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Notice Concerning Revision of Operating Forecast for the Fiscal Year Ending December 2026 (27th Period)

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you of the revisions to operating forecast for the fiscal year ending December 2026 (January 1, 2026 through December 31, 2026) announced in “Notice Concerning Revision of Operating and Dividend Forecasts for Fiscal Year Ended December 2025 (26th Period) and Operating and Dividend Forecasts for the Fiscal Year Ending December 2026 (27th Period)” dated January 22, 2026, as follows.

1. Revision of the operating forecast for the midterm of the fiscal year ending December 2026 (January 1, 2026 through June 30, 2026)

	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 19,462	JPY1M 12,107	JPY1M 9,605	JPY1M 9,605	JPY —	JPY —
Revised forecast (B)	JPY1M 21,699	JPY1M 13,821	JPY1M 10,814	JPY1M 10,814	JPY —	JPY —
Variance (C) = (B) – (A)	JPY1M 2,237	JPY1M 1,713	JPY1M 1,209	JPY1M 1,209	JPY —	JPY —
Variance ratio (D) = (C) / (A)	% 11.5	% 14.2	% 12.6	% 12.6	% —	% —

(*1) For the assumptions of the operating forecast above, please refer to “<Reference Information 1> Assumptions of the operating forecast for the midterm of the fiscal year ending December 2026 (27th Period) and the full fiscal year ending December 2026 (27th Period)” below.

(*2) 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 for the fiscal year ending December 2026 (27th Period). This document should not be construed 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. Securities may not be offered or sold in the United States without registration or an exemption from registration under the United States Securities Act of 1933 (as amended). Any public offering of securities to be made in the United States will be made by means of an English language prospectus prepared in accordance with the U.S. Securities Act of 1933 that may be obtained from the issuer or distributor of the security and that will contain detailed information about the issuer and its management as well as its financial statements. However, the securities referred to above will not be publicly offered or sold in the United States.

2. Revision of the operating forecast for the full fiscal year ending December 2026
(January 1, 2026 through December 31, 2026)

	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 44,840	JPY1M 29,455	JPY1M 24,219	JPY1M 24,218	JPY 5,177	JPY —
Revised forecast (B)	JPY1M 50,979	JPY1M 34,255	JPY1M 27,912	JPY1M 27,911	JPY 5,177	JPY —
Variance (C) = (B) – (A)	JPY1M 6,138	JPY1M 4,799	JPY1M 3,693	JPY1M 3,693	JPY —	JPY —
Variance ratio (D) = (C) / (A)	% 13.7	% 16.3	% 15.2	% 15.3	% —	% —

(Reference) Forecast of net income per unit for the full fiscal year: JPY4,796

(Calculated based on the forecast of the average number of investment units during fiscal period (5,818,683 units))

- (*1) In addition to the number of investment units issued as of today (5,097,006 units), it is assumed that all 887,700 new investment units will be issued through the domestic public offering and the overseas offering (up to 848,991 units) (investment units to be purchased and underwritten by the domestic and the overseas underwriters in the domestic public offering and the overseas offering (hereinafter collectively called the “Offering”) and additional new investment units to be issued upon the exercise of the over-allotment option granted to the overseas underwriters) and by way of third party allotment (up to 38,709 units) determined by the resolution at the JHR’s Board of Directors meeting held today. For details, please refer to “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” dated today.
- (*2) Total dividend is planned to be an amount of net income for the full fiscal year: ending December 2026 plus the reversed amount of reserve for temporary difference adjustment in the amount of JPY3,071 million.
- (*3) For the assumptions of the operating forecast above, please refer to “<Reference Information 1> Assumptions of the operating forecasts for the midterm of the fiscal year ending December 2026 (27th Period) and the full fiscal year ending December 2026 (27th Period)” below.
- (*4) The acquisition of HYATT REGENCY TOKYO (hereinafter called the “Asset for Anticipated Acquisition”) which is announced in “Notice Concerning Acquisition and Lease of Domestic Real Estate Beneficial Interest in Trust, etc. (HYATT REGENCY TOKYO)” dated today is assumed.

3. Rationale for the revisions of the operating forecast

JHR revises its operating forecasts for the midterm of the fiscal year ending December 2026 (27th Period) and the full fiscal year ending December 2026 (27th Period) to reflect the issuance of new investment units announced in “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” dated today and the decision to acquire the Asset for Anticipated Acquisition announced in “Notice Concerning Acquisition and Lease of Domestic Real Estate Beneficial Interest in Trust, etc. (HYATT REGENCY TOKYO)” dated today.

Although dilution of investment units is expected as a result of the issuance of new investment units, JHR plans to appropriate the reserve for temporary difference adjustment due to negative goodwill so that no impact is expected on the dividend per unit. Forecast for the dividend per unit for the fiscal year ending December 2026 remains unchanged. In addition, as the acquisition of the Asset for Anticipated Acquisition will result in significant depreciation expenses for equipment, etc. over the three years following the acquisition, JHR plans to appropriate the reserve for temporary difference adjustment to cover the amount equivalent to said depreciation expenses until the fiscal year ending December 2028 (29th Period).

Please refer to “4. Highlights of the operating and dividend forecast” for details of the comparison with the previous operating forecast for the fiscal year ending December 2026 (27th Period).

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4. Highlights of the operating and dividend forecast

The operating and dividend forecast (revised forecast) for the full fiscal year ending December 2026 (27th Period), comparison with the previous forecast and the major factors causing the variance.

(Unit: millions of yen)

	FY12/2026 (27th Period)	FY12/2026 (27th Period)	Difference		Existing Properties	Asset for Anticipated Acquisition (*1)	Factors Causing Variance
	Previous Forecast (A)	Current Forecast (B)	(B)-(A)	% of increase/ decrease			
Properties	No. of Properties	51	52	1	–	1	
	Acquisition Price	515,391	641,391	126,000	24.4%	126,000	
Profit and Loss	Operating Revenue	44,840	50,979	6,138	13.7%	6,138	
	Real Estate Operating Revenue	44,840	50,979	6,138	13.7%	6,138	
	Fixed Rent	19,671	22,561	2,890	14.7%	2,890	
	<i>Composition</i>	44.9%	45.2%				
	Variable Rent	24,094	27,342	3,248	13.5%	3,248	
	<i>Composition</i>	55.1%	54.8%				
	Other Income	1,075	1,075	–	–	–	
	NOI (*2)	39,828	45,778	5,949	14.9%	5,949	
	NOI after Depreciation (*2)	32,591	37,832	5,241	16.1%	5,241	
	Operating Income	29,455	34,255	4,799	16.3%		
Ordinary Income	24,219	27,912	3,693	15.2%			
Net Income	24,218	27,911	3,693	15.3%			
Dividend	Amount of Reversal from Reserve for Temporary Difference Adjustments (Negative Goodwill)	2,171	3,071	900	41.4%		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: JPY50MM Large-scale renovation: JPY1,859MM
	Total Dividends	26,387	30,982	4,595	17.4%		
	No. of Unit Issued (Unit)	5,097,006	5,984,706	887,700	17.4%		Current Forecast: 50-year amortization amount on negative goodwill: JPY262MM Loss on retirement of noncurrent assets: JPY50MM Loss on large-scale renovations: JPY1,859MM Loss on depreciation: JPY416MM Dilution: JPY483MM
	Dividend per Unit (JPY)	5,177	5,177	–	–		

(*1) Stating the amount of the impact (forecast) by the acquisition of the Asset for Anticipated Acquisition.

(*2) 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 non-current assets + Asset retirement obligations expenses

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

(Note)

The above forecasts are based on status of operation as of today, and the actual dividend per unit may fluctuate. The forecasts do not guarantee the amount of dividend shown above.

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

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<Reference Information 1>

Assumptions for the operating forecasts for the midterm of the fiscal year ending December 2026 (27th Period) and the full fiscal year ending December 2026 (27th Period)

Item	Assumptions				
Calculation Period	<ul style="list-style-type: none"> Midterm of the fiscal year ending December 2026 (27th Period): January 1, 2026 through June 30, 2026 (181 days) Full fiscal year ending December 2026 (27th Period): January 1, 2026 through December 31, 2026 (365 days) 				
Assets under Management	<ul style="list-style-type: none"> The 51 properties owned by JHR as of today and the following property (Asset for Anticipated Acquisition), for a total of 52 properties are assumed. <p>< Asset for Anticipated Acquisition ></p> <table border="1"> <thead> <tr> <th>Anticipated acquisition date</th> <th>Name of asset</th> </tr> </thead> <tbody> <tr> <td>March 13, 2026</td> <td>HYATT REGENCY TOKYO</td> </tr> </tbody> </table> <ul style="list-style-type: none"> It is assumed that there will be no changes in assets under management (acquisition of new properties, sale of the existing properties, etc.) other than the above by the end of the fiscal year ending December 2026 (27th Period). However, changes in the actual assets under management may take place. 	Anticipated acquisition date	Name of asset	March 13, 2026	HYATT REGENCY TOKYO
Anticipated acquisition date	Name of asset				
March 13, 2026	HYATT REGENCY TOKYO				
Number of issued investment units	<ul style="list-style-type: none"> In addition to the number of investment units issued as of today (5,097,006 units), it is assumed that all 887,700 new investment units will be issued through the domestic public offering and the overseas offering (up to 848,991 units) (investment units to be purchased and underwritten by the domestic and the overseas underwriters in the Offering and all additional new investment units to be issued upon the exercise of the over-allotment option granted to the overseas underwriters) and by way of third party allotment (up to 38,709 units) determined by the resolution at the JHR's Board of Directors meeting held today. Dividend per unit is calculated based on the expected outstanding 5,984,706 investment units as of the end of the fiscal year ending December 2026 (27th Period). It is assumed that there will be no additional issuance of investment units or purchase of own investment units other than the above until the end of the fiscal year ending December 2026 (27th Period). 				

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Item	Assumptions		
Operating Revenue	<ul style="list-style-type: none"> Operating revenue is calculated based on the conditions of the effective lease and other contracts, etc. 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. The variable rents, etc. of the main hotels are calculated based on the following assumptions. 		
	(1) The 29 Hotels with Variable Rent, etc. (*1) (Unit: millions of yen)		
		Midterm	Full year
	The Five HMJ Hotels (*2)	1,422	4,446
	Oriental Hotel Universal City	631	1,639
	Oriental Hotel Okinawa Resort & Spa	271	1,436
	Sheraton Grand Hiroshima Hotel (*3)	310	660
	Oriental Hotel Fukuoka Hakata Station	813	1,732
	Holiday Inn Osaka Namba	341	855
	Hotel Oriental Express Fukuoka Tenjin	369	782
	Hilton Tokyo Narita Airport	128	297
	International Garden Hotel Narita	46	132
	Hotel Nikko Nara	75	212
	Hotel Oriental Express Osaka Shinsaibashi	46	141
	Oriental Hotel Kyoto Rokujo	119	273
	Hotel Oriental Express Fukuoka Nakasukawabata	179	378
	Hotel JAL City Kannai Yokohama	60	154
	Southern Beach Hotel & Resort OKINAWA	29	537
	Hilton Fukuoka Sea Hawk	995	2,217
	ibis Styles Kyoto Station (*4)	213	453
	ibis Styles Sapporo (*4)	252	611
	Mercure Sapporo (*4)	336	798
	Mercure Okinawa Naha (*4)	187	423
	Mercure Yokosuka	197	398
	the b suidobashi	78	163
	the b ikebukuro	99	226
	the b hachioji	64	130
the b hakata	106	251	
Total	7,378	19,358	
(*1) The 29 Hotels with Variable Rent, etc. refer to the 29 hotels listed in the table above. 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"): Kobe Meriken Park Oriental Hotel, Oriental Hotel Tokyo Bay, Namba Oriental Hotel, Hotel Nikko Alivila and Oriental Hotel Hiroshima.			
(*3) The rent for Sheraton Grand Hiroshima Hotel, the primary facility of ACTIVE-INTER CITY HIROSHIMA, is disclosed.			
(*4) The management contract system has been 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.			

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Item	Assumptions					
Operating Revenue	(2) Other hotels with variable rent, etc. (Unit: millions of yen)					
			Midterm	Full year		
	dormy inn Kumamoto		30	120		
	Comfort Hotel Tokyo Higashi Nihombashi		86	86		
	Smile Hotel Nihombashi Mitsukoshimae		43	43		
	Chisun Hotel Kamata		89	176		
	Chisun Inn Keikyu Kamata		54	102		
	Hilton Tokyo Bay		Undisclosed (*5)	Undisclosed (*5)		
	Hotel Francs		82	164		
	Hilton Nagoya		Undisclosed (*5)	Undisclosed (*5)		
	Hilton Tokyo Odaiba		—(*6)	—(*6)		
	UAN kanazawa		6	23		
	Sotetsu Fresa Inn Shimbashi-Karasumoriguchi		186	484		
	La'gent Stay Sapporo Odori		300	665		
	MIMARU Tokyo Shinjuku West		Undisclosed (*5)	Undisclosed (*5)		
	HOTEL AMANEK Shinjuku-Kabukicho.		Undisclosed (*5)	Undisclosed (*5)		
	OKINAWA HARBORVIEW HOTEL		—	450		
	Total		1,702	4,707		
		(*5) Undisclosed, since tenants that concluded lease contracts do not agree to disclose rent revenue, etc. (*6) A large-scale renovation is planned for Hilton Tokyo Odaiba from February 2026 to the end of December 2027 (hereinafter called the "Renovation"). Since no variable rent is expected during the renovation period, it is indicated as "—."				
		(3) Asset for Anticipated Acquisition (HYATT REGENCY TOKYO)				
	Rent is based on fixed rent and variable rent. Calculation method for variable rent is as follows:					
	Variable rent = [Amount calculated based on AGOP (*7) of the hotel – JPY2,980 million] x 97.5%					
	However, if calculated amount is below zero, the variable rent will be zero. (Unit: millions of yen)					
	Fixed rent (*8)		Variable rent		Total	
	Midterm	Full year	Midterm	Full year	Midterm	Full year
	1,090	2,890	1,147	3,248	2,237	6,138
	(*7) AGOP (Adjusted GOP = GOP after adjustment) is the amount 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 administrative expenses, etc., are deducted from total sales. The same shall apply hereinafter. (*8) The annual fixed rent will be JPY3,600 million. The rent for the period ending December 2026 for the Asset for Anticipated Acquisition is an estimated amount for 294 days from March 13, 2026 to December 31, 2026.					

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Item	Assumptions																		
Operating Revenue	<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="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">Midterm</th> <th style="width: 20%; text-align: center;">Full year</th> </tr> </thead> <tbody> <tr> <td>The 29 Hotels with Variable Rent, etc.</td> <td style="text-align: center;">7,378</td> <td style="text-align: center;">19,358</td> </tr> <tr> <td>Other hotels with variable rent, etc.</td> <td style="text-align: center;">1,702</td> <td style="text-align: center;">4,707</td> </tr> <tr> <td>Asset for Anticipated Acquisition</td> <td style="text-align: center;">1,147</td> <td style="text-align: center;">3,248</td> </tr> <tr> <td>Office and commercial tenants</td> <td style="text-align: center;">12</td> <td style="text-align: center;">28</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: center;">10,241</td> <td style="text-align: center;">27,342</td> </tr> </tbody> </table>		Midterm	Full year	The 29 Hotels with Variable Rent, etc.	7,378	19,358	Other hotels with variable rent, etc.	1,702	4,707	Asset for Anticipated Acquisition	1,147	3,248	Office and commercial tenants	12	28	Total	10,241	27,342
		Midterm	Full year																
	The 29 Hotels with Variable Rent, etc.	7,378	19,358																
	Other hotels with variable rent, etc.	1,702	4,707																
	Asset for Anticipated Acquisition	1,147	3,248																
	Office and commercial tenants	12	28																
Total	10,241	27,342																	
<p>(*9) 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; b. Rent structures of hotels with variable rent, etc.” of the “Financial Report for the Fiscal Year Ended December 31, 2025 (January 1, 2025 – December 31, 2025)” dated today.</p>																			
Operating Expenses	<ul style="list-style-type: none"> With respect to real estate operating 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 the JPY2,600 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 for Anticipated Acquisition will not be recorded in the costs for the relevant calculation period. Capital expenditure (CAPEX) is assumed to be JPY12,907 million (JPY8,080 million for capital expenditure I, JPY1,097 million for capital expenditure II, and JPY3,728 million for capital expenditure III) for the fiscal year ending December 2026 (27th Period). 																		
	<p>(*) 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.</p> <ul style="list-style-type: none"> Depreciation is calculated using the straight-line method including the planned capital expenditures above and is assumed to be JPY7,893 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"> JPY6,342 million is expected for borrowing-related costs, including interest expense, amortization for financing fee, arrangement fee, and other non-operating expenses. 																		

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Item	Assumptions																								
Interest-bearing Debt	<ul style="list-style-type: none"> Borrowings associated with the acquisition of Asset for Anticipated Acquisition are assumed to be JPY65,000 million. The balance of interest-bearing debt (sum of borrowings and investment corporation bonds) as of today is JPY269,355 million and is expected to be JPY334,355 million as of March 31, 2026 after the acquisition of the Asset for Anticipated Acquisition. In the fiscal year ending December 2026 (27th Period), it is assumed that a new borrowing of JPY6,000 million will be made to partially fund the large-scale renovation of Hilton Tokyo Odaiba, resulting in a balance of interest-bearing debt (sum of borrowings and investment corporation bonds) of JPY340,355 million as of the end of the fiscal year ending December 2026 (27th Period). The amount of loans due by the end of the fiscal year ending December 2026 (27th Period) is JPY20,254 million, but the entire amount is assumed to be refinanced, or investment corporation bonds are assumed to be issued. The amount of investment corporation bonds due by the end of the fiscal year ending December 2026 (27th Period) is JPY13,100 million, but the entire amount is assumed to be refinanced through borrowings or the issuance of investment corporation bonds. 																								
Dividend per Unit	<ul style="list-style-type: none"> Dividend per unit for the fiscal year ending December 2026 (27th Period) is calculated based on the following assumptions. <table border="1" data-bbox="316 786 1394 1099"> <tbody> <tr> <td>Unappropriated retained earnings</td> <td>JPY27,911 million</td> </tr> <tr> <td>Reversal of reserve for temporary difference adjustment (negative goodwill)</td> <td></td> </tr> <tr> <td> 50-year amortization amount of negative goodwill (*1)</td> <td>JPY262 million</td> </tr> <tr> <td> Loss on retirement of non-current assets (*2)</td> <td>JPY50 million</td> </tr> <tr> <td> Large-scale renovation (*3)</td> <td>JPY1,859 million</td> </tr> <tr> <td> Depreciation related to Asset for Anticipated Acquisition (*4)</td> <td>JPY416 million</td> </tr> <tr> <td> Correspondence to dilution (*5)</td> <td>JPY483 million</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Distributable amount</td> <td>JPY30,983 million</td> </tr> <tr> <td>Total number of investment units issued</td> <td>5,984,706 units</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Dividend per unit</td> <td>JPY5,177</td> </tr> </tbody> </table> <ul style="list-style-type: none"> (*1) JPY262 million (hereinafter called “50-year amortization amount of negative goodwill”) will be paid out as dividends, with the remaining balance of the reserve for temporary difference adjustment (negative goodwill) set as the maximum amount, for every fiscal year. (*2) Amount recognized as a loss on retirement of non-current assets will be appropriated by reserve for temporary difference adjustment (negative goodwill) and is expected to have no impact on the dividend per unit. (*3) With regard to Hilton Tokyo Odaiba, considering the expected impact of the Renovation on dividends, JHR plans to allocate JPY1,859 million from the reserve for temporary difference adjustment (negative goodwill) to offset the loss of variable rent, etc. In the event of changes to the Renovation period, the amount of reversal from the reserve for temporary difference adjustment (negative goodwill) may be revised. (*4) JHR plans to allocate the reserve for temporary difference adjustment (negative goodwill) to cover the depreciation expenses for equipment, etc. related to the Asset for Anticipated Acquisition. (*5) For the dividend per unit for the fiscal year ending December 2026 (27th Period), JHR plans to reverse a reserve for temporary difference adjustment (negative goodwill) in order to cope with dilution of investment units through the issuance of new investment units due to the acquisition of the Asset for Anticipated Acquisition. <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 at hotels, change in the business environment of hotel business for hotel tenants, unexpected repairs, and actual number of new investment units issued. 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 2026 (27th Period) is expected to be JPY3,418 million. 	Unappropriated retained earnings	JPY27,911 million	Reversal of reserve for temporary difference adjustment (negative goodwill)		50-year amortization amount of negative goodwill (*1)	JPY262 million	Loss on retirement of non-current assets (*2)	JPY50 million	Large-scale renovation (*3)	JPY1,859 million	Depreciation related to Asset for Anticipated Acquisition (*4)	JPY416 million	Correspondence to dilution (*5)	JPY483 million	<hr/>		Distributable amount	JPY30,983 million	Total number of investment units issued	5,984,706 units	<hr/>		Dividend per unit	JPY5,177
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Item	Assumptions												
Asset for Anticipated Acquisition	<ul style="list-style-type: none"> The operating status of the Asset for Anticipated Acquisition for the fiscal year ending December 2026 is assumed as follows. <HYATT REGENCY TOKYO> <table border="1" data-bbox="312 353 1163 488"> <thead> <tr> <th colspan="2" data-bbox="312 353 1163 394">Fiscal year ending December 2026</th> </tr> </thead> <tbody> <tr> <td data-bbox="312 394 719 427">Operating days</td> <td data-bbox="719 394 1163 427">294 days</td> </tr> <tr> <td data-bbox="312 427 719 461">Operating revenue</td> <td data-bbox="719 427 1163 461">JPY6,138 million</td> </tr> <tr> <td data-bbox="312 461 719 495">NOI (*1)</td> <td data-bbox="719 461 1163 495">JPY5,949 million</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <Reference> <table border="1" data-bbox="312 517 1163 584"> <tbody> <tr> <td data-bbox="312 517 719 551">Appraisal NOI (*1) (*2)</td> <td data-bbox="719 517 1163 551">JPY6,192 million</td> </tr> <tr> <td data-bbox="312 551 719 584">Appraisal NOI yield (*2) (*3)</td> <td data-bbox="719 551 1163 584">4.9%</td> </tr> </tbody> </table> <p data-bbox="312 584 1163 640">(*1) NOI = Real estate operating revenue – Real estate operating costs + Depreciation + Loss on retirement of non-current assets + Asset retirement obligations expenses</p> <p data-bbox="312 640 1163 696">(*2) NOI for Anticipated Acquisition is calculated based on the NOI, which is the assumption in calculating the revenue value through the direct capitalization method in the real estate appraisal reports as of January 31, 2026.</p> <p data-bbox="312 696 1163 734">(*3) Appraisal NOI yield = Appraisal NOI / Anticipated acquisition price (JPY126,000 million)</p>	Fiscal year ending December 2026		Operating days	294 days	Operating revenue	JPY6,138 million	NOI (*1)	JPY5,949 million	Appraisal NOI (*1) (*2)	JPY6,192 million	Appraisal NOI yield (*2) (*3)	4.9%
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Dividend per Unit Resulting from Excess of Earnings	<ul style="list-style-type: none"> It is assumed that the distribution of excess of earnings (dividend per unit resulting from excess of earnings) will not be made. 												
Others	<ul style="list-style-type: none"> It is assumed that revisions in law, tax system, accounting standard, regulations of the listing, and regulations of the Investment Trusts Association, Japan that may impact the forecasts above will not be made. It is assumed that unforeseen significant events 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> The annualized effects simulated based on the forecasts for the fiscal year ending December 2026 (27th Period), simulated figures for pre-additional renovation (renovation year) and post-additional renovation, and the assumptions for the annualized effect and the simulated figures for the Asset for Anticipated Acquisition

1. The annualized effects simulated based on the forecasts for fiscal year ending December 2026 (27th Period) and the assumptions

(1) Annual rent for the full year of the Asset for Anticipated Acquisition are as follows.

Rent is based on fixed rent and variable rent. Calculation method for the variable rent is as follows:

Variable rent = [Amount calculated based on AGOP of the hotel – JPY3,720 million] × 97.5%

However, if calculated amount is below zero, the variable rent will be zero.

(Unit: millions of yen)

Fixed rent	Variable rent	Total
3,600	3,582	7,182

(2) The property taxes and city planning taxes, etc. of the Asset for Anticipated Acquisition are assumed to be JPY705 million (for 12 months).

(3) For non-operating expenses, borrowings related to the asset acquisition, and expenses incurred in the issuance of new investment units, etc. are assumed on an annualized basis (for 12 months). On the other hand, major one-time financial cost incurred for asset acquisition is not included.

(4) The annualized effect simulated based on forecast RevPAR, forecast NOI, forecast NOI after depreciation and forecast net income (Note) of the Asset for Anticipated Acquisition for fiscal year ending December 2026 are as follows.

(Unit: millions of yen)

Forecast RevPAR	Forecast NOI (Yield)	Forecast NOI after Depreciation (Yield)	Forecast Net Income
47,469	6,243 (5.0%)	5,393 (4.3%)	3,682

(Note) Net Income of the Asset for Anticipated Acquisition is calculated according to the following formula. The same shall apply hereinafter.

NOI after Depreciation of the Asset for Anticipated Acquisition – Operating costs for the Asset for Anticipated Acquisition (excluding real estate operating costs) – Non-operating costs associated with financing for the Asset for Anticipated Acquisition

2. Simulated figures for pre-additional renovation (renovation year) and post-additional renovation and the Assumptions

(1) Simulated figures for pre-additional renovation (renovation year) for the Asset for Anticipated Acquisition are the estimated figures calculated by JHRA based on certain assumptions, including the expected effects, etc. of Active Asset Management (*1) implemented by JHR and the market demand outlook etc. at that time, for the period prior to the implementation of additional renovation indicated in (3) below, and simulated figures for post-additional renovation are the estimated figures calculated by JHRA based on certain assumptions, including the expected effects, etc. of Active Asset Management encompassing the additional renovation and the market demand outlook etc. at that time, for the period following the implementation of additional renovation indicated in (3) below (all figures are calculated on a full-year basis). Note that simulated figures calculation process and prerequisites include JHRA's judgment, evaluation, and assumptions, and simulated figures do not refer to the forecast for any future period and future results may differ significantly. No guarantee is made as to whether Active Asset Management will be implemented as intended or that the expected effects will be achieved.

(2) Simulated figures are calculated based on assumptions market demand or other market factors as a baseline for pre-additional renovation (renovation year) and post-additional renovation. In calculating the simulated figures, the following assumptions regarding market demand or other market factors were comprehensively made for each relevant point in time: (a) the actual occupancy rate, average room rate, and RevPAR for the fiscal year ended December 2025 for the area and category to which the Asset for Anticipated Acquisition belongs, and the expected RevPAR growth rate compared to the corresponding period of the previous fiscal year; (b) inflation trend in economic and price developments; (c) the growth trend in foreign visitors to Japan based on actual figures for 2025;

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and (d) brand demand characteristics, etc. Therefore, due to the impact of changes and fluctuations in these external factors, the actual figures may differ significantly from the simulated figures stated in this document.

- (3) Additional renovation of the Asset for Anticipated Acquisition refers to the addition of guest rooms (new construction of long-stay type rooms on the unused fifth floor) with CAPEX investment of approximately JPY1.5 billion (*2) and the expansion work of certain guest rooms (34 rooms) through consolidation of two rooms into one (expected to be implemented in 2027).
- (4) JHRA assumes that, among other things, the following measures will be implemented as the Active Asset Management for the Asset for Anticipated Acquisition; refinement of revenue management at rooms department, strengthening sales at general banquet department to capture MICE (*3), maximization of revenue through operational improvements at restaurant department, as well as standardization across HMJ Group (*4) at administrative department.
- (5) Simulated figures for pre-additional renovation (renovation year) and post-additional renovation, including simulated RevPAR, simulated NOI, simulated NOI after depreciation, simulated net income and amount used from reserve for temporary difference adjustment of the Asset for Anticipated Acquisition, are as follows.

(Unit: millions of yen)

	Simulated RevPAR (JPY)	Simulated NOI (Yield) (*5)	Simulated NOI after Depreciation (Yield) (*5)	Simulated Net Income	Amount Used from Reserve for Temporary Difference Adjustment
Simulated Figures for Pre-Additional Renovation (Renovation Year)	49,877	7,061 (5.6%)	6,137 (4.9%)	4,412	500
Simulated Figures for Post-Additional Renovation	55,630	8,125 (6.4%)	7,093 (5.6%)	5,351	500

(*1) Active Asset Management is the proactive asset management by JHRA that aims to achieve strong internal growth, improve profits and eventually increase the portfolio's asset value.

(*2) It is a simulated figure as the timing, amount, etc. of CAPEX have not been determined and may change in the future.

(*3) "MICE" is an acronym for "Meetings (e.g. corporate meetings)", "Incentive Travel (e.g. corporate incentive travel and training trips)", "Conventions (e.g. international conferences organized by international organizations, groups, academic societies, etc.)", and "Exhibitions/Events (e.g. exhibitions, trade fairs, and events)", and is a general term for business events expected to generate significant customer traffic.

(*4) HMJ Group refers to HMJ and its subsidiaries (a corporation in which HMJ holds more than 50% of the issued shares).

(*5) The figures for post-additional renovation of simulated NOI (yield) and simulated NOI after depreciation (yield) are calculated using the sum of the anticipated acquisition price of the Asset for Anticipated Acquisition and the expected increase in book value (approx. JPY1.5 billion) due to the additional renovation stated in (3) above as the denominator.

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<Reference Information 3> Hotel operation indexes, sales and GOP

The numeral figures are based on figures obtained from hotel lessees, etc. Please note that these figures have not been audited or subjected to 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 percentage are rounded off to the first decimal place.

(1) The 29 Hotels with Variable Rent, etc.

		Fiscal year ended December 2025	Fiscal year ending December 2026	
		Results	Forecast	Comparison with previous year
Occupancy Rate	First half of the year	82.1%	82.9%	0.8pt
	Second half of the year	85.0%	86.8%	1.8pt
	Full year	83.6%	84.8%	1.3pt
ADR (JPY)	First half of the year	19,264	19,764	2.6%
	Second half of the year	22,155	23,195	4.7%
	Full year	20,746	21,533	3.8%
RevPAR (JPY)	First half of the year	15,817	16,379	3.6%
	Second half of the year	18,830	20,130	6.9%
	Full year	17,336	18,270	5.4%
Sales (JPY1M)	First half of the year	37,547	38,587	2.8%
Rooms Dept.		25,133	26,026	3.6%
F&B Dept.		10,993	11,036	0.4%
Others		1,421	1,525	7.3%
Sales (JPY1M)	Second half of the year	44,343	46,788	5.5%
Rooms Dept.		30,416	32,516	6.9%
F&B Dept.		12,227	12,584	2.9%
Others		1,700	1,688	(0.7%)
Sales (JPY1M)	Full year	81,890	85,375	4.3%
Rooms Dept.		55,549	58,542	5.4%
F&B Dept.		23,220	23,620	1.7%
Others		3,121	3,213	2.9%
GOP (JPY1M)	First half of the year	13,660	14,095	3.2%
	Second half of the year	17,923	19,421	8.4%
	Full year	31,583	33,516	6.1%

(*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.

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(2) HYATT REGENCY TOKYO

		Fiscal year ended December 2025	Fiscal year ending December 2026	
		Results	Forecast	Comparison with previous year
RevPAR (JPY)	Full year	30,887	47,469	53.7%
Sales (JPY1M)	Full year	11,156	16,708	49.8%
Rooms Dept.		8,027	12,336	53.7%
F&B Dept.		3,038	4,282	41.0%
Others		91	90	(1.4%)
GOP (JPY1M)	Full year	3,883	7,746	99.5%

(Note) Large-scale renovation was implemented from May 2024 to July 2025 during which required the suspension of guest rooms.

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