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REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
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Notice Concerning Acquisition of New Assets
(Trademark Rights of “Oriental Hotel” brand, etc.)

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 the assets below (hereinafter called the “Assets for Anticipated Acquisition”) today.

The seller, Hotel Management Japan Co., Ltd. (hereinafter called “HMJ”) falls 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 acquisition of the Assets for Anticipated Acquisition 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 “7. Transaction with Interested Party” below).

1. Summary of the Assets for Anticipated Acquisition

Name of the Assets for Anticipated Acquisition	Anticipated acquisition price (*1) (*2)	Seller (*3)	Anticipated acquisition date
Trademark rights of “Oriental Hotel” brand, etc.	JPY550,000,000	HMJ	May 15, 2020

(*1) The anticipated acquisition price is the price based on the trademark rights transfer agreement. The anticipated acquisition price does not include expenses for acquisition and consumption tax, etc.

(*2) The Asset Management Company and a third-party organization evaluated and analyzed the acquisition price in order to determine the anticipated acquisition price.

(*3) Please see “4. Summary of the Seller” below for the sellers.

2. Rationale for the Acquisition

The Assets for Anticipated Acquisition are the total 25 trademark rights of “Oriental Hotel” brands, etc. (hereinafter collectively called the “Trademark Rights”). There are five hotels which carry “Oriental Hotel” brand as of today among the hotels owned by JHR, and all five hotels are operated by HMJ.

Some of the trademark rights were acquired by HMJ in February 2020 in order to expand “Oriental Hotel” brand (No. 1 to No.6 described in “3. Details of the Assets for Anticipated Acquisition.” Hereinafter called the “Six Trademark Rights”), and the other trademark rights were registered by filing an application by HMJ (No. 7 to No.25 described in “3. Details of the Assets for Anticipated Acquisition.” Hereinafter called the “19 Trademark Rights”). JHR has determined that the acquisition of the asset would be appropriate in consideration of the preservation and improvement of the asset value of the assets JHR owns through direct acquisition of the

Trademark Rights by JHR, as well as the profitability and future potential of receiving trademark license fees by investing in the Trademark Rights.

JHR believes that the acquisition of the Assets for Anticipated Acquisition will enable the appropriate management of the Oriental Hotel brand, and at the same time, the stable revenue is expected because the annual license fees received directly or indirectly from HMJ and third parties are expected to be JPY31 million.

3. Details of the Assets for Anticipated Acquisition

Name of the assets for anticipated acquisition	Trademark rights for “Oriental Hotel” brand, etc.
Asset category	Trademark rights
License fee	JPY31,208,925 (annual)
Registration number of the Trademark Rights	<ol style="list-style-type: none"> 1. Trademark registration number: No. 3066167 2. Trademark registration number: No. 3097262 3. Trademark registration number: No. 3196092 4. Trademark registration number: No. 3097260 5. Trademark registration number: No. 3079997 6. Trademark registration number: No. 3099411 7. Trademark registration number: No. 5303142 8. Trademark registration number: No. 5320059 9. Trademark registration number: No. 5320060 10. Trademark registration number: No. 5320061 11. Trademark registration number: No. 5340619 12. Trademark registration number: No. 5340620 13. Trademark registration number: No. 5340621 14. Trademark registration number: No. 5340622 15. Trademark registration number: No. 6154328 16. Trademark registration number: No. 6154329 17. Trademark registration number: No. 6154330 18. Trademark registration number: No. 3079993 19. Trademark registration number: No. 4079153 20. Trademark registration number: No. 4210398 21. Trademark registration number: No. 4210424 22. Trademark registration number: No. 4295059 23. Trademark registration number: No. 4413310 24. Trademark registration number: No. 5066009 25. Trademark registration number: No. 6248798

4. Summary of the Seller

Name	Hotel Management Japan Co., Ltd.
Headquarters	Ebisu Neonato 4F, 4-1-18, Ebisu, Shibuya-ku, Tokyo JAPAN
Representative	Representative Director : Junichi Araki
Capital	JPY50,000,000 (as of the end of December 2019)
Establishment	August 29, 2005
Net assets	JPY1,376,510,000 (as of the end of December 2019)
Total assets	JPY6,570,750,000 (as of the end of December 2019)
Major shareholder and shareholding ratio	SC J-Holdings Pte. Ltd. (100%) (as of the end of December 2019)
Major business	Management and operation of hotels
Capital relationship Human relationship Business relationship	The company concerned is a corporation in which SC J-Holdings Pte. Ltd. indirectly holds 100% of the issued and outstanding shares. SC J-Holdings Pte. Ltd. is a corporation that owns 100% of equity interest of

	Rockrise Sdn Bhd. Rockrise Sdn Bhd is a parent company which holds 87.6% of the issued and outstanding shares of the Asset Management Company.
Related parties	The company falls under the category of interest-related party by the Investment Trust Act.

5. Status of the Previous Owners

(1) Current Owner

Name	Hotel Management Japan Co., Ltd.
Status of previous owner	Current owner
Relationship with persons with special interests	The company concerned is a corporation in which SC J-Holdings Pte. Ltd. indirectly holds 100% of the issued and outstanding shares. SC J-Holdings Pte. Ltd. is a corporation that owns 100% of equity interest of Rockrise Sdn Bhd. Rockrise Sdn Bhd is a parent company which holds 87.6% of the issued and outstanding shares of the Asset Management Company.
Background and reason for the acquisition	JHR acquired the Trademark Rights in order to expand the “Oriental Hotel” brand, aiming for HMJ’s future expansion of hotel operation.
Acquisition price	JPY550,000,000
Timing of the acquisition	February 28, 2020

(2) Previous Owner

The previous owner of the Six Trademark Rights does not have any special interest relationship with either JHR or the Asset Management Company. Therefore, the details are omitted. Not applicable for the 19 Trademark Rights.

6. Summary of Broker

Not applicable

7. Transaction with Interested Party

HMJ falls under the category of an interested party, etc. as stipulated in Article 201 of the Investment Trust Act and Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations. Therefore, in accordance with “the Code 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 Trademark Transfer Agreement and the Trademark License Agreement with HMJ.

8. Settlement Method

JHR plans to pay the transaction amounts by using cash on hand.

9. Schedule of Settlement Dates

Resolution for the acquisition	May 15, 2020
Conclusion of the agreement	May 15, 2020
Settlement and transfer	May 15, 2020 (scheduled)

10. Future Prospects

As the proportion of the revenue from license fees from the Assets of Anticipated Acquisition to the revenue of JHR is limited, the operating forecast after the acquisition of the Assets of Anticipated Acquisition has not been changed from “Notice Concerning Revision of Operating Forecast and Forecast of Dividend for the Fiscal Year Ending December 2020 (21st Period)” dated March 25, 2020.

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