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February 22, 2023

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
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Notice Concerning Operating Forecast
and Forecast of Dividend for the Fiscal Year Ending December 2023 (24th Period)

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you of the operating forecast and forecast of dividend for the fiscal year ending December 2023 (January 1, 2023 through December 31, 2023), as follows.

1. Operating forecast and forecast of dividend for the fiscal year ending December 2023 (January 1, 2023 through December 31, 2023)

	Operating revenue	Operating income	Ordinary income	Net income	Dividend per unit (Excess of earnings exclusive)	Dividend per unit resulting from excess of earnings
FY12/2023 Midterm	JPY1M 9,627	JPY1M 4,178	JPY1M 3,262	JPY1M 3,261	JPY —	JPY —
FY12/2023 Full Year	JPY1M 21,837	JPY1M 10,566	JPY1M 8,629	JPY1M 8,628	JPY 2,005	JPY —

Reference) Forecast of net income per unit for the full fiscal year: JPY1,931

(Calculated based on the average number of investment units during the period (4,467,006 units).

- (*1) Dividend per unit is calculated based on the number of investment units issued as of today: 4,467,006 units.
- (*2) Total dividend is planned to be an amount of net income plus the reversed amount of reserve for temporary difference adjustment in the amount of JPY330 million.
- (*3) For the assumptions of the operating status and dividend forecast above, please refer to “<Reference Information 1> Assumptions of the operating forecast for the midterm of the fiscal year ending December 2023 (24th period) and the operating forecast for the full fiscal year ending December 2023 (24th period)” below.
- (*4) Amounts are rounded down to the nearest millions of yen and percentages are rounded off to the nearest first decimal place. The same shall apply hereinafter.

Note: This document is intended to serve as a press release to make available the information on the operating forecast and forecast for dividend of the fiscal year ending December 2023 (24th Period). This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to make any investment decisions at their own risk and responsibility.

2. Highlights of the operating forecast and forecast of dividend

The following is the comparison and the major factors causing the variance between the result of the previous period and the operating forecast and forecast of dividend for the fiscal year ending December 2023.

(Unit : JPY MM)

	FY12/2022 (23rd Period)	FY12/2023 (24th Period)	Comparison with the Previous Period		Factors Causing Variance
	Results (A)	Forecast (B)	(B)-(A)	% of increase/ decrease	
Properties					
No. of Properties	41	42	1	—	
Acquisition Price	363,542	365,592	2,050	0.6%	
Profit and Loss					
Operating Revenue	14,912	21,837	6,924	46.4%	
Real Estate Operating Revenue	14,912	21,837	6,924	46.4%	
Fixed Rent	6,279	14,327	8,047	128.2%	The 14 HMJ Hotels (* 3) : increase by JPY8,030 MM Other retail tenants: decrease by JPY81 MM Asset acquired in January 2023: increase by JPY99 MM
Composition	42.1%	65.6%			
Other Income	986	1,005	18	1.8%	
Composition	6.6%	4.6%			
Variable Rent	7,646	6,504	(1,141)	(14.9%)	The 14 HMJ Hotels: decrease by JPY2,941 MM The Two HMJ Rebranded Hotels (*3): increase by JPY734 MM The Accor Group Hotels (* 4) : increase by JPY864 MM The Ishin Group Hotels (* 5) : decrease by JPY27 MM Other tenants: increase by JPY212MM Asset acquired in January 2023: increase by JPY15 MM
Composition	51.3%	29.8%			
NOI (*1)	10,963	17,656	6,692	61.0%	
NOI Yield (*1)	3.0%	4.8%	1.8%		
NOI after Depreciation (*1)	6,116	12,624	6,508	106.4%	
NOI Yield after Depreciation (*1)	1.7%	3.5%	1.8%		
Operating Income	4,296	10,566	6,269	145.9%	
Ordinary Income	2,672	8,629	5,956	222.9%	
Net Income	2,671	8,628	5,956	223.0%	
Dividend					
Use of Negative Goodwill (*2)	376	330	(46)	(12.3%)	Use of Negative Goodwill 2022 : 50-year amortization amount on negative goodwill: JPY262 MM Loss on retirement of noncurrent assets: JPY57 MM Amortization of trademark rights: JPY56 MM 2023 50-year amortization amount on negative goodwill: JPY 262MM Loss on retirement of noncurrent assets: JPY11 MM Amortization of trademark rights: JPY56 MM
Total Dividends	3,046	8,956	5,909	194.0%	
No. of Units Issued (Unit)	4,467,006	4,467,006	—	—	
Dividend per Unit (JPY)	682	2,005	1,323	194.0%	

(*1) NOI (Net Operating Income) = Real estate operating revenue – Real estate operating costs + Depreciation
+ Loss on retirement of noncurrent assets + Asset retirement obligations expenses

NOI yield = NOI ÷ acquisition price

NOI after depreciation = Real estate operating revenue – Real estate operating costs

NOI yield after depreciation = NOI after depreciation ÷ acquisition price

The same shall apply hereinafter.

(*2) For the detail of amount to be reversed from reserve for temporary difference adjustments please see “Assumptions of the operating forecast for the midterm of the fiscal year ending December 2023 (24th period)” and please refer to “<Reference Information 1> Assumptions of the operating forecast for the midterm of the fiscal year ending December 2023 (24th period) and the operating forecast for the full fiscal year ending December 2023 (24th period)” below. The same shall apply hereinafter.

(*3) The Five HMJ hotels refers to following five hotels which JHR leases to Hotel Management Japan Co., Ltd. (hereinafter called “HMJ”). Kobe Meriken Park Oriental Hotel, Oriental Hotel Tokyo Bay, Namba Oriental Hotel, Hotel Nikko Alivila and Oriental Hotel Hiroshima.
The 14 HMJ hotels refers to The Five HMJ Hotels plus following 9 hotels which JHR leases to subsidiaries of HMJ. Oriental Hotel Okinawa Resort & Spa, Sheraton Grand Hiroshima Hotel (main facility of ACTIVE-INTER CITY HIROSHIMA), Oriental Hotel Fukuoka Hakata

Note: This document is intended to serve as a press release to make available the information on the operating forecast and forecast for dividend of the fiscal year ending December 2023 (24th Period). This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to make any investment decisions at their own risk and responsibility.

Station, Holiday Inn Osaka Namba, Hilton Tokyo Narita Airport, International Garden Hotel Narita, Hotel Nikko Nara, Hotel Oriental Express Osaka Shinsaibashi and Hilton Tokyo Odaiba.

The Two HMJ Rebranded Hotels refers to following two hotels which rebranded in 2021 after lessee have changed to subsidiaries of HMJ. Hotel Oriental Express Fukuoka Tenjin and Oriental Hotel Universal City.

The 16 HMJ Hotels refers to The 14 HMJ Hotels plus The Two HMJ Rebranded Hotels.

The same shall apply hereinafter.

- (*4) The Accor Group Hotels refers to following 5 hotels. ibis Styles Kyoto Station, ibis Styles Sapporo, Mercure Sapporo, Mercure Okinawa Naha and Mercure Yokosuka.

The same shall apply hereinafter.

- (*5) The Ishin Group Hotels refers to following 4 hotels. the b suidobashi, the b ikebukuro, the b hachioji and the b hakata,

The same shall apply hereinafter.

- (*6) The 25 Hotels with Variable Rent, etc. refers to The 16 HMJ Hotels plus The Accor Group Hotels plus The Ishin Group Hotels.

The same shall apply hereinafter.

(Note)

The above is the forecast based on status of operation as of today, and actual dividend per unit may fluctuate. This forecast does not guarantee the amount of dividend shown above.

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

<Reference Information 1> Assumptions of the operating forecast for the midterm of the fiscal year ending December 2023 (24th period) and full fiscal year ending December 2023 (24th period)

Item	Assumptions																																																																																										
Calculation Period	<ul style="list-style-type: none"> Midterm of the fiscal year ending December 2023 (24th Period): January 1, 2023 through June 30, 2023 (181 days). Full fiscal year ending December 2023 (24th Period): January 1, 2023 through December 31, 2023 (365 days). 																																																																																										
Assets under Management	<ul style="list-style-type: none"> The 41 properties owned by JHR as of December 31, 2022, and following acquired property ("Acquired Property"), total 42 properties are assumed. <table border="1" data-bbox="311 555 1045 629"> <thead> <tr> <th>Date of acquisition</th> <th>Name</th> </tr> </thead> <tbody> <tr> <td>January 31, 2023</td> <td>UAN kanazawa</td> </tr> </tbody> </table> <ul style="list-style-type: none"> It is assumed that there will be no change (acquisition of new property or disposition of the existing properties, etc.) in assets under management through the end of the fiscal year ending December 2023 (24th period). However, changes in the actual assets under management may take place. 	Date of acquisition	Name	January 31, 2023	UAN kanazawa																																																																																						
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January 31, 2023	UAN kanazawa																																																																																										
Operating Revenue	<ul style="list-style-type: none"> Operating revenue is calculated based on the conditions of the lease and other effective contracts, taking into consideration of the competitiveness of hotels, market environment, and other factors. If there are lease contracts with facilities other than hotels, such as commercial facilities and offices, operating revenue calculated based on the said lease contracts is included. Rents, etc. of the main hotels are calculated based on the following assumptions. <ol style="list-style-type: none"> The 16 HMJ Hotels Rents for The 16 HMJ Hotels consist of fixed and variable rents, and variable rents are calculated using the following formula. Variable rent = [Hotel AGOP (*1) – Base Amount] x Variable rent ratio (%) However, if AGOP is less than the Base Amount, the variable rent will be zero. <p style="text-align: right;">(Unit: millions of yen)</p> <table border="1" data-bbox="300 1124 1444 1998"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Fixed rent</th> <th colspan="2">Variable rent</th> <th colspan="2">Total rent</th> </tr> <tr> <th>Midterm</th> <th>Full year</th> <th>Midterm</th> <th>Full year</th> <th>Midterm</th> <th>Full year</th> </tr> </thead> <tbody> <tr> <td>The Five HMJ Hotels</td> <td>1,610</td> <td>3,221</td> <td>123</td> <td>1,291</td> <td>1,733</td> <td>4,512</td> </tr> <tr> <td>Oriental Hotel Okinawa Resort & Spa</td> <td>274</td> <td>550</td> <td>—</td> <td>267</td> <td>274</td> <td>817</td> </tr> <tr> <td>Sheraton Grand Hiroshima Hotel (*2)</td> <td>174</td> <td>348</td> <td>57</td> <td>201</td> <td>231</td> <td>549</td> </tr> <tr> <td>Oriental Hotel Fukuoka Hakata Station</td> <td>212</td> <td>425</td> <td>323</td> <td>673</td> <td>535</td> <td>1,098</td> </tr> <tr> <td>Holiday Inn Osaka Namba</td> <td>288</td> <td>576</td> <td>—</td> <td>178</td> <td>288</td> <td>754</td> </tr> <tr> <td>Hilton Tokyo Narita Airport</td> <td>222</td> <td>444</td> <td>—</td> <td>108</td> <td>222</td> <td>552</td> </tr> <tr> <td>International Garden Hotel Narita</td> <td>168</td> <td>336</td> <td>—</td> <td>78</td> <td>168</td> <td>414</td> </tr> <tr> <td>Hotel Nikko Nara</td> <td>210</td> <td>420</td> <td>—</td> <td>20</td> <td>210</td> <td>440</td> </tr> <tr> <td>Hotel Oriental Express Osaka Shinsaibashi</td> <td>55</td> <td>110</td> <td>7</td> <td>6</td> <td>62</td> <td>116</td> </tr> <tr> <td>Hilton Tokyo Odaiba</td> <td>799</td> <td>1,600</td> <td>—</td> <td>87</td> <td>799</td> <td>1,687</td> </tr> <tr> <td>Total of The 14 HMJ Hotels</td> <td>4,015</td> <td>8,030</td> <td>511</td> <td>2,912</td> <td>4,526</td> <td>10,942</td> </tr> </tbody> </table>		Fixed rent		Variable rent		Total rent		Midterm	Full year	Midterm	Full year	Midterm	Full year	The Five HMJ Hotels	1,610	3,221	123	1,291	1,733	4,512	Oriental Hotel Okinawa Resort & Spa	274	550	—	267	274	817	Sheraton Grand Hiroshima Hotel (*2)	174	348	57	201	231	549	Oriental Hotel Fukuoka Hakata Station	212	425	323	673	535	1,098	Holiday Inn Osaka Namba	288	576	—	178	288	754	Hilton Tokyo Narita Airport	222	444	—	108	222	552	International Garden Hotel Narita	168	336	—	78	168	414	Hotel Nikko Nara	210	420	—	20	210	440	Hotel Oriental Express Osaka Shinsaibashi	55	110	7	6	62	116	Hilton Tokyo Odaiba	799	1,600	—	87	799	1,687	Total of The 14 HMJ Hotels	4,015	8,030	511	2,912	4,526	10,942
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Item	Assumptions					
	Fixed rent		Variable rent		Total rent	
	Midterm	Full year	Midterm	Full year	Midterm	Full year
Hotel Oriental Express Fukuoka Tenjin	158	316	290	741	449	1,058
Oriental Hotel Universal City	67	135	119	258	187	393
Total of The Two HMJ Rebranded Hotels	225	451	410	999	636	1,451
Total of The 16 HMJ Hotels	4,240	8,482	922	3,912	5,163	12,394

(*1) AGOP (adjusted GOP) is the amount calculated by subtracting certain fees and other items from GOP. GOP (gross operating profit) are the remainder after expenses incurred in hotel operation, such as personnel costs and general and administrative expenses, etc., are deducted from total sales. The same shall apply hereinafter.

(*2) Stating the rent for Sheraton Grand Hiroshima Hotel, the major facility of ACTIVE-INTER CITY HIROSHIMA.

(2) Income from management contracts (*3) and variable rent from other hotels with variable rent, etc.

(Unit: millions of yen)

	Midterm	Full year
ibis Styles Kyoto Station (*3)	73	175
ibis Styles Sapporo (*3)	145	412
Mercure Sapporo (*3)	180	496
Mercure Okinawa Naha (*3)	62	179
Mercure Yokosuka	52	124
the b suidobashi	25	61
the b ikebukuro	55	126
the b hachioji	27	62
the b hakata	30	70
Dormy Inn Kumamoto	—	—
Comfort Hotel Tokyo Higashi Nihombashi	50	50
Smile Hotel Nihombashi Mitsukoshimae	—	—
Chisun Hotel Kamata	38	76
Chisun Inn Kamata	26	52
Hilton Tokyo Bay	Undisclosed (*4)	Undisclosed (*4)
Hilton Nagoya	Undisclosed (*4)	Undisclosed (*4)
UAN kanazawa	2	15
Total	1,063	2,583

(*3) Management contract structure is introduced. The management contract structure involves entrusting the management of owned hotel properties to the management company and incorporating the results of the business into JHR as real estate operating revenue. The amount of GOP for each hotel is recognized as management contract revenue and as operating revenue.

(*4) Undisclosed since tenants that concluded lease contracts did not agree to disclose rent revenue, etc.

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Item	Assumptions															
	<ul style="list-style-type: none"> The following is the breakdown of variable rent and income from management contracts. (Unit: millions of yen) <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Midterm</th> <th style="text-align: center;">Full year</th> </tr> </thead> <tbody> <tr> <td>The 16 HMJ Hotels</td> <td style="text-align: center;">922</td> <td style="text-align: center;">3,912</td> </tr> <tr> <td>Other hotels with variable rent, etc.</td> <td style="text-align: center;">1,063</td> <td style="text-align: center;">2,583</td> </tr> <tr> <td>Office and commercial tenants (*5)</td> <td style="text-align: center;">4</td> <td style="text-align: center;">9</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">1,990</td> <td style="text-align: center;">6,504</td> </tr> </tbody> </table> <ul style="list-style-type: none"> (*5) Variable rent for office and commercial tenants of ACTIVE-INTER CITY HIROSHIMA is shown. (*6) For details of variable rent, please refer to page 49, “3. Reference Information; (1) Information on values of assets under management, etc. B. Assets under management; I Other major assets under management; (c) Overview of the hotel business; (a) Rent structures of hotels with variable rent, management contract or revenue sharing” of the “Financial Report for the Fiscal Year Ended December 31, 2022” dated February 22, 2023. 		Midterm	Full year	The 16 HMJ Hotels	922	3,912	Other hotels with variable rent, etc.	1,063	2,583	Office and commercial tenants (*5)	4	9	Total	1,990	6,504
	Midterm	Full year														
The 16 HMJ Hotels	922	3,912														
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Total	1,990	6,504														
Operating Expenses	<ul style="list-style-type: none"> With respect to real estate operating costs, which constitute a major part of the operating expenses, expenses other than depreciation are calculated based on historical data, and variable factors are reflected in the calculation. It is assumed that JPY1,985 million will be recognized as expenses for fixed asset taxes, city planning taxes, etc. In general, fixed asset tax and city planning tax and other taxes and public dues on acquired assets are settled with the previous owners at the time of acquisition, calculated on a pro rata basis of the holding period. For JHR, such settlement amount is included in the acquisition price, and it will not be recognized as expenses for the calculation period. Capital expenditure is assumed to be JPY4,848 million (JPY2,868 million for capital expenditure I, JPY 807 million for capital expenditure II and JPY1,172 million for capital expenditure III). (*) JHR classifies capital expenditures into the following three categories. (I) Capital investment related to renewal of equipment and facilities of buildings which is required to maintain proper values of properties, (II) capital investment for fixtures, furniture and equipment that are not directly related to building structure or facilities but necessary for operating hotels, and (III) strategic capital investment such as renovating guest rooms, etc. for improving the competitiveness of the hotels. Depreciation is calculated using the straight-line method including the planned capital expenditures above and is assumed to be JPY 5,018 million. Repair expenses for buildings are recognized as expenses in the assumed amount necessary for each operating period. Please note that the repair expenses of each operating period may differ materially from the forecast amount for various reasons, such as; (1) Emergency repair expenses may be necessary due to damage to buildings from unexpected causes; (2) The amount of repair expenses generally tends to increase in difference over time; and (3) Repair expenses are not required on a regular basis. 															
Non-operating Expenses	<ul style="list-style-type: none"> JPY 1,937 million is expected as non-operating expenses for borrowing-related costs and other expenses. Borrowing-related costs include interest expense, amortization for financing fee and arrangement fee. Expenses for issuance of new investment units and secondary offering are amortized over a period of three years by the straight-line method. 															
Interest-bearing Debt	<ul style="list-style-type: none"> The balance of interest-bearing debt (sum of loans and investment corporation bonds) as of today is JPY 164,231 million. Balance of interest-bearing debt as of end of December 2023 (24th Period) is expected to be unchanged at JPY 164,231 million as well. There are JPY 44,234 million of borrowings that will be due during the fiscal year ending December 2023 (24th Period). It is assumed that the entire amount will be refinanced. 															

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Item	Assumptions																				
Dividend per Unit	<ul style="list-style-type: none"> • Dividend per unit for the fiscal year ending December 2023 (24th period) is calculated based on the following assumptions. <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Net income</td> <td style="text-align: right;">JPY 8,628 million</td> </tr> <tr> <td style="padding-left: 20px;">Reversal of reserve for temporary difference adjustment (negative goodwill)</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">50-year amortization amount of negative goodwill (*1)</td> <td style="text-align: right;">JPY 262 million</td> </tr> <tr> <td style="padding-left: 40px;">Loss on retirement of noncurrent assets (*2)</td> <td style="text-align: right;">JPY 11 million</td> </tr> <tr> <td style="padding-left: 40px;">Amortization of trademark rights (*3)</td> <td style="text-align: right;">JPY 56 million</td> </tr> <tr> <td colspan="2" style="border-top: 1px solid black;"></td> </tr> <tr> <td style="padding-left: 20px;">Distributable amount</td> <td style="text-align: right;">JPY 8,958 million</td> </tr> <tr> <td style="padding-left: 20px;">Total number of investment units issued</td> <td style="text-align: right;">4,467,006 units</td> </tr> <tr> <td colspan="2" style="border-top: 1px solid black;"></td> </tr> <tr> <td style="padding-left: 20px;">Dividend per unit</td> <td style="text-align: right;">JPY 2,005</td> </tr> </table> <ul style="list-style-type: none"> (*1) JPY 262 million (hereinafter called “50-year amortization amount of negative goodwill”) is scheduled to be paid out as dividends, with the remaining balance of the reserve for temporary difference adjustment set as the maximum amount, for every fiscal year. (*2) The amount recognized as a loss on retirement of noncurrent assets will be appropriated by reserve for temporary difference adjustment (negative goodwill) and is expected to have no impact on dividend per unit. (*3) The trademark rights are amortized over 10 years using the straight-line method. Amortization is expected to be recognized during the current fiscal year will be appropriated by reserve for temporary difference adjustment (negative goodwill) and is expected to have no impact on dividend per unit. <ul style="list-style-type: none"> • Dividend per unit may fluctuate due to various causes, such as fluctuation of rent revenue resulting from transfer of assets under management, change of tenants, etc. at hotels, change in the business environment of hotel business for hotel tenants, etc., unexpected repairs, and actual number of new investment units issued, etc. • The remaining balance of the reserve for temporary difference adjustment (negative goodwill) after the appropriation of the reserve for temporary difference adjustment (negative goodwill) for dividends for the fiscal year ending December 2023 (24th period) is expected to be JPY 9,269 million. 	Net income	JPY 8,628 million	Reversal of reserve for temporary difference adjustment (negative goodwill)		50-year amortization amount of negative goodwill (*1)	JPY 262 million	Loss on retirement of noncurrent assets (*2)	JPY 11 million	Amortization of trademark rights (*3)	JPY 56 million			Distributable amount	JPY 8,958 million	Total number of investment units issued	4,467,006 units			Dividend per unit	JPY 2,005
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Dividend per Unit Resulting from Excess of Earnings	<ul style="list-style-type: none"> • It is assumed that the excess of earnings (dividend per unit resulting from excess of earnings) will not be distributed. 																				
Others	<ul style="list-style-type: none"> • It is assumed that revision in law, tax system, accounting standard, regulations of the listing, and regulations of the Investment Trusts Association, Japan that may impact the forecast above will not be made. • It is assumed that unexpected major incident will not occur in the general economy, real estate market and hotel business environment, etc. • The numerical values are rounded down to the nearest millions of yen in the assumptions above. 																				

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<Reference Information 2> Hotel operation indexes, sales and GOP (gross operating profit)

The numeral figures are based on figures obtained from hotel lessees, etc. Please note that these figures have not been audited or gone through other procedures. No guarantee is made as to the accuracy or completeness of the figures and information.

ADR (*1) and RevPAR (*2) are rounded off to the nearest yen. Sales and GOP are rounded off to the nearest millions of yen.

Occupancy rate and numbers in percentage are rounded off to one decimal place.

<1> The 16 HMJ Hotels

		Fiscal year ended December 2022		Fiscal year ending December 2023		
		Result	Comparison with 2019	Forecast	Comparison with 2019	Comparison with previous period
Occupancy rate	First half of the year	54.6%	(31.3pt)	74.9%	(11.0pt)	20.2pt
	Second half of the year	73.4%	(15.0pt)	82.3%	(6.1pt)	8.9pt
	Full year	64.1%	(23.0pt)	78.6%	(8.5pt)	14.5pt
ADR	First half of the year	12,292	(28.1%)	18,100	6.0%	47.3%
	Second half of the year	17,192	(9.6%)	20,907	9.9%	21.6%
	Full year	15,121	(16.3%)	19,581	8.4%	29.5%
RevPAR	First half of the year	6,716	(54.2%)	13,554	(7.6%)	101.8%
	Second half of the year	12,625	(24.9%)	17,211	2.4%	36.3%
	Full year	9,694	(38.5%)	15,397	(2.2%)	58.8%
Sales (JPY1M)	First half of the year	12,720	(49.8%)	21,959	(13.4%)	72.6%
	Second half of the year	22,031	(22.9%)	27,458	(3.9%)	24.6%
	Full year	34,752	(35.6%)	49,417	(8.4%)	42.2%
GOP (JPY1M)	First half of the year	1,536	(80.5%)	5,600	(28.8%)	264.7%
	Second half of the year	6,222	(41.4%)	8,772	(17.3%)	41.0%
	Full year	7,757	(58.0%)	14,372	(22.2%)	85.3%

(*1) ADR: Represents average daily rate, which is calculated by dividing total rooms revenue for a certain period (including service charges) by the total number of rooms sold during the period. The same shall apply hereinafter.

(*2) RevPAR: Represents revenue per available room, which is calculated by dividing total rooms revenue for a certain period (including service charges) by the total number of rooms available for sale during the period. The same shall apply hereinafter.

Note: This document is intended to serve as a press release to make available the information on the operating forecast and forecast for dividend of the fiscal year ending December 2023 (24th Period). This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to make any investment decisions at their own risk and responsibility.

<2> The 25 Hotels with Variable Rent, etc.

		Fiscal year ended December 2022		Fiscal year ending December 2023		
		Result	Comparison with 2019	Forecast	Comparison with 2019	Comparison with previous period
Occupancy rate	First half of the year	55.8%	(29.6pt)	75.4%	(10.0pt)	19.6pt
	Second half of the year	74.2%	(13.1pt)	82.9%	(4.4pt)	8.7pt
	Full year	65.1%	(21.3pt)	79.1%	(7.2pt)	14.1pt
ADR	First half of the year	10,872	(30.1%)	15,941	2.5%	46.6%
	Second half of the year	15,018	(12.1%)	18,337	7.3%	22.1%
	Full year	13,255	(18.8%)	17,206	5.3%	29.8%
RevPAR	First half of the year	6,063	(54.4%)	12,014	(9.6%)	98.1%
	Second half of the year	11,140	(25.3%)	15,196	1.9%	36.4%
	Full year	8,623	(38.9%)	13,618	(3.5%)	57.9%
Sales (JPY1M)	First half of the year	14,364	(50.6%)	24,859	(14.5%)	73.1%
	Second half of the year	24,735	(23.6%)	31,063	(4.1%)	25.6%
	Full year	39,100	(36.4%)	55,923	(9.0%)	43.0%
GOP (JPY1M)	First half of the year	1,819	(80.8%)	6,407	(32.3%)	252.2%
	Second half of the year	7,055	(42.3%)	9,983	(18.4%)	41.5%
	Full year	8,874	(59.1%)	16,390	(24.5%)	84.7%

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