	
Indicated value by cost approach		
Land ratio	86.0%	
Building ratio	14.0%	Including movable assets
Other matters noted in appraisal by appraiser	The appraiser considered that indicated value by an income approach which reliably reproduced price formation process from earnings' perspective is more persuasive than indicated value by a cost approach. Therefore, the appraiser determined the appraisal value by standardizing on the indicated value by income approach and by taking note of the indicated value by cost approach as reference.	

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

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. The document should not be considered as an offer to sell or solicitation of an offer to purchase any investment unit or other investment of JHR. Prospective investors are advised to make any investment decision at their own risk and responsibility. This press release does not constitute an offer of securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1993, as amended (hereinafter called the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

(2) Hotel Oriental Express Osaka Shinsaibashi

Appraisal Report Summary		
Property name	Hotel Oriental Express Osaka Shinsaibashi	
Appraisal value	JPY3,050,000,000	
Name of appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.	
Date of appraisal	October 1, 2018	
Item	Details	Summary, etc.
Indicated value by income approach		
Value by direct capitalization method	JPY3,030,000,000	
Operating income	JPY166,330,000	
Potential gross income	JPY166,330,000	
Fixed rent	JPY110,400,000	
Variable rent	JPY55,930,000	
Vacancy loss, etc.	JPY0	
Operating expenses	JPY14,123,000	
Maintenance and management expenses	JPY0	
Utilities cost	JPY0	
Repair expenses	JPY1,711,000	
Property management fee	JPY2,160,000	
Tenant leasing cost, etc.	JPY0	
Tax and public dues	JPY10,059,000	
Non-life insurance premium	JPY193,000	
Other expenses	JPY0	
Net operating income	JPY152,206,000	
Gain on management of deposits	JPY0	
Capital expenditures	JPY9,573,000	Assessed deducting building replacement cost, and the average value of annual repair and renewal expenses on the engineering report and considering reserves for furniture, fixtures and equipment
Net cash flow	JPY142,632,000	
Cap rate	4.7%	
Value by DCF method	JPY3,060,000,000	
Discount rate	4.5%	
Terminal cap rate	4.7%	
Indicated value by cost approach	JPY2,660,000,000	
Land ratio	73.3%	
Building ratio	26.7%	Including movable assets
Other matters noted in appraisal by appraiser	The appraiser considered that indicated value by an income approach is more persuasive because the indicated value reflects profitability and economy of investment. Therefore, the appraiser determined the appraisal value by standardizing on the indicated value by income approach and by taking note of the indicated value by cost approach as reference.	

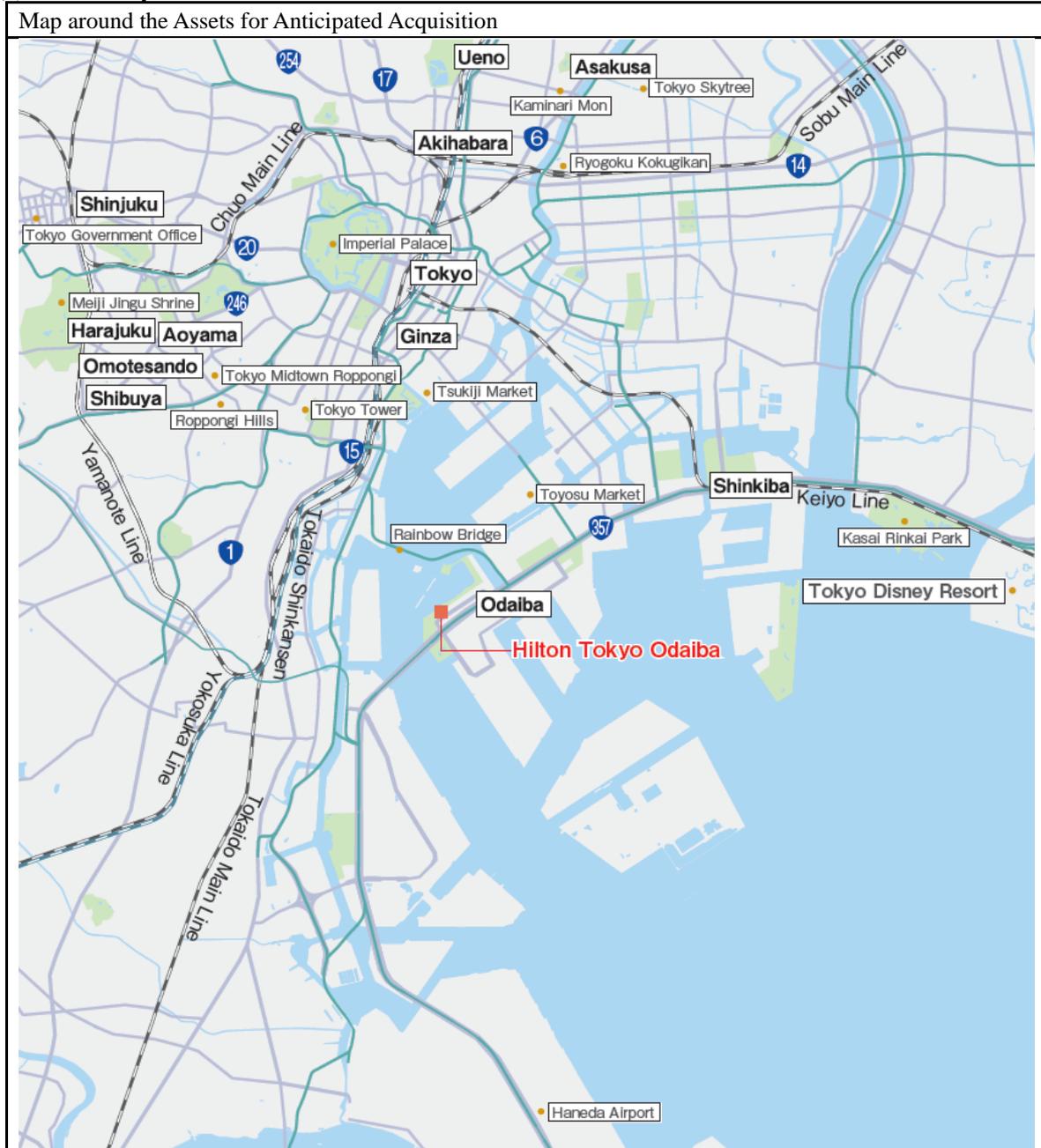
*All amounts are rounded down to the nearest JPY1,000.

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

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. The document should not be considered as an offer to sell or solicitation of an offer to purchase any investment unit or other investment of JHR. Prospective investors are advised to make any investment decision at their own risk and responsibility. This press release does not constitute an offer of securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1993, as amended (hereinafter called the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

<Attachment 1> Map around the Assets for Anticipated Acquisitions

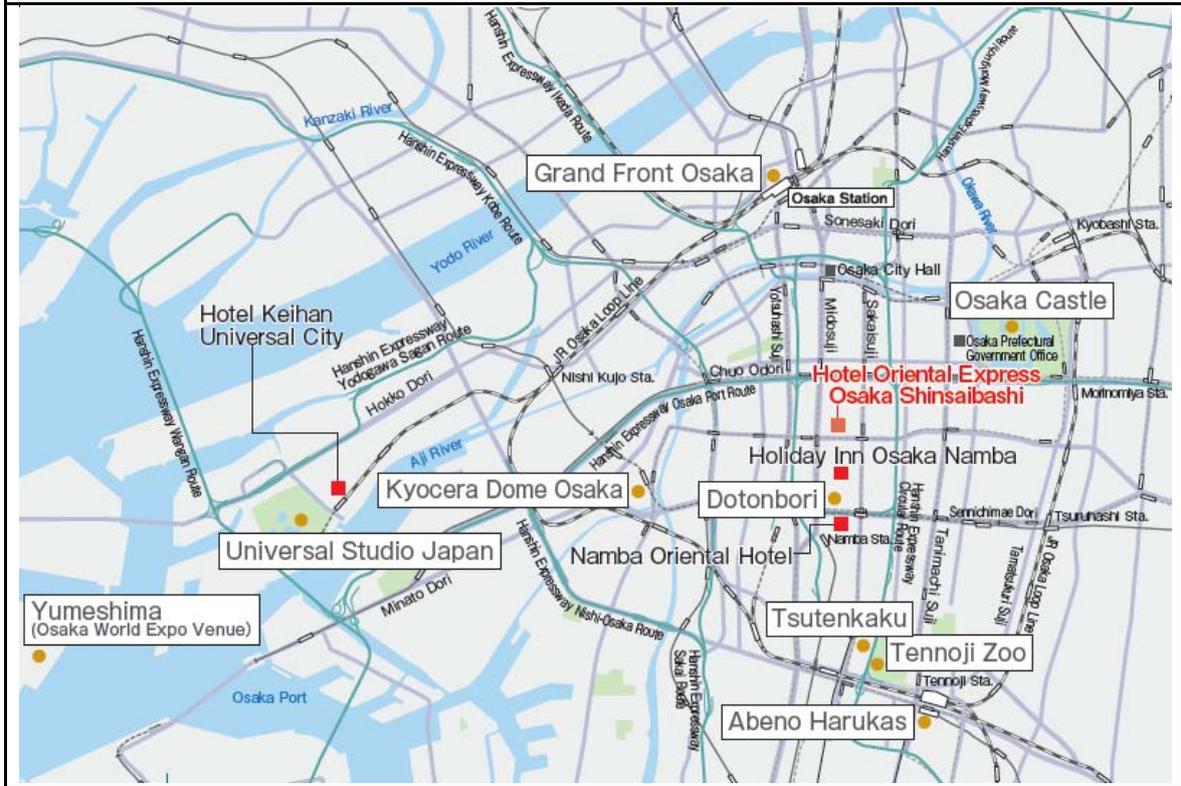
(1) Hilton Tokyo Odaiba



Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. The document should not be considered as an offer to sell or solicitation of an offer to purchase any investment unit or other investment of JHR. Prospective investors are advised to make any investment decision at their own risk and responsibility. This press release does not constitute an offer of securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1933, as amended (hereinafter called the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

(2) Hotel Oriental Express Osaka Shinsaibashi

Map around the Asset for Anticipated Acquisition



Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. The document should not be considered as an offer to sell or solicitation of an offer to purchase any investment unit or other investment of JHR. Prospective investors are advised to make any investment decision at their own risk and responsibility. This press release does not constitute an offer of securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1933, as amended (hereinafter called the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

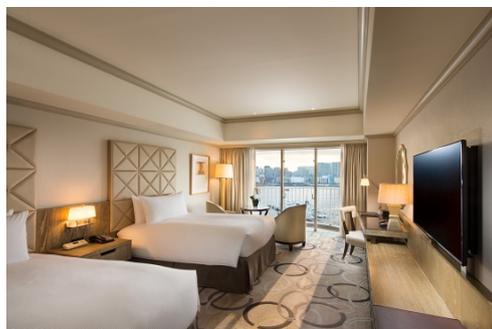
<Attachment 2> Exterior appearance and interior of the Assets for Anticipated Acquisition

(1) Hilton Tokyo Odaiba

Exterior Appearance



Guest Room



Restaurant



Banquet Hall



Wedding Hall



Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. The document should not be considered as an offer to sell or solicitation of an offer to purchase any investment unit or other investment of JHR. Prospective investors are advised to make any investment decision at their own risk and responsibility. This press release does not constitute an offer of securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1993, as amended (hereinafter called the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

(2) Hotel Oriental Express Osaka Shinsaibashi

Exterior Appearance



Guest Room



Entrance



Restaurant



Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. The document should not be considered as an offer to sell or solicitation of an offer to purchase any investment unit or other investment of JHR. Prospective investors are advised to make any investment decision at their own risk and responsibility. This press release does not constitute an offer of securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1993, as amended (hereinafter called the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

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

No.	Hotel	Grade	No. of guest rooms (*1)	Area (*2)	Completion	Acquisition price (*3) (JPY MM)	Investment Ratio (*4) (%)
1	Kobe Meriken Park Oriental Hotel	Upper-middle	319	Kansai	July 1995	10,900	2.9
2	Oriental Hotel tokyo bay	Mid-price	511 (*5)	Kanto (excl. Tokyo)	May 1995	19,900	5.3
3	Namba Oriental Hotel	Mid-price	258	Kansai	March 1996	15,000	4.0
4	Hotel Nikko Alivila	Luxury	397 (*6)	Okinawa	April 1994	18,900	5.0
5	Oriental Hotel Hiroshima	Upper-middle	227	Chugoku	September 1993 (Extended in September 2006)	4,100	1.1
6	ibis Tokyo Shinjuku	Mid-price	206	Tokyo	September 1980	7,243	1.9
8	The Beach Tower Okinawa	Mid-price	280	Okinawa	March 2004 (Extended in June 2005 and May 2006)	7,610	2.0
9	Hakone Setsugetsuka	Mid-price	158	Kanto (excl. Tokyo)	October 2006	4,070	1.1
10	Dormy Inn Kumamoto	Mid-price	291	Kyushu (excl. Okinawa)	January 2008	2,334	0.6
12	the b suidobashi	Mid-price	99	Tokyo	August 1986 (Extended in September 1989)	1,120	0.3
13	Dormy Inn EXPRESS Asakusa	Economy	77	Tokyo	March 1997	999	0.3
14	Hakata Nakasu Washington Hotel Plaza	Mid-price	247	Kyushu (excl. Okinawa)	March 1995	2,130	0.6
15	Nara Washington Hotel Plaza	Mid-price	204	Kansai	March 2000	2,050	0.5
16	R&B Hotel Ueno-hirokoji	Economy	187	Tokyo	April 2002	1,720	0.5
18	Comfort Hotel Tokyo Higashi Nihonbashi	Economy	259	Tokyo	January 2008	3,746	1.0
22	Smile Hotel Nihombashi Mitsukoshimae	Economy	164	Tokyo	March 1997	2,108	0.6
24	Toyoko Inn Hakata-guchi Ekimae	Economy	257	Kyushu (excl. Okinawa)	September 2001	1,652	0.4
25	Hotel Vista Kamata Tokyo	Economy	105	Tokyo	January 1992	1,512	0.4
26	Chisun Inn Kamata	Economy	70	Tokyo	April 2003	823	0.2
29	Hotel Keihan Universal City	Mid-price	330	Kansai	June 2001	6,000	1.6
30	Hotel Sunroute Shinbashi	Mid-price	220	Tokyo	March 2008	4,800	1.3
31	Hilton Tokyo Bay	Luxury	828	Kanto (excl. Tokyo)	June 1988	26,050	7.0
32	ibis Styles Kyoto Station	Mid-price	215	Kansai	March 2009	6,600	1.8
33	ibis Styles Sapporo	Mid-price	278	Hokkaido	July 2010	6,797	1.8
34	Mercure Sapporo	Mid-price	285	Hokkaido	April 2009	6,000	1.6
35	Mercure Okinawa Naha	Mid-price	260	Okinawa	August 2009	3,000	0.8
37	the b ikebukuro	Mid-price	175	Tokyo	June 1982	6,520	1.7
39	the b hachioji	Mid-price	196	Tokyo	August 1986	2,610	0.7
40	the b hakata	Mid-price	175	Kyushu (excl. Okinawa)	September 1997	2,300	0.6
41	Hotel Francs	Mid-price	222	Kanto (excl. Tokyo)	August 1991	3,105	0.8
42	Mercure Yokosuka	Mid-price	160	Kanto (excl. Tokyo)	November 1993	1,650	0.4
43	Okinawa Marriott Resort & Spa	Upper-middle	361	Okinawa	February 2005 (Extended in December 2006)	14,950	4.0
44	ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel) (*7)	Luxury	238	Chugoku	August 2010	17,320	4.6
45	CANDEO HOTELS UENO-KOEN	Mid-price	268	Tokyo	December 2009	6,705	1.8
46	Hotel Centraza Hakata	Mid-price	194	Kyushu (excl. Okinawa)	July 1985	7,197	1.9
47	Holiday Inn Osaka Namba	Mid-price	314	Kansai	August 2008	27,000	7.2
48	HOTEL ASCENT FUKUOKA	Economy	263	Kyushu (excl. Okinawa)	April 1999	4,925	1.3
49	Hilton Nagoya	Luxury	460	Chubu	February 1989	15,250	4.1
50	Hilton Tokyo Narita Airport	Upper-middle	548	Kanto (excl. Tokyo)	August 1993	13,175	3.5
51	International Garden Hotel Narita	Mid-price	463	Kanto (excl. Tokyo)	May 1996	9,125	2.4
52	Hotel Nikko Nara	Upper-middle	330	Kansai	February 1998	10,373	2.8
53	Hotel Oriental Express Osaka Shinsaibashi	Mid-price	124	Kansai	January 2018	2,738	0.7
54	Hilton Tokyo Odaiiba	Upper-middle	453	Tokyo	January 1996	62,400	16.7
	Total	—	11,676	—	—	374,508	100.0

(*1) Number of rooms available to sell as of today (rooms occupied by the hotel for a long term is excluded).

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. The document should not be considered as an offer to sell or solicitation of an offer to purchase any investment unit or other investment of JHR. Prospective investors are advised to make any investment decision at their own risk and responsibility. This press release does not constitute an offer of securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1993, as amended (hereinafter called the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

- (*2) 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. Kansai means Kyoto, Osaka, 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.
- (*3) The acquisition prices stated on the purchase and sale agreement for beneficial interest in trust and other related 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. The anticipated acquisition price is indicated for the Assets for Anticipated Acquisitions.
- (*4) The percentage of each acquisition price or anticipated acquisition price to the total of acquisition price (include anticipated acquisition price) is indicated and the numbers are rounded off to one decimal place.
- (*5) Number of guest rooms of Oriental Hotel Tokyo Bay was changed to 511 on December 6, 2018.
- (*6) Number of guest rooms of Hotel Nikko Alivila was changed to 397 on December 1, 2018.
- (*7) Type, grade and total number of guest rooms of ACTIVE-INTER CITY HIROSHIMA are those of the main facility, Sheraton Grand Hiroshima Hotel.
- (*8) Numbers for the assets JHR has disposed of are excluded from the table above (No. 7, No. 11, No. 17, No. 19, No. 20, No. 21, No. 23, No. 27, No. 28, No. 36 and No. 38).

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. The document should not be considered as an offer to sell or solicitation of an offer to purchase any investment unit or other investment of JHR. Prospective investors are advised to make any investment decision at their own risk and responsibility. This press release does not constitute an offer of securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1933, as amended (hereinafter called the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.