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REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
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Notice Concerning Acquisition of Asset
(Part of Site of Oriental Hotel Universal City)

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 a property below (hereinafter called the “Asset for Anticipated Acquisition”) today on behalf of JHR.

1. Summary of the Asset for Anticipated Acquisition

Details of asset (registered lot number)	Co-owner’s interest (95,290/499,870) of the land at 6-427-2, 428 Shimaya, Konohana-ku, Osaka city, Osaka
Area of asset (registered area)	8,788.67m ²
Type of asset	Real estate
Transaction price	JPY753,921,147
Appraisal value (Note)	JPY763,000,000
	Date of appraisal
	June 30, 2021
Transaction party	Seller: Osaka City Buyer: Mitsubishi UFJ Trust and Banking Corporation
Transaction method	Acquisition by the trustee under the instruction of JHR, the trust beneficiary (Trust by disposition of trusted asset)

(Note) Appraisal value by Rich Appraisal Institute co., Ltd.

2. Rational for the acquisition

The Asset for Anticipated Acquisition this time is a land (hereinafter called the “Land”) that is part of the site of Oriental Hotel Universal City (hereinafter the “Hotel”), the asset under management of JHR.

Through Mitsubishi UFJ Trust and Banking Corporation, which is the trustee, JHR leases the Land from Osaka City together with the owners under condominium ownership of the buildings. In memorandum of understanding accompanying the lease contract of the land, JHR is obligated to purchase the Land at the market value of the Land as vacant lot in accordance with co-ownership interest ratio at the time of the expiration of the lease contract of the land.

Therefore, the decision to acquire the Land was made upon the expiration of the lease contract of the land (from August 1, 2001 to July 31, 2021). Upon the acquisition of the Asset for Anticipated Acquisition, JHR will additionally trust cash to the trustee and the trustee will acquire the Land. The necessary procedures for concluding the purchase and sale agreement have been completed by Osaka City.

JHR believes that the acquisition of the Asset for Anticipated Acquisition will contribute to enhancement of the asset value of the Hotel by terminating the leasehold relationship and eliminating the annual JPY21,220 thousand ground rent payment, and by having a full ownership of the Hotel.

3. Summary of the Seller
The seller is Osaka City.
4. Status of the Seller
The seller does not have any special interest relationship with either JHR or the Asset Management Company.
5. Summary of Broker
Not applicable
6. Settlement Method
JHR plans to trust additional cash by cash on hands.
7. Schedule for acquisition

Resolution for the acquisition	July 20, 2021
Conclusion of purchase and sale agreement	July 21, 2021 (scheduled)
Settlement and transfer	July 30, 2021 (scheduled)

8. Future Prospects
The impact is subtle, and no change is required for the operating forecast for the fiscal year ending December 2021 (January 1, 2021 through December 31, 2021).

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