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January 10, 2025

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
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Notice Concerning Revision of Operating Forecast
and Forecast of Dividend for the Fiscal Year Ended December 2024 (25th Period)

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you of the revision of the operating forecast and forecast of dividend for the fiscal year ended December 2024 (January 1, 2024 through December 31, 2024), announced in “Midterm Financial Report for the Fiscal Year Ending December 31, 2024” dated August 22, 2024.

1. Revision of operating forecast and forecast of dividend for the full year ended December 2024 (January 1, 2024 through December 31, 2024)

	Operating revenue	Operating income	Ordinary income	Net income	Dividend per unit (Excess of earnings exclusive)	Dividend per unit resulting from excess of earnings
Previous forecast (A)	JPY1M 32,910	JPY1M 20,198	JPY1M 17,645	JPY1M 17,644	JPY 3,815	JPY —
Forecast this time (B)	JPY1M 33,317	JPY1M 20,557	JPY1M 18,033	JPY1M 18,032	JPY 3,890	JPY —
Variance (C) = (B) – (A)	JPY1M 406	JPY1M 359	JPY1M 388	JPY1M 388	JPY 75	JPY —
Variance ratio (D) = (C) / (A)	% 1.2	% 1.8	% 2.2	% 2.2	% 2.0	% —

(Reference) Forecast of net income per unit for the full fiscal year: JPY3,706

(Calculated based on the average number of investment units during the period (4,865,133 units))

- (*1) Dividend per unit is calculated based on the number of investment units issued as of today: 5,097,006 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 JPY1,795 million.
- (*3) For the details of the operating forecast and forecast of dividend above, please refer to <Reference Information 1> “Assumptions for revision of the operating forecast for the full fiscal year ended December 2024 (25th period)”
- (*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 revision of operating forecast and forecast of dividend for the fiscal year ended December 2024 (25th 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. Rationale for revisions of the operating forecast and forecast of dividend

Since the operational results of each hotel through mid-December 2024 have almost become clear, JHR has revised the operating and dividend forecasts for the full fiscal year ended December 2024 (25th period).

In the forecast for the full fiscal year ended December 2024 (25th period), operating revenue is expected to increase by JPY406 million compared to the previous forecast, mainly due to an increase in variable rent. Meanwhile, operating expenses are anticipated to rise by JPY47 million due to a review of various expenses related to the property and operating expenses, etc. On the other hand, non-operating expenses are expected to decrease by JPY25 million, primarily due to a reduction in financing costs. As a result, net income is forecast to be JPY18,032 million, an increase of JPY388 million compared to the previous forecast.

For details of the comparison with the previous forecast, please refer to “3. Highlights of the operating forecast and forecast of dividend” below.

3. Highlights of the operating forecast and forecast of dividend

The following is the comparison and the major factors causing the variance with the operating forecast and forecast of dividend for the full fiscal year ended December 2024 (25th period) (current forecast) and the previous forecast.

(Unit: millions of yen)

	FY12/2024 (25th Period)	FY12/2024 (25th Period)	Difference		Existing Properties (*1)	Acquired Properties (*1)	Factors Causing Variance
	Previous Forecast (A)	Current Forecast (B)	(B)-(A)	% of increase/ decrease			
Properties	No. of Properties	51	51	-	-	-	
	Acquisition Price	453,108	453,108	-	-	-	
Profit and Loss	Operating Revenue	32,910	33,317	406	1.2%	401	5
	Real Estate Operating Revenue	32,910	33,317	406	1.2%	401	5
	Fixed Rent <i>Composition</i>	16,128 50.7%	16,133 50.1%	4	0.0%	4	0
	Variable Rent <i>Composition</i>	15,699 49.3%	16,096 49.9%	397	2.5%	394	3 The 19 HMJ Hotels (*2): +JPY75MM The Accor Group Hotels (*2): (JPY27MM) The Ishin Group Hotels (*2): +JPY93MM Others: +JPY251MM
	Other Income	1,082	1,087	4	0.4%	3	1
	NOI (*3) <i>NOI Yield (*3)</i>	28,484 6.3%	28,825 6.4%	340	1.2%	332	8
	NOI after Depreciation (*3) <i>NOI Yield after Depreciation (*3)</i>	22,608 5.0%	22,980 5.1%	371	1.6%	332	39
	Operating Income	20,198	20,557	359	1.8%		
	Ordinary Income	17,645	18,033	388	2.2%		
	Net Income	17,644	18,032	388	2.2%		
Dividend	Amount of Reversal from Reserve for Temporary Difference Adjustments (Negative Goodwill)	1,802	1,795	(6)	(0.4%)	Amount of reversal from reserve for temporary difference adjustments Previous Forecast: 50-year amortization amount on negative goodwill: JPY262MM Loss on retirement of noncurrent assets: JPY243MM Amortization of trademark rights: JPY56MM	
	Total Dividends	19,445	19,827	382	2.0%	Dilution: JPY1,240MM Current Forecast: 50-year amortization amount on negative goodwill: JPY262MM Loss on retirement of noncurrent assets: JPY237MM Amortization of trademark rights: JPY56MM	
	No. of Unit Issued (Unit)	5,097,006	5,097,006	-	-		
	Dividend per Unit (JPY)	3,815	3,890	75	2.0%	Dilution: JPY1,240MM	

(*1) The Acquired Properties refer to the following four properties acquired in 2024. The same shall apply hereinafter.

MIMARU Tokyo Shinjuku West
HOTEL AMANEK Shinjuku-Kabukicho.
OKINAWA HARBORVIEW HOTEL
Southern Beach Hotel & Resort OKINAWA

The Existing Properties refer to the 47 properties, excluding the Acquired Properties from the total of 51 properties currently owned by JHR as of today. The same shall apply hereinafter.

(*2) The Five HMJ Hotels refer to the following five hotels which JHR leases to Hotel Management Japan Co., Ltd. (hereinafter called "HMJ"). The same shall apply hereinafter.

Kobe Meriken Park Oriental Hotel
Oriental Hotel Tokyo Bay
Namba Oriental Hotel
Hotel Nikko Alivila
Oriental Hotel Hiroshima

The 19 HMJ Hotels refer to the following 19 hotels: the Five HMJ Hotels plus the following 14 hotels, which JHR leases to subsidiaries of HMJ. The same shall apply hereinafter.

Oriental Hotel Okinawa Resort & Spa
Sheraton Grand Hiroshima Hotel (main facility of ACTIVE-INTER CITY HIROSHIMA)

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Oriental Hotel Fukuoka Hakata Station
Holiday Inn Osaka Namba
Hilton Tokyo Narita Airport
International Garden Hotel Narita
Hotel Nikko Nara
Hotel Oriental Express Osaka Shinsaibashi
Hilton Tokyo Odaiba
Hotel Oriental Express Fukuoka Tenjin
Oriental Hotel Universal City
Oriental Hotel Kyoto Rokujo
Hotel Oriental Express Fukuoka Nakasukawabata
Hotel JAL City Kannai Yokohama

The Accor Group Hotels refer to the following five hotels:
ibis Styles Kyoto Station, ibis Styles Sapporo, Mercure Sapporo, Mercure Okinawa Naha and Mercure Yokosuka
The same shall apply hereinafter.

The Ishin Group Hotels refer to the following four hotels:
the b suidobashi, the b ikebukuro, the b hachioji and the b hakata
The same shall apply hereinafter.

- (*3) Each is calculated using the following formula. The same shall apply hereinafter.
- 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

(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 for revision of the operating forecast for the full fiscal year ended December 2024 (25th period)

Item	Assumptions																																																																				
Calculation Period	<ul style="list-style-type: none"> Full fiscal year ended December 2024 (25th Period): January 1, 2024 through December 31, 2024 (366 days) 																																																																				
Assets under Management	<ul style="list-style-type: none"> It is assumed that JHR's portfolio consists of 51 properties as of the end of December 2024, including the following four properties acquired in 2024. <p>Acquired Properties</p> <table border="1"> <thead> <tr> <th>Acquisition date</th> <th>Name</th> </tr> </thead> <tbody> <tr> <td>July 12, 2024</td> <td>MIMARU Tokyo Shinjuku West</td> </tr> <tr> <td>July 12, 2024</td> <td>HOTEL AMANEK Shinjuku-Kabukicho.</td> </tr> <tr> <td>July 31, 2024</td> <td>OKINAWA HARBORVIEW HOTEL</td> </tr> <tr> <td>July 31, 2024</td> <td>Southern Beach Hotel & Resort OKINAWA</td> </tr> </tbody> </table>	Acquisition date	Name	July 12, 2024	MIMARU Tokyo Shinjuku West	July 12, 2024	HOTEL AMANEK Shinjuku-Kabukicho.	July 31, 2024	OKINAWA HARBORVIEW HOTEL	July 31, 2024	Southern Beach Hotel & Resort OKINAWA																																																										
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Operating Revenue	<ul style="list-style-type: none"> Operating revenue is calculated based on the conditions of the lease and other effective contracts as of today, considering 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 19 HMJ Hotels <p>The rent of the 19 HMJ Hotels consists of fixed rent and variable rent, and the variable rent is calculated by the following formula.</p> $\text{Variable rent} = [\text{Hotel AGOP} (*1) - \text{Base amount}] \times \text{Variable rent ratio} (\%)$ <p>However, if the AGOP is less than the base amount, the variable rent will be 0 yen.</p> <p style="text-align: right;">(Unit: millions of yen)</p> <table border="1"> <thead> <tr> <th></th> <th>Fixed rent</th> <th>Variable rent</th> <th>Total rent</th> </tr> </thead> <tbody> <tr> <td>The Five HMJ Hotels</td> <td>3,221</td> <td>2,756</td> <td>5,977</td> </tr> <tr> <td>Oriental Hotel Universal City</td> <td>316</td> <td>1,463</td> <td>1,780</td> </tr> <tr> <td>Oriental Hotel Okinawa Resort & Spa</td> <td>550</td> <td>479</td> <td>1,029</td> </tr> <tr> <td>Sheraton Grand Hiroshima Hotel (*2)</td> <td>348</td> <td>478</td> <td>826</td> </tr> <tr> <td>Oriental Hotel Fukuoka Hakata Station</td> <td>425</td> <td>1,531</td> <td>1,956</td> </tr> <tr> <td>Holiday Inn Osaka Namba</td> <td>576</td> <td>666</td> <td>1,242</td> </tr> <tr> <td>Hotel Oriental Express Fukuoka Tenjin</td> <td>135</td> <td>582</td> <td>717</td> </tr> <tr> <td>Hilton Tokyo Narita Airport</td> <td>444</td> <td>209</td> <td>653</td> </tr> <tr> <td>International Garden Hotel Narita</td> <td>336</td> <td>152</td> <td>488</td> </tr> <tr> <td>Hotel Nikko Nara</td> <td>420</td> <td>114</td> <td>534</td> </tr> <tr> <td>Hotel Oriental Express Osaka Shinsaibashi</td> <td>110</td> <td>117</td> <td>227</td> </tr> <tr> <td>Hilton Tokyo Odaiba</td> <td>1,600</td> <td>1,431</td> <td>3,031</td> </tr> <tr> <td>Oriental Hotel Kyoto Rokujo</td> <td>171</td> <td>194</td> <td>365</td> </tr> <tr> <td>Hotel Oriental Express Fukuoka Nakasukawabata</td> <td>174</td> <td>212</td> <td>386</td> </tr> <tr> <td>Hotel JAL City Kannai Yokohama</td> <td>135</td> <td>47</td> <td>182</td> </tr> <tr> <td style="text-align: center;">Total</td> <td>8,962</td> <td>10,438</td> <td>19,400</td> </tr> </tbody> </table> 		Fixed rent	Variable rent	Total rent	The Five HMJ Hotels	3,221	2,756	5,977	Oriental Hotel Universal City	316	1,463	1,780	Oriental Hotel Okinawa Resort & Spa	550	479	1,029	Sheraton Grand Hiroshima Hotel (*2)	348	478	826	Oriental Hotel Fukuoka Hakata Station	425	1,531	1,956	Holiday Inn Osaka Namba	576	666	1,242	Hotel Oriental Express Fukuoka Tenjin	135	582	717	Hilton Tokyo Narita Airport	444	209	653	International Garden Hotel Narita	336	152	488	Hotel Nikko Nara	420	114	534	Hotel Oriental Express Osaka Shinsaibashi	110	117	227	Hilton Tokyo Odaiba	1,600	1,431	3,031	Oriental Hotel Kyoto Rokujo	171	194	365	Hotel Oriental Express Fukuoka Nakasukawabata	174	212	386	Hotel JAL City Kannai Yokohama	135	47	182	Total	8,962	10,438	19,400
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Operating Revenue	<p>(*1) AGOP (adjusted GOP) is calculated by subtracting certain fees and other items from GOP. GOP (gross operating profit) is 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.</p> <p>(*2) Stating the rent for Sheraton Grand Hiroshima Hotel, the major facility of ACTIVE-INTER CITY HIROSHIMA. The fixed and variable rents from offices and commercial tenants in ACTIVE-INTER CITY HIROSHIMA are as follows.</p> <p style="text-align: right;">(Unit: millions of yen)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 15%;">Fixed rent</th> <th style="width: 15%;">Variable rent</th> <th style="width: 20%;">Total rent</th> </tr> </thead> <tbody> <tr> <td>ACTIVE-INTER CITY HIROSHIMA (offices and commercial tenants)</td> <td style="text-align: center;">507</td> <td style="text-align: center;">12</td> <td style="text-align: center;">520</td> </tr> </tbody> </table> <p>(2) Income from management contracts (*3) and variable rent from other hotels with variable rent, etc.</p> <p style="text-align: right;">(Unit: millions of yen)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 20%;">Full year</th> </tr> </thead> <tbody> <tr><td>ibis Styles Kyoto Station (*3)</td><td style="text-align: center;">371</td></tr> <tr><td>ibis Styles Sapporo (*3)</td><td style="text-align: center;">480</td></tr> <tr><td>Mercure Sapporo (*3)</td><td style="text-align: center;">585</td></tr> <tr><td>Mercure Okinawa Naha (*3)</td><td style="text-align: center;">297</td></tr> <tr><td>Mercure Yokosuka</td><td style="text-align: center;">305</td></tr> <tr><td>the b suidobashi</td><td style="text-align: center;">137</td></tr> <tr><td>the b ikebukuro</td><td style="text-align: center;">222</td></tr> <tr><td>the b hachioji</td><td style="text-align: center;">128</td></tr> <tr><td>the b hakata</td><td style="text-align: center;">216</td></tr> <tr><td>dormy inn Kumamoto</td><td style="text-align: center;">68</td></tr> <tr><td>Comfort Hotel Tokyo Higashi Nihombashi</td><td style="text-align: center;">38</td></tr> <tr><td>Smile Hotel Nihombashi Mitsukoshimae</td><td style="text-align: center;">31</td></tr> <tr><td>Chisun Hotel Kamata</td><td style="text-align: center;">157</td></tr> <tr><td>Chisun Inn Kamata</td><td style="text-align: center;">92</td></tr> <tr><td>Hilton Tokyo Bay</td><td style="text-align: center;">Undisclosed (*4)</td></tr> <tr><td>Hotel Francs</td><td style="text-align: center;">43</td></tr> <tr><td>Hilton Nagoya</td><td style="text-align: center;">Undisclosed (*4)</td></tr> <tr><td>UAN kanazawa</td><td style="text-align: center;">16</td></tr> <tr><td>Sotetsu Fresa Inn Shimbashi-Karasumoriguchi</td><td style="text-align: center;">108</td></tr> <tr><td>La'gent Stay Sapporo Odori</td><td style="text-align: center;">581</td></tr> <tr style="font-weight: bold;"> <td style="text-align: center;">Total</td> <td style="text-align: center;">5,320</td> </tr> </tbody> </table> <p>(*3) Management contract system is adopted. The management contract system refers to the operation of the hotel property owned by JHR by entrusting the operation of the hotel to the trustee and incorporating the results of the operation into JHR as income from real estate management. Each hotel's GOP amount is recognized in operating revenues as income from management contracts.</p> <p>(*4) Undisclosed since tenants that concluded lease contracts did not agree to disclose rent revenue, etc.</p>		Fixed rent	Variable rent	Total rent	ACTIVE-INTER CITY HIROSHIMA (offices and commercial tenants)	507	12	520		Full year	ibis Styles Kyoto Station (*3)	371	ibis Styles Sapporo (*3)	480	Mercure Sapporo (*3)	585	Mercure Okinawa Naha (*3)	297	Mercure Yokosuka	305	the b suidobashi	137	the b ikebukuro	222	the b hachioji	128	the b hakata	216	dormy inn Kumamoto	68	Comfort Hotel Tokyo Higashi Nihombashi	38	Smile Hotel Nihombashi Mitsukoshimae	31	Chisun Hotel Kamata	157	Chisun Inn Kamata	92	Hilton Tokyo Bay	Undisclosed (*4)	Hotel Francs	43	Hilton Nagoya	Undisclosed (*4)	UAN kanazawa	16	Sotetsu Fresa Inn Shimbashi-Karasumoriguchi	108	La'gent Stay Sapporo Odori	581	Total	5,320
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Operating Revenue	<p>(3) Acquired Properties</p> <p>(a) MIMARU Tokyo Shinjuku West (*5) The rent consists of fixed rent and variable rent, and the variable rent is calculated by the following formula. Variable rent = Amount calculated based on Hotel GOP However, if the calculated amount is below 0 yen, the variable rent will be 0 yen.</p> <p>(b) HOTEL AMANEK Shinjuku-Kabukicho. (*5) The rent consists of fixed rent and variable rent, and the variable rent is calculated by the following formula. Variable rent = Amount calculated based on Hotel GOP However, if the calculated amount is below 0 yen, the variable rent will be 0 yen.</p> <p>(c) OKINAWA HARBORVIEW HOTEL (*6) The rent is fixed rent only until July 31, 2026.</p> <p>(d) Southern Beach Hotel & Resort OKINAWA (*7) The rent consists of fixed rent and variable rent, and the variable rent is calculated by the following formula. Variable rent = Amount calculated based on Hotel GOP However, if the calculated amount is below 0 yen, the variable rent will be 0 yen.</p>																								
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	Southern Beach Hotel & Resort OKINAWA	257 (*7)	72 (*7)	330																					
	Total	904	324	1,229																					
	<p>(*5) Undisclosed since tenants that concluded lease contracts did not agree to disclose rent revenue, etc. The rent for the fiscal year ended December 2024 is an estimated amount for the 173-day period from July 12, 2024 to December 31, 2024.</p> <p>(*6) The annual fixed rent will be 1,050 million yen until July 31, 2026. The rent for the fiscal year ended December 2024 is an estimated amount for 154-day period from July 31, 2024 to December 31, 2024.</p> <p>(*7) The annual fixed rent will be 600 million yen. The rent for the fiscal year ended December 2024 is an estimated amount including the rent from commercial tenants for the 154-day period from July 31, 2024 to December 31, 2024.</p>																								

Note: This document is intended to serve as a press release to make available the information on the revision of operating forecast and forecast of dividend for the fiscal year ended December 2024 (25th 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.

Item	Assumptions												
Operating Revenue	<ul style="list-style-type: none"> The following is the breakdown of variable rent and income from management contracts. <p style="text-align: center;">(Unit: millions of yen)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Full year</th> </tr> </thead> <tbody> <tr> <td>The 19 HMJ Hotels</td> <td style="text-align: center;">10,438</td> </tr> <tr> <td>Other hotels with variable rent, etc.</td> <td style="text-align: center;">5,320</td> </tr> <tr> <td>Acquired Properties</td> <td style="text-align: center;">324</td> </tr> <tr> <td>Office and commercial tenants</td> <td style="text-align: center;">12</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: center;">16,096</td> </tr> </tbody> </table> <p>(*8) For details of variable rent, please refer to “3. Reference Information; (1) Information on values of assets under management, etc. B. Assets under management; (C) Other major assets under management; (iii) Overview of the hotel business; a. Rent structures of hotels with variable rent, management contract or revenue sharing.” of the “Midterm Financial Report for the Fiscal Year Ending December 31, 2024” dated August 22, 2024.</p>		Full year	The 19 HMJ Hotels	10,438	Other hotels with variable rent, etc.	5,320	Acquired Properties	324	Office and commercial tenants	12	Total	16,096
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The 19 HMJ Hotels	10,438												
Other hotels with variable rent, etc.	5,320												
Acquired Properties	324												
Office and commercial tenants	12												
Total	16,096												
Operating Expenses	<ul style="list-style-type: none"> With respect to real estate leasing expenses, which constitute a major part of the operating expenses, expenses other than depreciation are calculated based on historical data, and variable factors of costs are reflected in the calculation. It is assumed that JPY2,085 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 assets acquired during the fiscal year are settled with the previous owners on a pro rata basis of the holding period. For JHR, such settlement amount is included in the acquisition price. Therefore, the fixed asset tax and city planning tax, etc. of the asset acquired will not be recorded in the costs for the relevant calculation period. Capital expenditure for the fiscal year ended December 2024 (25th Period) is assumed to be JPY7,311 million (JPY3,745 million for capital expenditure I, JPY400 million for capital expenditure II, and JPY3,165 million for capital expenditure III). (*) JHR classifies capital expenditures into the following 3 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 JPY5,605 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"> JPY2,528 million is expected for borrowing-related costs, including interest expense, amortization for financing fee, arrangement fee and other non-operating expenses. 												
Interest-bearing Debt	<ul style="list-style-type: none"> JPY205,231 million as balance of total interest-bearing debt (sum of loans and investment corporation bonds) as of the end of December 2024 is assumed. 												

Note: This document is intended to serve as a press release to make available the information on the revision of operating forecast and forecast of dividend for the fiscal year ended December 2024 (25th 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.

Item	Assumptions																						
Dividend per Unit	<ul style="list-style-type: none"> • Dividend per unit for the fiscal year ended December 2024 (25th period) is calculated based on the following assumptions. <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Unappropriated retained earnings</td> <td style="text-align: right;">JPY18,034 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;">JPY262 million</td> </tr> <tr> <td style="padding-left: 40px;">Loss on retirement of noncurrent assets (*2)</td> <td style="text-align: right;">JPY237 million</td> </tr> <tr> <td style="padding-left: 40px;">Amortization of trademark rights (*3)</td> <td style="text-align: right;">JPY56 million</td> </tr> <tr> <td style="padding-left: 40px;">Dilution (*4)</td> <td style="text-align: right;">JPY1,240 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;">JPY19,830 million</td> </tr> <tr> <td style="padding-left: 20px;">Total number of investment units issued</td> <td style="text-align: right;">5,097,006 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;">JPY3,890</td> </tr> </table> <ul style="list-style-type: none"> (*1) JPY262 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 ten years using the straight-line method. The amortization amount to be recorded in the current fiscal year will have no impact on dividend per unit due to the appropriation of the reserve for temporary difference adjustment (negative goodwill). (*4) Regarding the dividend per unit for the fiscal year ended December 2024 (25th period), JHR plans to allocate the reserve for temporary difference adjustment (negative goodwill) to a level that factors in the internal growth of the Existing Properties as a measure to offset the dilution of investment units caused by the issuance of new units for purchasing the Acquired Properties. <ul style="list-style-type: none"> • Dividend per unit may fluctuate due to various causes, such as fluctuation of rent revenue resulting from the 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 an 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 ended December 2024 (25th period) is expected to be JPY6,958 million. 	Unappropriated retained earnings	JPY18,034 million	Reversal of reserve for temporary difference adjustment (negative goodwill)		50-year amortization amount of negative goodwill (*1)	JPY262 million	Loss on retirement of noncurrent assets (*2)	JPY237 million	Amortization of trademark rights (*3)	JPY56 million	Dilution (*4)	JPY1,240 million			Distributable amount	JPY19,830 million	Total number of investment units issued	5,097,006 units			Dividend per unit	JPY3,890
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Dividend per unit	JPY3,890																						
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 an excess of earnings) will not be distributed. 																						
Others	<ul style="list-style-type: none"> • It is assumed that there will be no amendments to law and regulations, the tax system, accounting standards, listing rules, or the regulations of The Investment Trusts Association, Japan, etc., that will affect the above forecast figures. • It is assumed that unexpected major incidents 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 nor have they gone through other procedures. No guarantee is made as to the accuracy or completeness of the figures and information.

ADR (Note 1) and RevPAR (Note 2) are rounded off to the nearest yen. Sales and GOP are rounded off to the nearest millions of yen. Occupancy rate and comparison with the previous period are rounded off to one decimal place.

<1> The 19 HMJ Hotels

		Fiscal year ended December 2023		Fiscal year ended December 2024			
		Result	Comparison with previous year	Previous forecast	Current forecast	Comparison with previous year	Comparison with previous forecast
Occupancy rate	First half of the year	75.8%	21.2pt	81.7%	81.7%	5.9pt	—
	Second half of the year	81.3%	7.8pt	84.8%	85.3%	4.0pt	0.5pt
	Full year	78.6%	14.4pt	83.3%	83.5%	4.9pt	0.2pt
ADR (JPY)	First half of the year	18,055	46.9%	19,806	19,806	9.7%	—
	Second half of the year	21,286	23.8%	22,999	23,323	9.6%	1.4%
	Full year	19,740	30.6%	21,441	21,612	9.5%	0.8%
RevPAR (JPY)	First half of the year	13,685	103.8%	16,183	16,183	18.3%	—
	Second half of the year	17,302	37.1%	19,507	19,888	14.9%	2.0%
	Full year	15,508	60.0%	17,854	18,046	16.4%	1.1%
Sales (JPY1M)	First half of the year	23,947	88.3%	27,605	27,605	15.3%	—
Rooms Dept.		14,564	123.5%	17,319	17,319	18.9%	—
F&B Dept.		7,972	70.6%	9,164	9,164	15.0%	—
Others		1,411	(7.9%)	1,122	1,122	(20.5%)	—
Sales (JPY1M)	Second half of the year	29,373	33.3%	33,190	33,768	15.0%	1.7%
Rooms Dept.		18,720	50.3%	21,105	21,517	14.9%	2.0%
F&B Dept.		9,335	16.0%	10,915	10,960	17.4%	0.4%
Others		1,317	(13.7%)	1,170	1,291	(2.0%)	10.3%
Sales (JPY1M)	Full year	53,320	53.4%	60,795	61,373	15.1%	1.0%
Rooms Dept.		33,284	75.5%	38,424	38,836	16.7%	1.1%
F&B Dept.		17,307	36.0%	20,079	20,124	16.3%	0.2%
Others		2,729	(10.8%)	2,292	2,413	(11.6%)	5.3%
GOP (JPY1M)	First half of the year	7,464	386.0%	9,550	9,550	28.0%	—
	Second half of the year	10,935	75.8%	12,577	12,560	14.9%	(0.1%)
	Full year	18,399	137.2%	22,127	22,110	20.2%	(0.1%)

(*1) ADR represents Average Daily Rate, which is calculated by dividing total room revenue of the accommodation department (including service charges) for a certain period 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 room revenue of the accommodation department (including service charges) for a certain period by the total number of rooms available for sale during the period. The same shall apply hereinafter.

(*3) The figures for the previous and current forecasts for the first half of the fiscal year ended December 2024 are actual results.

<2>The 28 Hotels with Variable Rent, etc. (*1)

		Fiscal year ended December 2023		Fiscal year ended December 2024			
		Result	Comparison with previous year	Previous forecast	Current forecast	Comparison with previous year	Comparison with previous forecast
Occupancy rate	First half of the year	75.9%	20.1pt	81.1%	81.1%	5.2pt	—
	Second half of the year	80.8%	6.6pt	84.6%	85.3%	4.4pt	0.7pt
	Full year	78.4%	13.3pt	82.8%	83.2%	4.8pt	0.4pt
ADR (JPY)	First half of the year	16,227	49.3%	18,014	18,014	11.0%	—
	Second half of the year	19,184	27.7%	20,578	20,888	8.9%	1.5%
	Full year	17,764	34.0%	19,330	19,495	9.7%	0.9%
RevPAR (JPY)	First half of the year	12,311	103.0%	14,601	14,601	18.6%	—
	Second half of the year	15,504	39.2%	17,400	17,809	14.9%	2.3%
	Full year	13,920	61.4%	16,008	16,213	16.5%	1.3%
Sales (JPY1M)	First half of the year	27,046	88.3%	31,388	31,388	16.1%	—
Rooms Dept.		17,209	117.7%	20,523	20,523	19.3%	—
F&B Dept.		8,345	71.9%	9,664	9,664	15.8%	—
Others		1,492	(6.9%)	1,202	1,202	(19.5%)	—
Sales (JPY1M)	Second half of the year	33,203	34.2%	37,469	38,193	15.0%	1.9%
Rooms Dept.		22,031	49.2%	24,726	25,307	14.9%	2.3%
F&B Dept.		9,778	17.0%	11,488	11,512	17.7%	0.2%
Others		1,393	(13.7%)	1,254	1,375	(1.3%)	9.6%
Sales (JPY1M)	Full year	60,249	54.1%	68,857	69,581	15.5%	1.1%
Rooms Dept.		39,240	73.1%	45,248	45,829	16.8%	1.3%
F&B Dept.		18,124	37.2%	21,153	21,176	16.8%	0.1%
Others		2,885	(10.3%)	2,456	2,576	(10.7%)	4.9%
GOP (JPY1M)	First half of the year	8,462	365.2%	10,954	10,954	29.4%	—
	Second half of the year	12,388	75.6%	14,259	14,317	15.6%	0.4%
	Full year	20,849	134.9%	25,213	25,271	21.2%	0.2%

(*1) The 28 Hotels with Variable Rent, etc. refer to the 19 HMJ Hotels, the Accor Group Hotels and the Ishin Group Hotels.

(*2) The figures for the previous and current forecasts for the first half of the fiscal year ended December 2024 are actual results.