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Notice Concerning Acquisition of “CASBEE Certification for Buildings”

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that Oriental Hotel Fukuoka Hakata Station owned by JHR (hereinafter called the “Hotel”) received “CASBEE Certification for Buildings (Existing Buildings),” (B+: Good) from a CASBEE certification organization approved by the Institute for Building Environment and Energy Conservation.

1. Overview of CASBEE Certification for Buildings

Comprehensive Assessment System for Built Environment Efficiency (CASBEE) is a method for evaluating and rating the environmental performance of buildings. It is a system to comprehensively evaluate the quality of buildings, including interior comfort and landscape considerations, as well as environmental considerations such as energy conservation and the use of materials and equipment with low environmental loads.

CASBEE Certification for Buildings is granted for assessment results provided by CASBEE for New Construction, Existing Buildings, and Renovation. The certification that JHR acquired was given for a result by CASBEE for Existing Buildings, an evaluation method which targets buildings with an operational record of at least one year after completion, and assesses buildings based on annual performance of operations, deterioration of buildings and indoor environments. Assessment results by CASBEE are indicated in a scale with the following five ranks: “S: Superior,” “A: Very Good,” “B+: Good,” “B-: Slightly Poor,” and “C: Poor.”

2. Evaluation by CASBEE Certification for Buildings (Existing Buildings)

| Property Assessed and Certified | | Assessment Rank | Evaluation Points |
|---------------------------------------|---|---|---|
| Oriental Hotel Fukuoka Hakata Station | |  CASBEE for Buildings (Existing Buildings) Rank B+ (Good) | <ul style="list-style-type: none"> Equipment such as air conditioners has been replaced with the latest ones to improve energy efficiency. Efforts to protect water resources are being made through adoption of water-saving sanitary equipment and wastewater reuse equipment. The Hotel is actively working to reduce the impact of waste disposal, giving due consideration to the global environment. |
| Exterior Photo |  | | |
| Location | Fukuoka city, Fukuoka | | |
| Date of Completion | August 1985 | | |

3. Importance on the Acquisition of Certification for CASBEE for Buildings

Hotels that have passed a certain period of time since they were built tend to have low energy efficiency in terms of structure and facilities. Therefore, JHR has continued to improve the energy efficiency through measures such as upgrading to energy-efficient equipment and optimizing facility management operations.

As a result of the renovation work accompanying the rebranding of the Hotel in April 2019 (hereinafter called “Renovation Work”), especially our efforts to make energy use more efficient, we decided to aim for the acquisition of CASBEE for Buildings (Existing Buildings). In Japan, there is a limited number of green building certification systems that evaluate hotels. Under such circumstance, this is the second case that acquired the certification of CASBEE for Buildings as an existing hotel after Hilton Tokyo Odaiba, which is owned by JHR.

Funds procured from the 12th unsecured investment corporation bonds of Japan Hotel REIT Investment Corporation (Green Bonds) were used for the Renovation Work.

4. Future Initiatives

JHR has implemented various initiatives based on “Sustainability Policy” stipulated alongside with the Asset Management Company, as JHR believes that real estate investment management based on consideration for ESG is important to enhance unitholder value and to further raise the attractiveness of JHR.

Please see websites below for Sustainability Policy and examples of our initiatives.

*Sustainability Initiatives of JHR: <https://www.jhrth.co.jp/en/about/sustainability.html>

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