



Japan Hotel REIT Investment Corporation (TSE: 8985)

Financial Results

FY12/2025 (26th Period)

Japan Hotel REIT Investment Corporation
Japan Hotel REIT Advisors Co., Ltd.
<https://www.jhrth.co.jp/en/>

March 24, 2026

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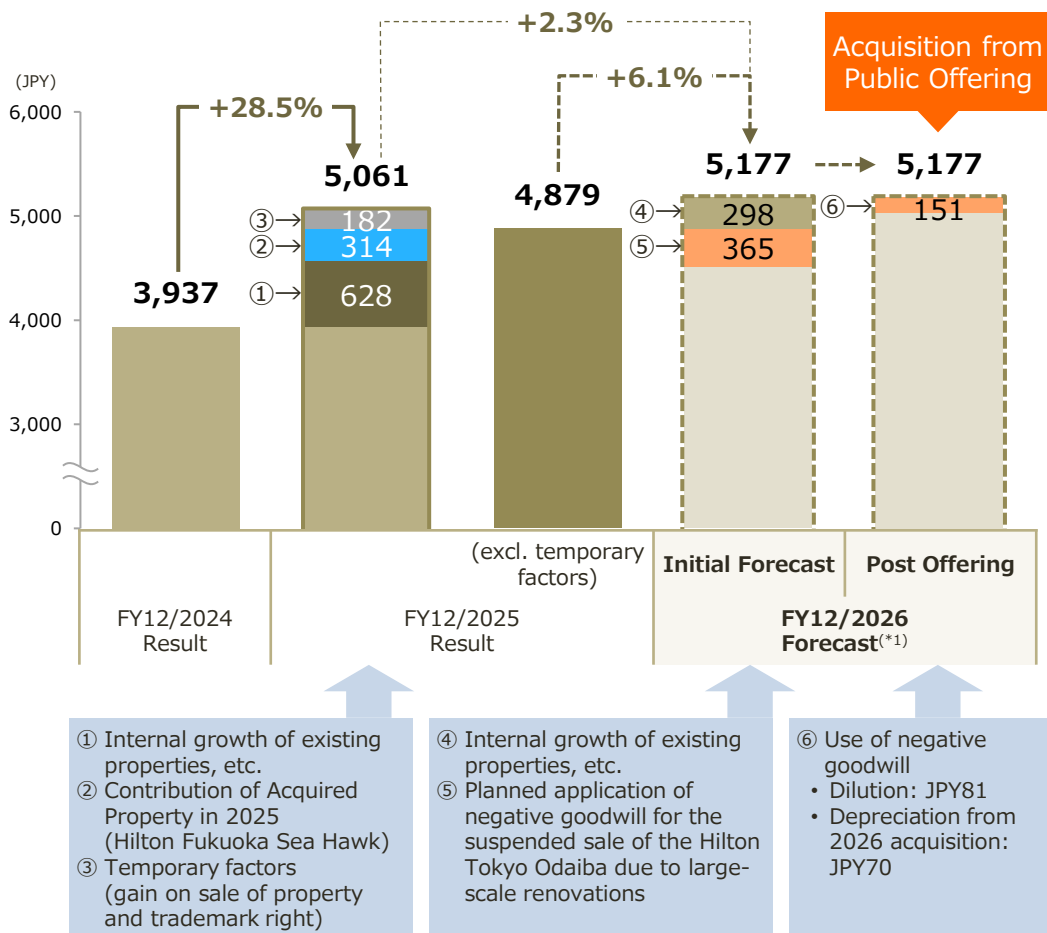
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I . Settlement of Accounts — Highlights

1. FY12/2025 Highlights (1)

- ◆ FY2025 DPU increased significantly, driven by acquisition and internal growth; FY2026 DPU to grow by +6.1%, with DPU of JPY5,177 maintained as dilution from public offering is offset by negative goodwill

Changes in DPU (Result/Forecast)



Hotel Performance (29 Hotels with Variable Rent, etc. (*2))

	2025 (Result) (*3)	2026 (Forecast) (*4)	vs 2025
RevPAR (JPY)	17,336	18,270	+5.4%
Revenue (JPY MM)	81,890	85,375	+4.3%
Rooms Dept.	55,549	58,542	+5.4%
F&B Dept.	23,220	23,620	+1.7%
GOP (JPY MM)	31,583	33,516	+6.1%
GOP Ratio	38.6%	39.3%	+0.7pt

Key Internal Growth Initiatives Going Forward

- 1 Improve operational efficiency**
 - Implement tailored marketing initiatives and enhance revenue management and optimize costs
- 2 Large-scale renovations (strategic CAPEX)**
 - Hilton Tokyo Odaiba: Deploy JPY10.8Bn in CAPEX during 2026–2027 (Anticipated)
 - Additional plans to renovate other existing properties
- 3 Rent revision and rebranding**
 - Raise rent revenue by adding a variable rent component to the certain lease agreements

Accelerate growth cycle and aim to enhance DPU and asset value

(*1) "Initial Forecast" figures are forecasts estimated as of January 22, 2026 based on assumptions in the "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, while "Post-offering" figures are forecasts estimated as of February 25, 2026 based on the "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)" in the "Notice Concerning Revision of Operating Forecast for the Fiscal Year Ending December 2026 (27th Period)" dated February 25, 2026.

(*2) For the definition of the 29 Hotels with Variable Rent, etc., please refer to (*4) on P.17.

(*3) Hilton Fukuoka Sea Hawk, included in FY12/2025 Result, was acquired in February 2025. Figures for the period prior to acquisition were calculated using figures provided by the seller.

(*4) Forecast figures of hotel performance in FY12/2026 are forecasts estimated based on the "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)" in the "Notice Concerning Revision of Operating Forecast for the Fiscal Year Ending December 2026 (27th Period)" dated February 25, 2026.

1. FY12/2025 Highlights (2)

◆ Acquired HYATT REGENCY TOKYO in March 2026 through public offering

Property Overview



No. of Properties	1
Property Name	HYATT REGENCY TOKYO
Location	Shinjuku-ku, Tokyo
Acquisition Price	JPY126,000MM
Appraisal Value	JPY156,000MM
Acquisition Date	March 13, 2026

Sources & Uses (Anticipated)

(JPY MM)

Uses	Sources
Acquisition Price : 126,000	Offering (excluding OA) : 61,803
Expenses : 2,244	Loans : 65,000
	Cash on hand : 1,440
Total : 128,244	Total : 128,244

<Estimated Impact based on Simulated NOI^(*1) of HYATT REGENCY TOKYO>

- The property has completed major renovations, with Additional Renovations^(*2) planned after acquisition
- Estimated impact: JPY53/unit (Simulation for Pre-Additional Renovation (Renovation Year)^(*1)) and JPY210/unit (Simulation for Post-Additional Renovation^(*1))

FY12/2026 Forecast (Annualized)

RevPAR	NOI	NOI Yield	NOI Yield after Depreciation	NOI Yield after Depreciation (Adjusted) ^(*3)
JPY47,469	JPY6,243MM	5.0%	4.3%	4.7%

Simulation for Pre-Additional Renovation (Renovation Year)^(*1)

RevPAR	NOI	NOI Yield	NOI Yield after Depreciation	NOI Yield after Depreciation (Adjusted) ^(*3)
JPY49,877	JPY7,061MM	5.6%	4.9%	5.3%

Simulated accretion of NOI per unit based on simulated figures^(*4):
+JPY53

Simulation for Post-Additional Renovation^(*1)

RevPAR	NOI	NOI Yield	NOI Yield after Depreciation	NOI Yield after Depreciation (Adjusted) ^(*3)
JPY55,630	JPY8,125MM	6.4%	5.6%	6.0%

Simulated accretion of NOI per unit based on simulated figures^(*4):
+JPY210

(*1) With respect to Simulation for (pre- and post-) Additional Renovation, the "Simulation for Pre-Additional Renovation (Renovation Year)" refers to figures calculated by JHRA based on assumptions for the period prior to the implementation of the Additional Renovations described in (*2), by estimating the expected effects of Active Asset Management (Please see P.13 for details on Active Asset Management for HYATT REGENCY TOKYO) and market environment outlook for such period. The "Simulation for Post-Additional Renovation" refers to figures calculated by JHRA based on assumptions for the period after the implementation of the Additional Renovations described in (*2), by estimating the expected effects of Active Asset Management, including the Additional Renovations, and market environment outlook for such period. Both sets of figures are estimated on a full fiscal-year basis. See "Assumptions for Simulated Figures" in Annex for details.

(*2) "Additional Renovation" refers to the planned CAPEX expenditure amounting to approximately JPY1.5Bn for an expansion project involving the construction of additional rooms and merging pairs of rooms into larger individual rooms (construction expected to commence during 2027). Please see P.13 for details.

(*3) JHR plans to allocate an equivalent amount of negative goodwill towards the amount equivalent to depreciation for facilities (2026: JPY416MM, 2027: JPY500MM and 2028: JPY500MM) excluding building structure for a period of 3 years from 2026 to 2028. NOI after Depreciation Yield (Adjusted) is calculated by deducting depreciation, loss on disposal of fixed assets, and asset retirement obligations, and adding the assumed depreciation for facilities of HYATT REGENCY TOKYO that is expected to be covered by the reversal of negative goodwill, from the forecasted or Simulated NOI, as applicable, and the amount is divided by the acquisition price for both "FY12/2026 Forecast (Annualized)" and "Simulation for Pre-Additional Renovation (Renovation Year)," and by the sum of the acquisition price and the estimated approx. JPY1.5Bn increase in book value associated with the Additional Renovation scheduled for 2027 for the "Simulation for Post-Additional Renovation."

(*4) Simulated accretion of NOI per-unit means the difference between (the sum of Simulated net income (estimated from Simulated NOI), negative goodwill as described in (*3) and forecast distributable amount based on existing properties in FY12/2026 divided by the number of units outstanding after the offering (assuming that all over allotment options are fully exercised) based on the assumption on the FY12/2026 revenue forecast released on February 25, 2026 and the net income forecast in FY12/2026 based only on existing properties without the offering.

II. Summary of Settlement of Accounts

1. Results for FY12/2025

		FY12/2024 (25th Period)	FY12/2025 (26th Period)	Difference from Previous Year	
		Actual (A)	Actual (B)	(B)-(A)	%
(JPY MM)					
Proper ties	No. of Properties	51	51	-	-
	Acquisition Price	453,171	515,391	62,220	13.7%
Profit and Loss	Operating Revenue	33,481	45,564	12,083	36.1%
	Real Estate Operating Revenue	33,481	43,218	9,737	29.1%
	Fixed Rent	49.8% 16,134	45.9% 19,293	3,158	19.6%
	Variable Rent	50.2% 16,254	54.1% 22,780	6,525	40.1%
	Other Revenue	1,091	1,143	52	4.8%
	Gain on Sales of Properties	-	2,346	2,346	-
	NOI ^(*2)	29,014	38,554	9,539	32.9%
	Depreciation	5,617	6,694	1,076	
	Loss on Retirement of Noncurrent Assets, etc.	238	207	(30)	
	NOI after Depreciation ^(*2)	23,158	31,652	8,493	36.7%
	SG&A	2,378	2,945	567	
Operating Income	20,779	31,052	10,272	49.4%	
Ordinary Income	18,273	26,748	8,474	46.4%	
Net Income	18,272	27,145	8,872	48.6%	
Dividend	Use of Negative Goodwill	1,795	468	(1,326)	(73.9%)
	Amount of Reserve for Tax Purpose Reduction Entry	-	1,818	1,818	-
	Total Dividends	20,066	25,795	5,729	28.5%
	Number of Units Issued (Unit)	5,097,006	5,097,006	-	-
	Dividend per Unit (JPY)	3,937	5,061	1,124	28.5%

Main Factors of Difference

Fixed Rent

• 28 Hotels with Variable Rent, etc. ^(*3)	+JPY76MM
• Others	+JPY77MM
• Acquisition in 2024 ^(*4)	+JPY1,346MM
• Sales in 2025 ^(*5)	-JPY221MM
• Acquisition in 2025 ^(*6)	+JPY1,879MM

(Total) +JPY3,158MM

Variable Rent

• 28 Hotels with Variable Rent, etc.	+JPY3,725MM
• Others	+JPY535MM
• Acquisition in 2024	+JPY377MM
• Acquisition in 2025	+JPY1,887MM

(Total) +JPY6,525MM

Breakdown of Negative Goodwill

50-year amortization amount	:	JPY262MM
Loss on retirement of noncurrent assets	:	JPY206MM
Total amount	:	JPY468MM

(*1) For details, please refer to the Financial Report for FY12/2025 dated February 25, 2026.

(*2) Each is calculated using the following formula:
NOI (Net Operating Income) = Real estate operating Revenue – Real estate operating costs + Depreciation + Loss on retirement of noncurrent assets + Asset retirement obligations expenses.
NOI after depreciation = Real estate operating Revenue – Real estate operating costs
The same shall apply hereinafter.

(*3) For the definition of "28 Hotels with Variable Rent, etc.," please refer to (*2) on P.17.

(*4) The figure shown represents the impact amount attributable to the following properties acquired in 2024 (including tenants): MIMARU Tokyo Shinjuku West, Hotel Amanek Shinjuku-Kabukicho, OKINAWA HARBORVIEW HOTEL and Southern Beach Hotel & Resort Okinawa. The same shall apply hereinafter.

(*5) The figure shown represents the impact amount attributable to the following property sold in 2025 (including tenants): Hakata Nakasu Washington Hotel Plaza. The same shall apply hereinafter.

(*6) The figure shown represents the impact amount attributable to the following property acquired in 2025 (including tenants): Hilton Fukuoka Sea Hawk. The same shall apply hereinafter.

2. Operating Forecasts for FY12/2026

		FY12/2025 (26th Period)	FY12/2026 (27th Period)	Difference from Previous Year		Breakdown of Variance	
(JPY MM)		Actual (A)	Forecast (B)	(B)-(A)	%	Existing Properties	Acquisition in 2026
Proper ties	No. of Properties	51	52	1	-	-	1
	Acquisition Price	515,391	641,391	126,000	24.4%	-	126,000
Profit and Loss	Operating Revenue	45,564	50,979	5,414	11.9%	(723)	6,138
	Real Estate Operating Revenue	43,218	50,979	7,760	18.0%	1,622	6,138
	Fixed Rent	45.9% 19,293	45.2% 22,561	3,267	16.9%	377	2,890
	Variable Rent	54.1% 22,780	54.8% 27,342	4,561	20.0%	1,313	3,248
	Other Revenue	1,143	1,075	(68)	(6.0%)	(68)	-
	Gain on Sales of Properties	2,346	-	(2,346)	(100.0%)	(2,346)	-
	NOI	38,554	45,778	7,223	18.7%	1,274	5,949
	Depreciation	6,694	7,893	1,198		490	708
	Loss on Retirement of Noncurrent Assets, etc.	207	51	(156)		(156)	-
	NOI after Depreciation	31,652	37,832	6,180	19.5%	939	5,241
	SG&A	2,945	3,577	631			
Operating Income	31,052	34,255	3,202	10.3%			
Ordinary Income	26,748	27,912	1,164	4.4%			
Net Income	27,145	27,911	766	2.8%			
Dividend	Use of Negative Goodwill	468	3,071	2,602	555.3%		
	Amount of Reserve for Tax Purpose Reduction Entry	1,818	-	(1,818)	(100.0%)		
	Total Dividends	25,795	30,982	5,186	20.1%		
	Dividend per Unit (JPY)	5,061	5,177	116	2.3%		

Main Factors of Difference

Fixed Rent

• 29 Hotels with Variable Rent, etc.	+JPY294MM
• Others	+JPY101MM
• Sales in 2025	-JPY18MM
• Acquisition in 2026 ^(*2)	+JPY2,890MM

(Total) +JPY3,267MM

Variable Rent

• 29 Hotels with Variable Rent, etc.	+JPY2,110MM
• Others	-JPY796MM
(Hilton Tokyo Odaiba)	-JPY1,685MM
• Acquisition in 2026	+JPY3,248MM

(Total) +JPY4,561MM

Breakdown of Negative Goodwill

50-year amortization amount	:	JPY262MM
Loss on retirement of noncurrent assets	:	JPY50MM
Loss on large-scale renovations ^(*3)	:	JPY1,859MM
Loss on depreciation of Acquisition in 2026 ^(*4)	:	JPY416MM
Dilution ^(*5)	:	JPY483MM

Total amount : JPY3,071MM

Estimated balance after the end of December 2026 : JPY3,418MM

(*1) For details, please refer to the Financial Report for FY12/2025 dated February 25, 2026.

(*2) The figure shown is the impact amount due to HYATT REGENCY TOKYO acquired in 2026 (including tenants). The same shall apply hereinafter.

(*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.

(*4) JHR plans to allocate the reserve for temporary difference adjustment (negative goodwill) to cover the depreciation expenses for equipment, etc. related to HYATT REGENCY TOKYO.

(*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 HYATT REGENCY TOKYO.

III. External Growth

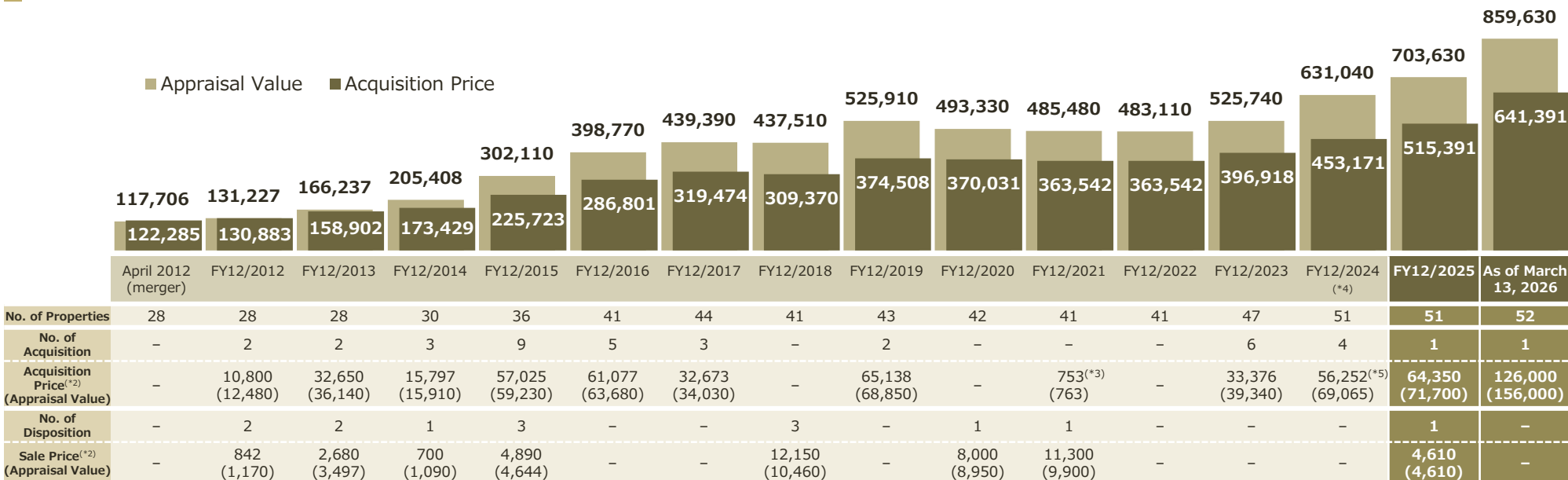
1. Trend of Asset Size

◆ Continued external growth expanded total asset size to over JPY600 billion (acquisition price) and around JPY860 billion (appraisal value)

External Growth (FY2023 to FY2026)



Trend of JHR's Total Asset Size(*1), etc. (JPY MM)



(*1) The asset size refers to the sum of acquisition price or the sum of appraisal value at the end of each fiscal period. The same shall apply hereinafter.

(*2) The total acquisition price of properties acquired during each period (with the total appraisal value at time of acquisition shown in parentheses below) or the total sale price of properties sold (with the total appraisal value at time of sale shown in parentheses below) is indicated.

(*3) JHR acquired the land that is part of the site of Oriental Hotel Universal City for JPY753 million on July 30, 2021.

(*4) The appraisal value of Washington Hotel Plaza Hakata, Nakasu (transferred on January 30, 2025) is based on the transfer price.

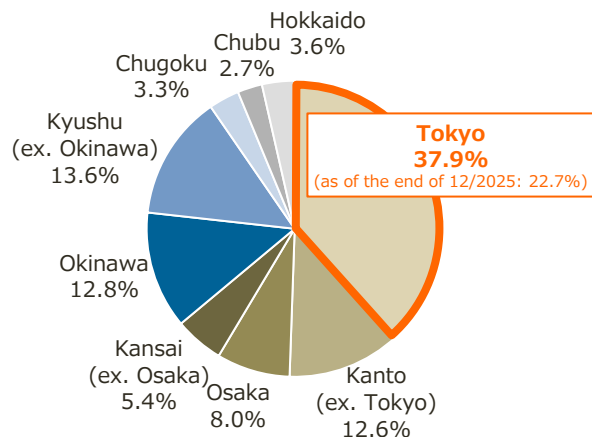
(*5) The figure shown includes the acquisition price of JPY62 million (appraisal value of JPY65 million) for the land adjacent to OKINAWA HARBORVIEW HOTEL, acquired on October 4, 2024.

2. Changes in Portfolio

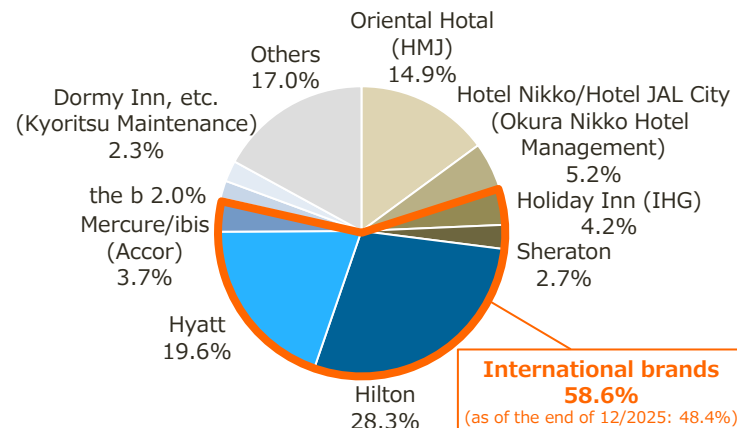
- ◆ HYATT REGENCY TOKYO increases the portfolio's exposure to the Tokyo area and full-service hotels
- ◆ Acquiring a HYATT-branded property has boosted the investment ratio of international hotel brands in JHR's portfolio

(as of March 13, 2026)

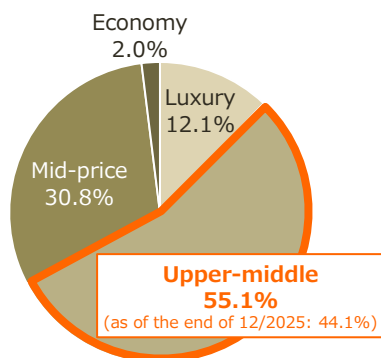
By Area(*)



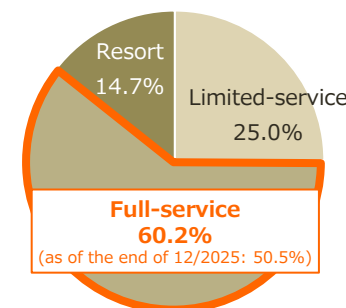
By Hotel Brand(*)



By Hotel Grade(*)



By Type(*)



(*) All figures are calculated based on the acquisition price. Percentages are rounded to one decimal place.

3. Overview of 2026 Acquisition –HYATT REGENCY TOKYO– ①

Highlights of Property



- A large-scale full-service hotel standing at 28 stories with 712 guest rooms^(*1) (average room size: 34 m²)
- Located in the Shinjuku area, a popular destination among inbound visitors. Has good access; 9-minute walk from JR Shinjuku Station and 1-minute walk from Tochomae Station on the Toei Oedo line, which is directly connected via an underground passageway
- Completed an extensive renovation project spanning from 2024 to 2025. Ample room for growth is expected in light of additional renovations
- Through continuous maintenance and equipment upgrades, the hotel maintains excellent facilities
- HMJ acquired all shares of the hotel operator following the acquisition. Aiming to achieve stronger profitability through Active Asset Management
- Strong customer loyalty driven by the Hyatt brand, with continued strong demand expected from inbound travel

Brand Overview

- Hyatt is one of the leading global hospitality companies, with extensive international reach and strong brand recognition
- The "Hyatt Regency" brand is positioned as an upper-upscale^(*3) brand within Hyatt's Classics portfolio



HYATT
REGENCY™

Number of Hotels^(*4)
Across **82** countries
Over **1,450** locations
(as of Sep. 30, 2025)

"World of Hyatt"
Membership
Over **61** million
(as of Sep. 30, 2025)

HYATT REGENCY TOKYO
Inbound guest ratio

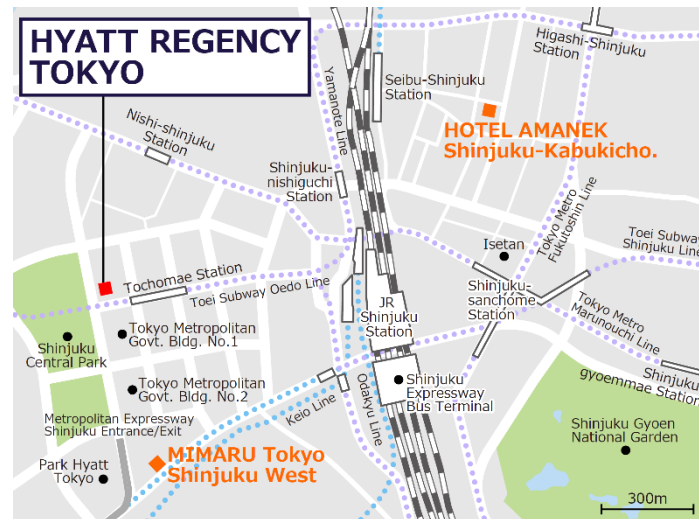
Approx. 90%
(Jan. to Dec. 2025 results)

Source: Hyatt.com

- (*1) The number of guest rooms is stated as of the date of this material. Note that after the acquisition, JHR plans to conduct a renovation project focused on building additional guest rooms. For more details, please refer to P.13. The same shall apply in this material.
- (*2) The land lot of HYATT REGENCY TOKYO consists of co-ownership interests in land-use rights. For the Acreage of Land, the figure shown (7,172.25 m²) represents the portion of the total site (14,344.51 m²) corresponding to the JHR's undivided share of the site use rights (7,182,890/14,365,780 (50%)). In addition, HYATT REGENCY TOKYO is part of a unit ownership building which includes Shinjuku Daiichi Seimei Building (Total Floor Space: 173,121.06 m²), JHR will have 50% co-ownership interest (excluding a portion of the facility and equipment) of the common areas. Total Floor Space is the sum of the floor spaces recorded in the real estate registry for the building and its ancillary structures, calculated from the floor area entries for the building's exclusive use portions.
- (*3) "Upper-upscale" refers to high-end full-service hotels as defined by Smith Travel Research (This system categorizes hotel brands in the ADR-based classification, using STR's proprietary, category-specific weighting ratios.). STR Upper-upscale is positioned between STR Up-scale and STR Luxury categories. Within the Hyatt brand, the Hyatt, Hyatt Centric, and Hyatt Regency are hotels classified (based on the information on Hyatt's website as of February 10, 2026) as STR Upper-upscale.
- (*4) Includes All-inclusive resorts operated by Hyatt Hotels Corporation and its affiliate companies.

Property Overview

Acquisition Price	JPY126,000MM
Appraisal Value	JPY156,000MM
Hotel Type	Full-service
Grade	Upper-middle
Location	2-7-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Acreage of Land ^(*2)	7,172.25 m ²
Total Floor Space ^(*2)	71,828.90 m ²
Structure and Stories	SRC; 28 stories above ground with 5 stories below ground
Completion	Aug. 1980 (renovated Jul. 2025)
No. of Guest Rooms	712 rooms (Pre-Additional Renovation)
Rent Type	Fixed rent + Variable rent ^(*4)
Hotel Lessee	Nishishinjuku Hotel & Resort Co., Ltd.



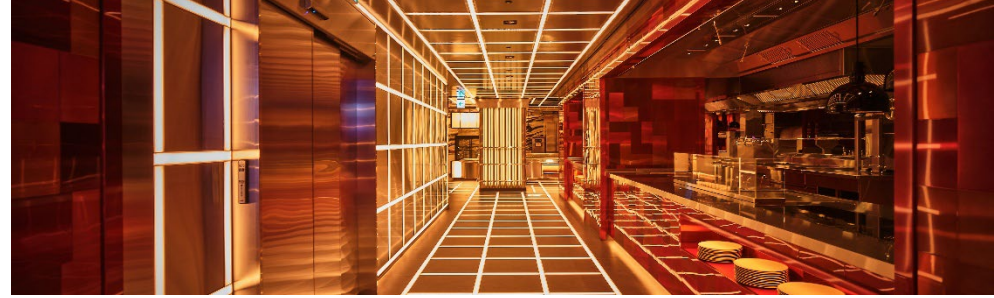
■ Properties owned by JHR

3. Overview of 2026 Acquisition –HYATT REGENCY TOKYO– ②

Lobby & Lobby Lounge



Restaurant (All-Day Dining)



Guest Rooms



Club Lounge



Fitness Center

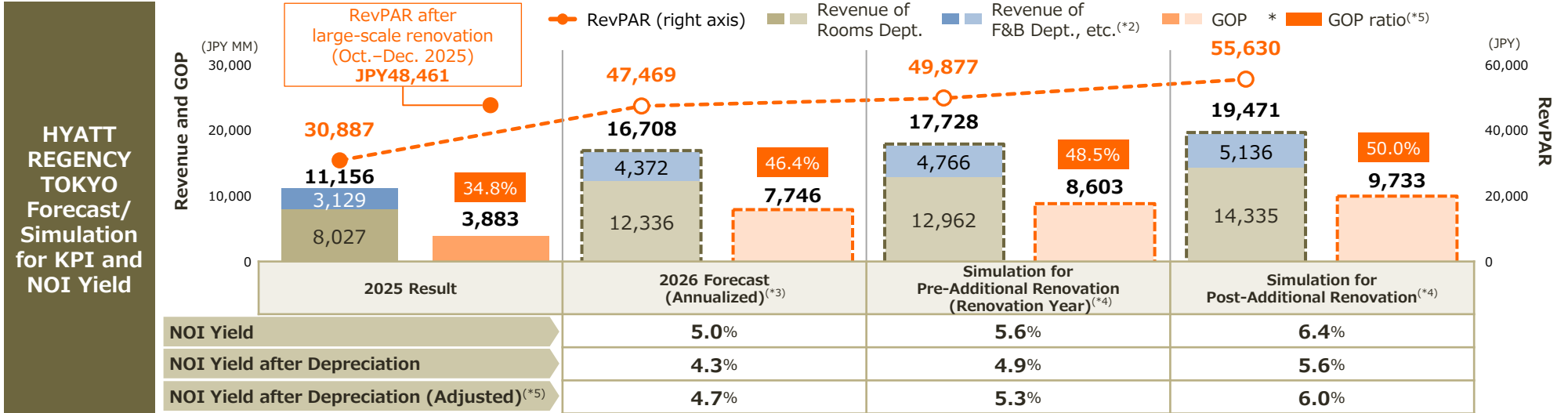
Open 24/7



4. Renovation Schedule and KPI Forecast/Simulation for HYATT REGENCY TOKYO

◆ Major renovations completed prior to acquisition; Active Asset Management, including Additional renovations, is expected to capture further upside post-acquisition

	2025	2026	2027	2028								
Renovation and Active Asset Management	Before Acquisition		After Acquisition									
	<p>Large-scale renovation: Total JPY9.4Bn (May 2024 – Jul. 2025)</p> <ul style="list-style-type: none"> ◆ All guest rooms renovated, with approx. 70% fully renovated ◆ Two rooms combined into one (68 rooms (32 m²/24 m²) → 34 rooms (64 m²/48 m²)) ◆ Other renovated areas: main lobby, reception, lobby lounge, all-day dining, club lounge and gym, etc. 		<p>Active Asset Management</p> <p>Additional Renovation Plan: approx. JPY1.5Bn (plan) (Scheduled for 2027)</p> <p>Combining pairs of rooms into larger individual rooms (34 rooms (24 m²) → 17 rooms (48 m²)) → Improving profitability of low-occupancy rooms</p> <p>Converting the unused 5th-floor space (formerly a wedding venue) into long-stay rooms → Increasing revenue and capturing new demand</p> <table border="1"> <tr> <td>Rooms Dept.</td> <td>Enhance revenue management</td> </tr> <tr> <td>Banquet</td> <td>Strengthen MICE^(*1) sales</td> </tr> <tr> <td>Restaurants</td> <td>Maximizing profit through operational optimization</td> </tr> <tr> <td>Management Dept.</td> <td>Standardization across HMJ group</td> </tr> </table>			Rooms Dept.	Enhance revenue management	Banquet	Strengthen MICE ^(*1) sales	Restaurants	Maximizing profit through operational optimization	Management Dept.
Rooms Dept.	Enhance revenue management											
Banquet	Strengthen MICE ^(*1) sales											
Restaurants	Maximizing profit through operational optimization											
Management Dept.	Standardization across HMJ group											

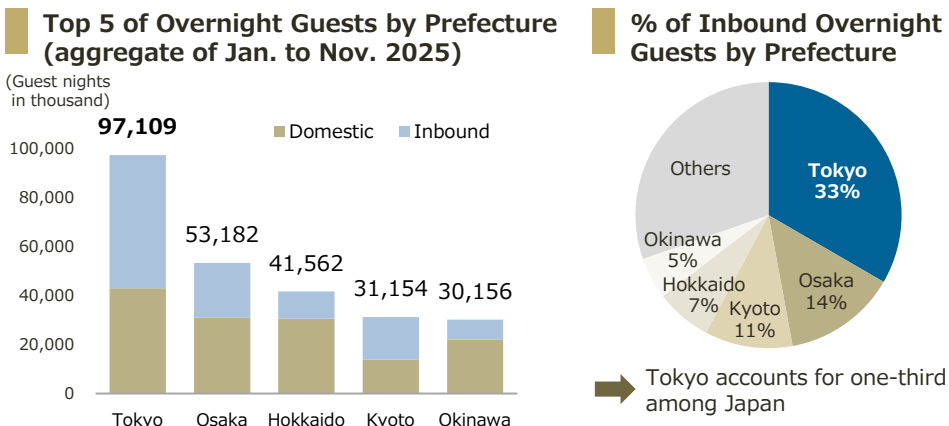


(*1) "MICE" stands for "Meeting," "Incentive Travel," "Convention" and "Exhibition/Event" and refers to a collective term for business events that potentially attract large groups of customers.
 (*2) "Revenue of F&B Dept." includes other ancillary revenue, which amounted to JPY91 million for "2025 Result" and JPY90 million for "2026 Forecast (Annualized)," "Simulation for Pre-Additional Renovation (Renovation Year)" and "Simulation for Post-Additional Renovation".
 (*3) "2026 Forecast (Annualized)" are figures as of February 25, 2026 estimated based on the "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)" in the "Notice Concerning Revision of Operating Forecast for the Fiscal Year Ending December 2026 (27th Period)" dated February 25, 2026.
 (*4) "Simulation for Pre-Additional Renovation (Renovation Year)" and "Simulation for Post-Additional Renovation" is estimated by JHRA reflecting the expected impact of Active Asset Management and market environment outlook for the periods prior to and following the renovation (each figure is estimated for the full fiscal year). For more details on the prerequisites for calculation, refer to "Assumptions for Simulated Figures" in Annex. Note that these assumptions, calculation process and prerequisites include JHRA's judgment, evaluation and assumptions, and these figures do not refer to the forecast for any future fiscal period and future results may differ significantly. In addition, there is no guarantee that the Active Asset Management set forth above can be implemented as planned or that our expected effect will be achieved.
 (*5) "NOI Yield after Depreciation (Adjusted)" is calculated by deducting depreciation, loss on disposal of fixed assets and asset retirement cost and adding the equivalent amount of negative goodwill treatment for HYATT REGENCY TOKYO from forecasted or simulated NOI and divided by either the acquisition price for "2026 Forecast (Annualized)" and "Simulation for Pre-Additional Renovation (Renovation Year)" or the sum of acquisition price and approximately JPY1.5Bn in estimated additional book value resulting from the renovation scheduled for 2027 for "Simulation for Post-Additional Renovation."

5. Hotel Demand/Supply in Tokyo

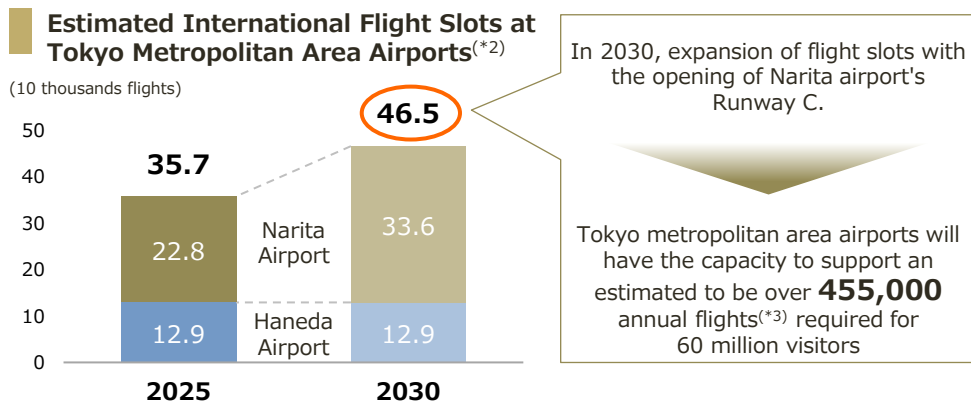
- ◆ Tokyo is Japan's largest hotel market by overnight stays and the primary hub for inbound demand, with metropolitan airports expected to expand capacity
- ◆ New supply of hotel/ryokan in Tokyo is expected to remain limited for the time being due to rising construction material and labor costs

Number of Overnight Guests in Tokyo



Source: Prepared by JHRA based on the data from MLIT, Japan Tourism Agency, "Inbound Consumption Trends Survey" on January 30, 2026.

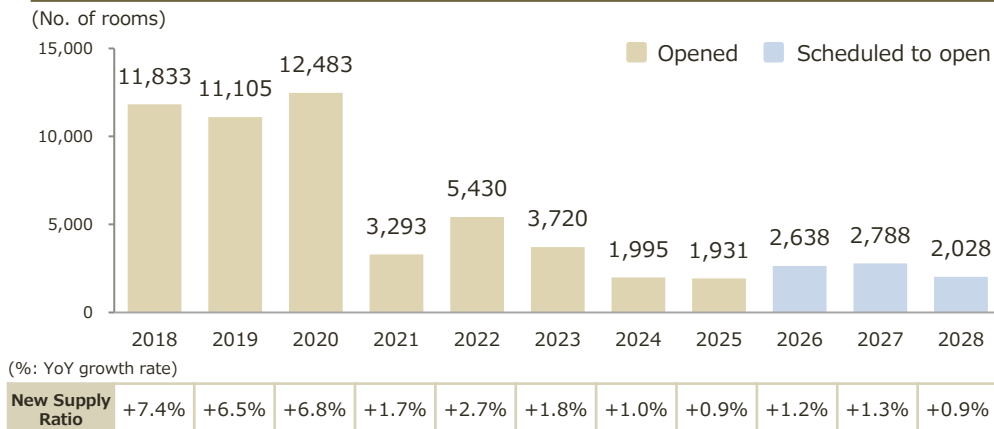
Projected International Flights at Tokyo Metropolitan Area Airports^(*1)



Source: Prepared by JHRA based on the data from MLIT, "Status of Haneda Airport Slot Allocations" on March 2024, from Narita International Airport, "History of Narita Airport", from Four-Party Consultative Body on Narita Airport, "Results of the Four-Party Consultative Body on Narita Airport (Summary)" on January 24, 2025 and from Nomura Research Institute, Ltd., "The Vision for Tokyo Metropolitan Area Airports in the Era of 60 Million Annual Visitors to Japan (Public Management Review, June 2023)".

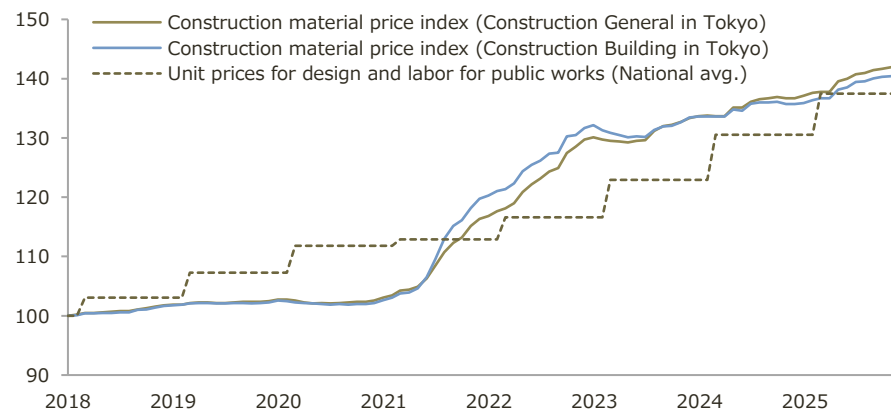
(*1) "Tokyo Metropolitan Area Airports" refer to Haneda Airport (Tokyo International Airport) and Narita Airport (Narita International Airport).
 (*2) The Estimated International Flight Slots at Narita Airport is an estimated figure obtained by applying the international flight share at Narita Airport, based on actual 2025 operations, to the total slot allocation announced by the Four-Party Consultative Body on Narita Airport in "Results of the Four-Party Consultative Body on Narita Airport (Summary)" on January 24, 2025. The 2030 projection was calculated using the same ratio.
 (*3) Estimated figure calculated by Nomura Research Institute, Ltd. and announced in June 2023.

New Supply of Hotel/Ryokan Guest Rooms in Tokyo



Source: Prepared by JHRA based on the data from Ministry of Health, Labor and Welfare (MHLW), "Public Health Administration Report" and from a weekly hotel & restaurant magazine (HOTERES) and Nikkei Telecom.

Trends in Construction Costs^(*4)



Source: Prepared by JHRA based on the data from Construction Research Institute, "CMPI: Construction Material Price Index For January 2026" on January 6, 2026 and from MLIT, "Unit Prices for Design and Labor for Public Works Effective from March 2025" on February 14, 2025.

(*4) Trends in Construction Costs are normalized to an index of 100 as of January 2018.

6. Improvement in Profitability and Asset Value After Acquisition

◆ Post-acquisition performance exceeded initial levels at the acquisition through Active Asset Management, etc.

La'gent Stay Sapporo Odori



Acquisition Price JPY10,020MM Acquisition Date Sep. 2023	NOI yield At acquisition (Result) ^(*) 4.7% → 6.5% (FY12/2025 (Result))	
	Appraisal value At acquisition JPY10,800MM → JPY11,800MM (As of end of Dec. 2025)	

MIMARU Tokyo Shinjuku West



Acquisition Price JPY9,645MM Acquisition Date Jul. 2024	NOI yield At acquisition (Result) ^(*) 4.4% → 5.8% (FY12/2025 (Result))	
	Appraisal value At acquisition JPY11,700MM → JPY14,200MM (As of end of Dec. 2025)	

Oriental Hotel Kyoto Rokujo



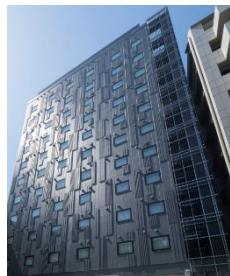
Acquisition Price JPY4,446MM Acquisition Date Sep. 2023	NOI yield At acquisition (Result) ^(*) 5.3% → 9.0% (FY12/2025 (Result))	
	Appraisal value At acquisition JPY5,920MM → JPY6,650MM (As of end of Dec. 2025)	

HOTEL AMANEK Shinjuku-Kabukicho.



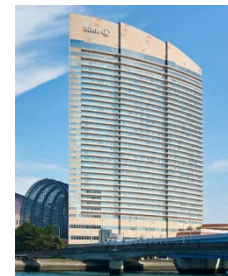
Acquisition Price JPY8,845MM Acquisition Date Jul. 2024	NOI yield At acquisition (Result) ^(*) 5.5% → 6.2% (FY12/2025 (Result))	
	Appraisal value At acquisition JPY12,800MM → JPY12,900MM (As of end of Dec. 2025)	

Hotel Oriental Express Fukuoka Nakasukawabata



Acquisition Price JPY4,460MM Acquisition Date Sep. 2023	NOI yield At acquisition (Result) ^(*) 5.2% → 11.1% (FY12/2025 (Result))	
	Appraisal value At acquisition JPY6,070MM → JPY6,280MM (As of end of Dec. 2025)	

Hilton Fukuoka Sea Hawk



Acquisition Price JPY64,350MM Acquisition Date Jul. 2024	NOI yield At acquisition (Forecast) ^(*) 5.7% → 6.2% (FY12/2025 (Result) ^(*))	
	Appraisal value At acquisition JPY71,700MM → JPY71,700MM (As of end of Dec. 2025)	

(*) Calculated based on the annualized actual NOI, derived from the figures provided by the seller for the period prior to the JHR's acquisition, for the year of acquisition for each property, divided by the acquisition price. "NOI Yield" at acquisition (Forecast) for Hilton Fukuoka Sea Hawk reflects the projected NOI yield for 2025 (annualized forecast), as anticipated at the time of the acquisition decision.

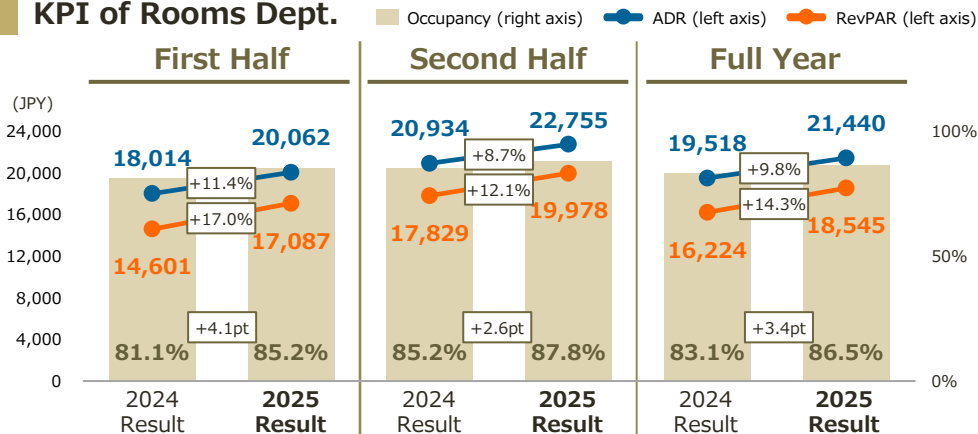
IV. Internal Growth

1. Hotel Performance (FY2025 Result and FY2026 Forecast)

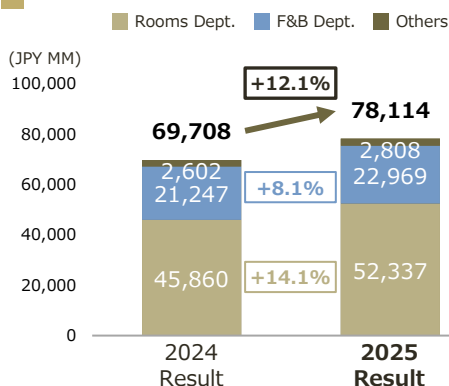
- ◆ Full-year RevPAR growth in 2025 was +14.3% YoY, driven by strong inbound demand exceeding market growth
- ◆ Full-year RevPAR growth in 2026 is expected to be +5.4%, driven by strong inbound demand from other countries even after factoring in the impact of China^(*1)
- ◆ Aim to improve GOP margin through revenue growth and cost management

2025 Result (28 Hotels with Variable Rent, etc.^(*2))

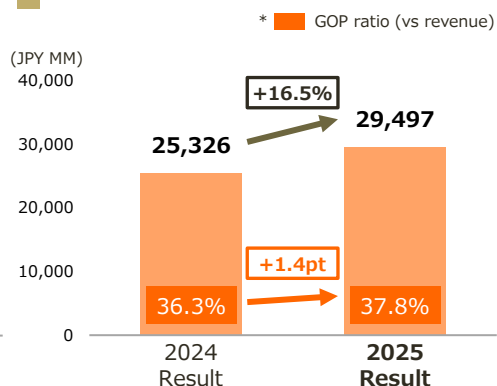
KPI of Rooms Dept.



Revenue

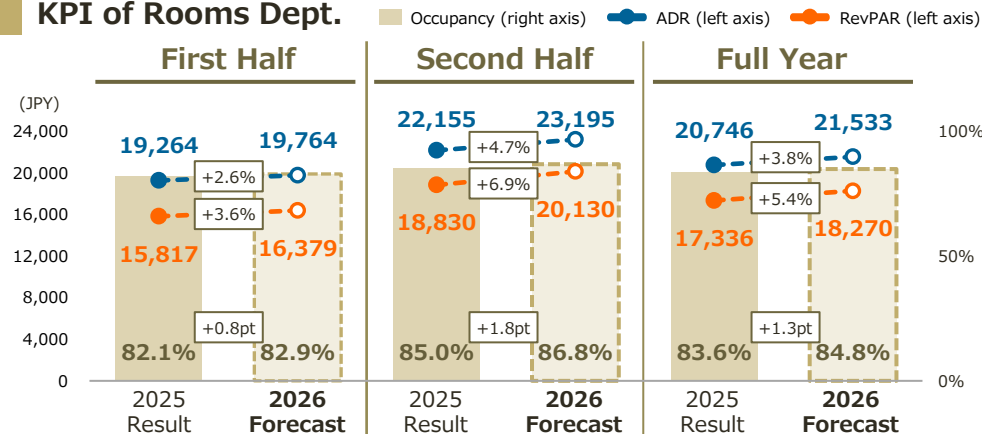


GOP

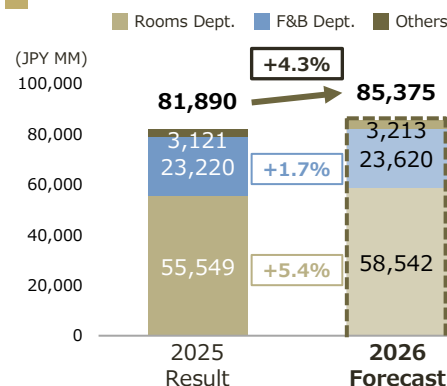


2026 Forecast^(*3) (29 Hotels with Variable Rent, etc.^(*4))

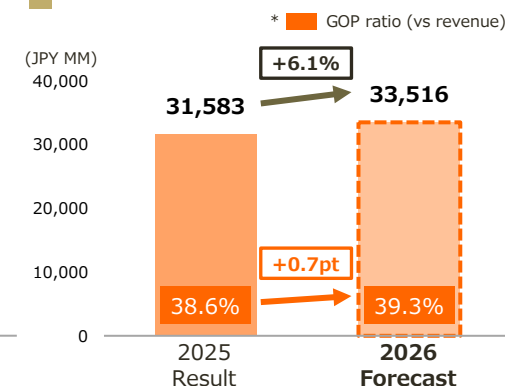
KPI of Rooms Dept.



Revenue



GOP



(*1) "Impact of China" refers to the potential effect on JHR's hotel performance if arrivals from China were to decline, such as if the Chinese government were to issue advisories urging its citizens to refrain from traveling to Japan.
 (*2) The 28 Hotels with Variable Rent, etc. refer to the following 28 hotels: Kobe Meriken Park Oriental Hotel, Oriental Hotel Tokyo Bay, Namba Oriental Hotel, Hotel Nikko Aliviva, Oriental Hotel Hiroshima, Oriental Hotel Universal City, Oriental Hotel Okinawa Resort & Spa, Sheraton Grand Hiroshima Hotel (main facility of ACTIVE-INTER CITY HIROSHIMA), Oriental Hotel Fukuoka Hakata Station, Holiday Inn Osaka Namba, Hotel Oriental Express Fukuoka Tenjin, Hilton Tokyo Narita Airport, International Garden Hotel Narita, Hotel Nikko Nara, Hotel Oriental Express Osaka Shinsaibashi, Hilton Tokyo Odaiba, Oriental Hotel Kyoto Rokujo, Hotel Oriental Express Fukuoka Nakasukawabata, Hotel JAL City Kannai Yokohama, ibis Styles Kyoto Station, ibis Styles Sapporo, Mercure Sapporo, Mercure Okinawa Naha, Mercure Yokosuka, the b suidobashi, the b suidobashi, the b ikebukuro, the b hachioji and the b hakata.
 (*3) It refers to figures based on the forecasts disclosed in the Financial Report for FY12/2025 dated February 25, 2026.
 (*4) The 29 Hotels with Variable Rent, etc. refers to the 28 hotels with Variable Rent, etc. excluding Hilton Tokyo Odaiba and adding Southern Beach Hotel & Resort Okinawa and Hilton Fukuoka Sea Hawk.

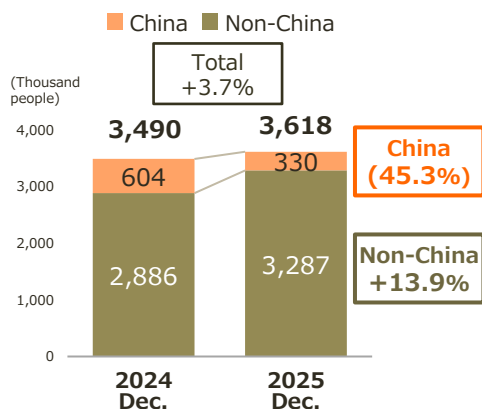
2. Impact of China

- ◆ Sharp decline in China inbound in December 2025; non-China inbound remained solid, driving overall growth in total visitors
- ◆ By capturing robust non-China demand, JHR expects to offset the shortfall from China and increase inbound accommodation revenue in 2026

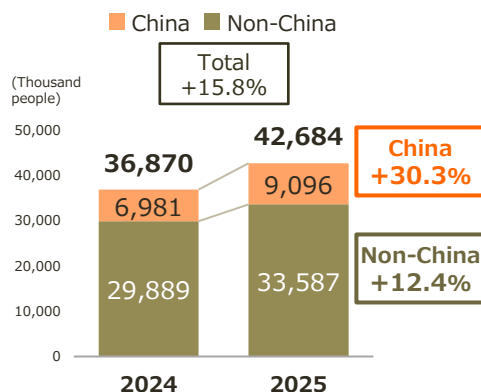
No. of Inbound Visitors from China

The State of Inbound Visitors (Nationwide)

Dec. 2025 vs Dec. 2024

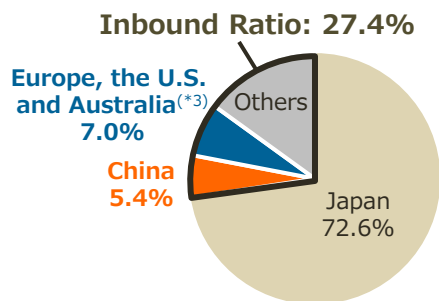


2025 vs 2024

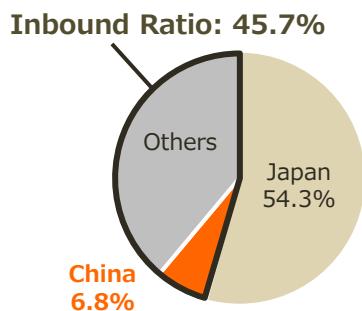


Source: Prepared by JHRA based on the data from Japan National Tourism Organization (JNTO), "Inbound Visitors Statistics" on January 21, 2026.

% of Overnight Guests by Country^(*2) (2025)



Accommodation Revenue Share by Country of JHR's Portfolio^(*4) (2025) (29 Hotels with Variable Rent, etc.)



Source: Prepared by JHRA based on the data from Japan Tourism Agency, "Overnight Travel Statistics Survey" on January 30, 2026.

(*1) China in this document does not include Hong Kong.

(*2) The figures for January to November 2025 are the second preliminary figures, and those for December 2025 are the first preliminary figures. Both are based on the total number of overnight stays at facilities with ten or more employees.

(*3) This represents the combined total of the following nationalities as published in the "Overnight Travel Statistics Survey": the U.S., Canada, the UK, Germany, France, Italy, Spain, and Australia.

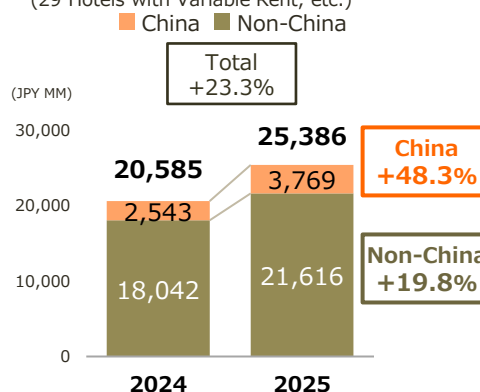
(*4) It is difficult to standardize the definitions of regional classifications for inbound travel to align with the "Overnight Travel Statistics Survey" due to the accommodation revenue composition of JHR's portfolio. Therefore, data for the Europe, the U.S., and Australia categories for comparison with nationwide data is not included in this document.

(*5) OTA stands for Online Travel Agent, referring to an online travel agency that sells accommodations, transportation, travel products, and more over the internet.

Impact on JHR and Future Initiatives

Estimates Based on Inbound Rooms Revenue of JHR's Portfolio

Revenue from inbound visitors (29 Hotels with Variable Rent, etc.)



Revenue simulation based on the assumption of a decline in China inbound and increase in non-China inbound

<Precondition>

- ① China: -50.0% vs 2025
- ② Non-China: +19.8% vs 2025

(JPY MM)	2025	Assumed	Change
China	3,769	1,885	(50.0%)
Non-China	21,616	25,896	+19.8%
Total	25,386	27,781	+9.4%

Simulation illustrates the potential for decline in Chinese inbound revenue to be counterbalanced by non-China inbound revenue

HMJ Group's Inbound Strategy

Direct Sales to Overseas Agents

Strengthen direct outreach to overseas travel agencies to boost group demand

Showcasing HMJ Hotel Appeal via SNS

Activate influencers and SNS to showcase the hotel's appeal and drive bookings

Enhanced Listing Visibility on Overseas OTAs^(*5)

Increase exposure on OTAs like Booking.com to improve selection rates

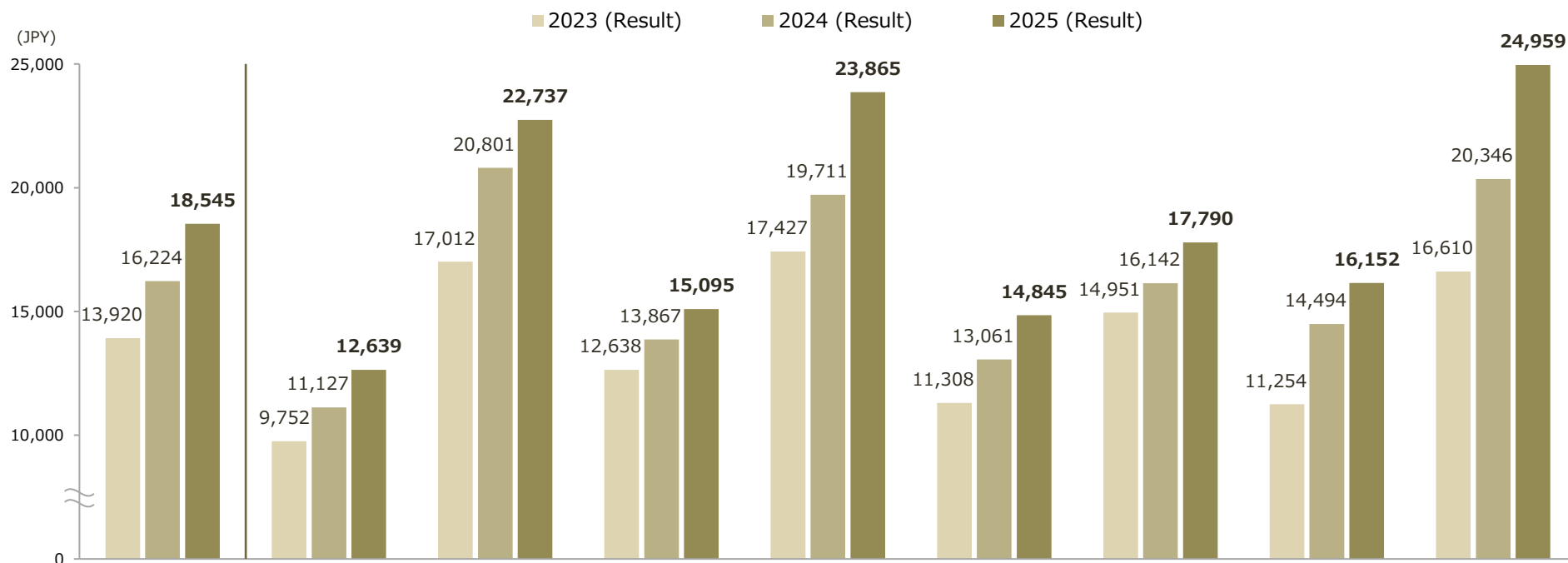
Key Focus Markets

Actively deploy inbound-focused initiatives to stimulate demand from South Korea, Taiwan, Europe, the U.S. and Australia

3. RevPAR by Area (1) FY2023–FY2025 Results

◆ RevPAR grew across all areas

Changes in RevPAR by Area (28 Hotels with Variable Rent, etc.)



Area	All areas		Hokkaido		Tokyo		Kanto (excl. Tokyo)		Osaka		Kansai (excl. Osaka)		Chugoku		Kyushu (excl. Okinawa)		Okinawa	
	2024 vs 2023	2025 vs 2024																
No. of Properties	28		2		4		5		4		4		2		4		3	
Property Name			<ul style="list-style-type: none"> •Mercure Sapporo •ibis Styles Sapporo 		<ul style="list-style-type: none"> •Hilton Tokyo Odaiba •the b suidobashi •the b ikebukuro •the b hachioji 		<ul style="list-style-type: none"> •Oriental Hotel Tokyo Bay •Hilton Tokyo Narita Airport •International Garden Hotel Narita •Hotel JAL City Kannai Yokohama •Mercure Yokosuka 		<ul style="list-style-type: none"> •Namba Oriental Hotel •Holiday Inn Osaka Namba •Hotel Oriental Express Osaka Shinsaibashi •Oriental Hotel Universal City 		<ul style="list-style-type: none"> •Kobe Meriken Park Oriental Hotel •Oriental Hotel Kyoto Rokujo •ibis Styles Kyoto Station •Hotel Nikko Nara 		<ul style="list-style-type: none"> •Oriental Hotel Hiroshima •Sheraton Grand Hiroshima Hotel (main facility of ACTIVE-INTER CITY HIROSHIMA) 		<ul style="list-style-type: none"> •Oriental Hotel Fukuoka Hakata Station •Hotel Oriental Express Fukuoka Tenjin •Hotel Oriental Express Fukuoka Nakasukawabata •the b hakata 		<ul style="list-style-type: none"> •Hotel Nikko Alivila •Oriental Hotel Okinawa Resort & Spa •Mercure Okinawa Naha 	

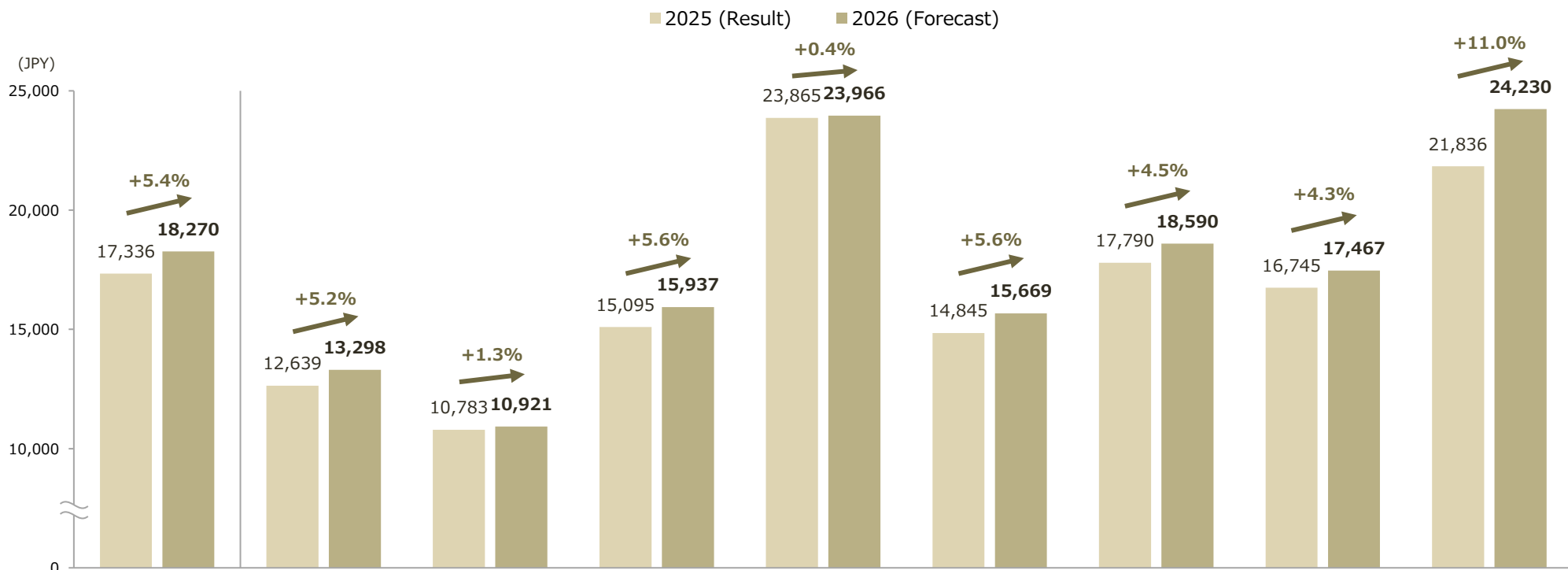
(*1) With respect to RevPAR for the 28 Hotels with Variable Rent, etc., the figures represent amounts calculated for each year by dividing the aggregate annual room revenue of the hotels located in each area by the total number of available rooms for sale on an annual basis.

(*2) "2024 vs 2023" is calculated, for each area, by dividing the changes in RevPAR from 2023 to 2024 by the RevPAR for 2023 for the relevant area; "2025 vs 2024" is calculated, for each area, by dividing the changes in RevPAR from 2024 to 2025 by the RevPAR for 2024 for the relevant area.

3. RevPAR by Area (2) FY2025 Result and FY2026 Forecast

◆ In 2026, RevPAR is expected to grow strongly in Okinawa, with broadly stable growth anticipated in other regions

Changes in RevPAR by Area (29 Hotels with Variable Rent, etc.)



Area	All areas	Hokkaido	Tokyo	Kanto (excl. Tokyo)	Osaka	Kansai (excl. Osaka)	Chugoku	Kyushu (excl. Okinawa)	Okinawa
No. of Properties	29	2	3	5	4	4	2	5	4
Property Name		<ul style="list-style-type: none"> • Mercure Sapporo • ibis Styles Sapporo 	<ul style="list-style-type: none"> • the b suidobashi • the b ikebukuro • the b hachioji 	<ul style="list-style-type: none"> • Oriental Hotel Tokyo Bay • Hilton Tokyo Narita Airport • International Garden Hotel Narita • Hotel JAL City Kannai Yokohama • Mercure Yokosuka 	<ul style="list-style-type: none"> • Namba Oriental Hotel • Holiday Inn Osaka Namba • Hotel Oriental Express Osaka Shinsaibashi • Oriental Hotel Universal City 	<ul style="list-style-type: none"> • Kobe Meriken Park Oriental Hotel • Oriental Hotel Kyoto Rokujo • ibis Styles Kyoto Station • Hotel Nikko Nara 	<ul style="list-style-type: none"> • Oriental Hotel Hiroshima • Sheraton Grand Hiroshima Hotel (main facility of ACTIVE-INTER CITY HIROSHIMA) 	<ul style="list-style-type: none"> • Oriental Hotel Fukuoka Hakata Station • Hotel Oriental Express Fukuoka Tenjin • Hotel Oriental Express Fukuoka • Nakasukawabata • the b hakata • Hilton Fukuoka Sea Hawk 	<ul style="list-style-type: none"> • Hotel Nikko Alivila • Oriental Hotel Okinawa Resort & Spa • Mercure Okinawa Naha • Southern Beach Hotel & Resort OKINAWA

4. Examples of Strategic CAPEX

◆ Continuous strategic CAPEX aimed at maintaining and enhancing the competitiveness and profitability of the hotels

Hotel	2023	2024	2025	2025 RevPAR Result
Kobe Meriken Park Oriental Hotel (323 rooms)	<ul style="list-style-type: none"> ● Guest room renovation (62 rooms): JPY214MM ● Restaurant renovation: JPY165MM 	<ul style="list-style-type: none"> ● Guest room renovation (79 rooms): JPY385MM 		JPY21,936 (vs 2019: +33.8%)
Oriental Hotel Tokyo Bay (511 rooms)	<ul style="list-style-type: none"> ● Guest room renovation (99 rooms): JPY382MM ● Restaurant renovation: JPY63MM 	<ul style="list-style-type: none"> ● Guest room renovation (216 rooms): JPY992MM 	<ul style="list-style-type: none"> ● Guest room renovation (196 rooms): JPY900MM 	JPY26,122 (vs 2019: +25.4%)
Oriental Hotel Okinawa Resort & Spa (361 rooms)	<ul style="list-style-type: none"> ● Guest room renovation (96 rooms): JPY470MM 	<ul style="list-style-type: none"> ● Guest room renovation (192 rooms): JPY962MM 		JPY30,424 (vs 2019: +73.1%)
Namba Oriental Hotel (258 rooms → 267 rooms)		<ul style="list-style-type: none"> ● Newly established of guest rooms (9 rooms) and lounge, etc.: JPY780MM 		JPY25,486 (vs 2019: +47.4%)
La'gent Stay Sapporo Odori (219 rooms)		<ul style="list-style-type: none"> ● Guest room renovation (19 rooms): JPY45MM 	<ul style="list-style-type: none"> ● Guest room renovation (200 rooms): JPY635MM 	JPY17,430 (vs 2019: +34.9%)
Total	JPY1,295MM	JPY3,165MM	JPY1,535MM^(*)	

(*) OKINAWA HARBORVIEW HOTEL is not included because the construction is still ongoing as of the date of this material.

5. Rebranding Case Studies

◆ Significant revenue growth through rebranding and large-scale renovation by utilizing HMJ's platform

Oriental Hotel Okinawa Resort & Spa (former Okinawa Marriott Resort & Spa)

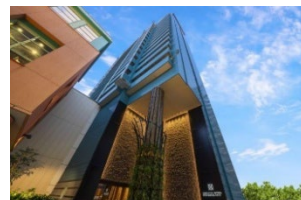


- Acquired in July 2015
- Reopened under a new brand in October 2021
- Renovation completed in April 2024 (lobby, pool and guest rooms)

- Brand changed to "Oriental Hotel" following franchise contract expiration
- Rent increased due to reduced franchise fees

	RevPAR (JPY)	Hotel Revenue (JPY MM)	Rent (JPY MM)	NOI Yield(*)
Pre-rebranding (2019)	17,577	3,693	937	5.6%
Post-rebranding (2025 Result)	30,424	5,539	1,686	9.6%
Change	+73.1%	+50.0%	+79.9%	+3.9pt

Oriental Hotel Universal City (former Hotel Keihan Universal City)

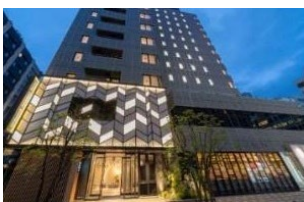


- Acquired in September 2012
- Reopened under a new brand in December 2021
- Completed full renovations in July 2022

- Upgraded hotel grade from mid-price to upper-middle
- Changed lessee to HMJ Group
- Rent increased due to lease scheme change

	RevPAR (JPY)	Hotel Revenue (JPY MM)	Rent (JPY MM)	NOI Yield(*)
Pre-rebranding (2019)	17,620	2,122	700	11.3%
Post-rebranding (2025 Result)	29,081	3,948	1,889	25.8%
Change	+65.0%	+86.0%	+169.7%	+14.5pt

Hotel Oriental Express Fukuoka Tenjin (former HOTEL ASCENT FUKUOKA)

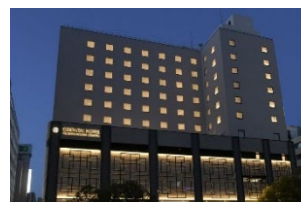


- Acquired in August 2016
- Completed full renovations in June 2021; reopened under a new brand

- Upgraded hotel grade from economy to mid-price
- Changed lessee to HMJ Group
- Rent increased due to lease scheme change

	RevPAR (JPY)	Hotel Revenue (JPY MM)	Rent (JPY MM)	NOI Yield(*)
Pre-rebranding (2019)	6,219	632	334	5.9%
Post-rebranding (2025 Result)	14,339	1,516	933	15.3%
Change	+130.6%	+140.0%	+178.9%	+9.5pt

Oriental Hotel Fukuoka Hakata Station (former Hotel Centraza Hakata)



- Acquired in April 2016
- Reopened under a new brand in April 2019

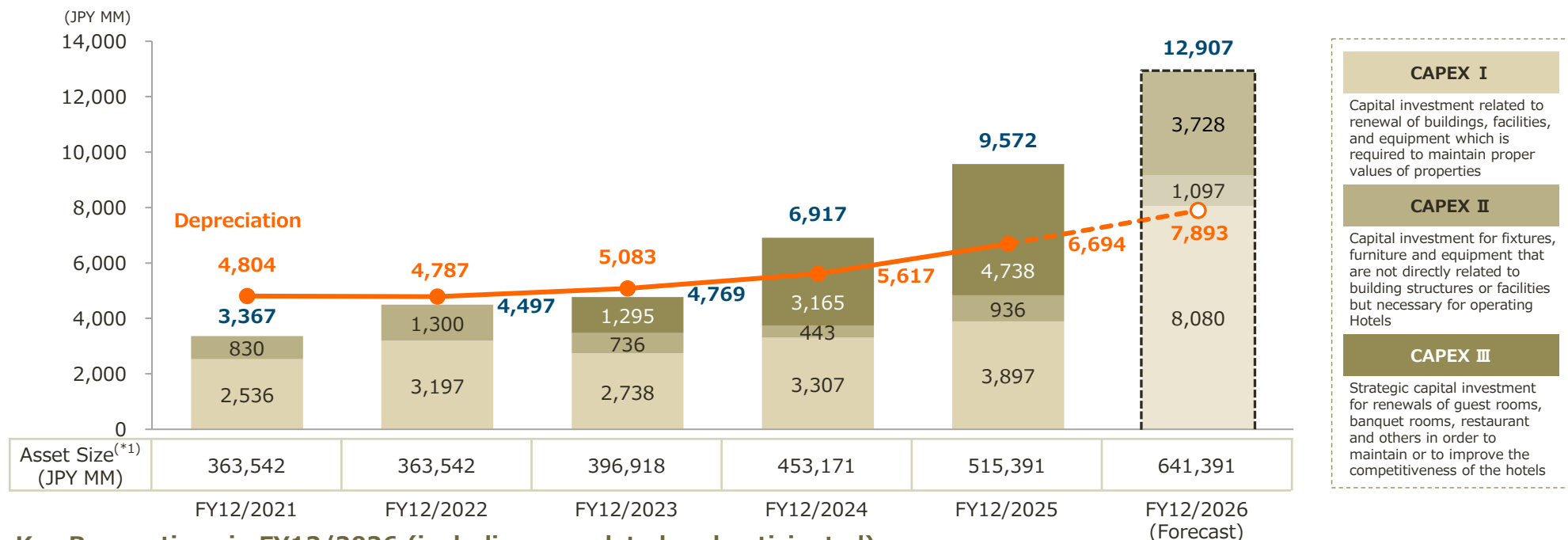
- Upgraded hotel grade from mid-price to upper-middle
- Added 27 rooms, made all rooms accommodate 2 or more guests

	RevPAR (JPY)	Hotel Revenue (JPY MM)	Rent (JPY MM)	NOI Yield(*)
Pre-rebranding (2017)	11,071	2,464	865	8.4%
Post-rebranding (2025 Result)	24,168	3,859	2,096	23.6%
Change	+118.3%	+56.6%	+142.2%	+15.2pt

(*) NOI yield figures are calculated by dividing the actual NOI for each year by the year-end book value.

6. Capital Expenditure (CAPEX) and Depreciation

- ◆ In principle, CAPEX is managed within depreciation. However, CAPEX III (Strategic CAPEX) is being actively implemented amid recently favorable market conditions
- ◆ In 2026, a large-scale renovation at OKINAWA HARBORVIEW HOTEL is expected to be completed, while a major renovation has commenced at Hilton Tokyo Odaiba and guest room renovations are planned at Hilton Fukuoka Sea Hawk



Key Renovations in FY12/2026 (including completed and anticipated)

Hotels	Detail	Purpose	Areas to be Renovated	Amount in FY12/2026 (Anticipated)	Total Amount (Anticipated)	Period (Anticipated)
OKINAWA HARBORVIEW HOTEL	Full-scale renovation	Repositioning through full-scale upgrade, including revamped garden pool and lounge	Entire building	JPY643MM	JPY3,850MM	Jan. 2025 to May 2026
Hilton Tokyo Odaiba	Full-scale renovation	High-quality and full-scale renovations comparable to luxury hotels in central Tokyo aimed at attracting higher-paying guests	Entire building	JPY6,435MM	JPY10,851MM	Feb. 2026 to Dec. 2027
Hilton Fukuoka Sea Hawk	Guest room renovation, etc.	Refining earning capabilities through soft renovations(*2), etc.	Executive floor guest rooms, etc.	JPY600MM	JPY600MM	Jun. to Sep. 2026

(*1) The asset size is presented as the aggregate acquisition value of properties held, or expected to be held, at each point in time.

(*2) "Soft renovation" refers to initiatives that improve a property's competitiveness and profitability through minor upgrades, such as interior updates, design modifications, or partial equipment replacements, without changing the structure or floor plan.

7. Large-scale Renovation Plan

◆ Large-scale renovations covering the entire building are underway at the following two hotels

OKINAWA HARBORVIEW HOTEL (352 rooms)



Comprehensive renovations, including common areas, aiming to enhance overall product appeal and asset value. Intended significant ADR uplift is aimed to support improved market positioning

Overview (Anticipated)

Cost	Total JPY3.85Bn (only CAPEX III)
Period	January 2025 to May 2026
Areas to be Renovated	Entire building (all guest rooms, restaurants, pool, lobby including common areas, and club lounge)

Impact (Simulation)

	Pre-renovation (2024 Result) ^(*1)	Post-renovation (Simulation) ^(*2)
RevPAR	JPY8,131	JPY21,241
NOI NOI Yield	JPY1,008MM 4.7%	JPY1,570MM 6.2% ^(*3)
NOI after Depreciation NOI Yield after Depreciation	JPY803MM 3.7%	JPY1,094MM 4.3% ^(*3)

➡ Simulated Accretion of Net Income^(*4): +JPY**283**MM

Simulated per-unit accretion based on simulated figures of Post-renovation^(*5): +JPY**47**

Hilton Tokyo Odaiba (453 rooms)



High-quality renovations comparable to luxury hotels in central Tokyo, aimed at attracting higher-paying guests. Intended further ADR uplift is aimed to drive revenue growth

Overview (Anticipated)

Cost	Total JPY10.8Bn (CAPEX I : JPY5.7Bn, CAPEX III : JPY5.1Bn)
Period	February 2026 to December 2027
Areas to be Renovated	Entire building (all guest rooms, executive lounge, banquet rooms and common space)

Impact (Simulation)

	Pre-renovation (2025 Result)	Post-renovation (Simulation) ^(*2)
RevPAR	JPY35,140	Undisclosed ^(*6)
NOI NOI Yield	JPY2,926MM 4.7%	JPY4,447MM 6.1% ^(*3)
NOI after Depreciation NOI Yield after Depreciation	JPY2,599MM 4.2%	JPY3,368MM 4.6% ^(*3)

➡ Simulated Accretion of Net Income^(*4): +JPY**485**MM

Simulated per-unit accretion based on simulated figures of Post-renovation^(*5): +JPY**81**

(*1) Annualized figures of 2024 actual results since the property was acquired in July 2024.

(*2) Each "Post-renovation (Simulation)" refers to figures calculated by JHRA based on assumptions for the period after the implementation of each renovation, by estimating the expected effects of Active Asset Management (and, with respect to Hilton Tokyo Odaiba, market environment outlook for the period after the renovation) (each figure is estimated for the full fiscal year.). Note that these assumptions, calculation process and prerequisites include JHRA's judgment, evaluation and assumptions, and these figures do not refer to the forecast for any future fiscal period and future results may differ significantly. In addition, there is no guarantee that the Active Asset Management for each of the aforementioned hotels can be implemented as planned or that our expected effect will be achieved.

(*3) The NOI yield and the NOI yield after depreciation of "Post-Renovations (Simulation)" are calculated by dividing the Simulated NOI and Simulated NOI after depreciation, respectively, by the sum of the acquisition price of the hotels and the simulated amount of increase in book value to result from the renovations (JPY3.85Bn for OKINAWA HARBORVIEW HOTEL and JPY10.8Bn for Hilton Tokyo Odaiba).

(*4) The simulated accretion of net income is calculated by deducting the estimated increase in depreciation expenses due to the renovations, the estimated increase in asset management fees, and the estimated increase in financing costs associated with the funding of the renovations from the difference between the simulated NOI after the renovations and the actual NOI before the renovations. In addition, the renovation costs for Hilton Tokyo Odaiba are assumed to be financed entirely through new borrowings.

(*5) Simulated accretion of net income calculated in (*4) divided by the number of outstanding units after the offering (assuming that all over allotment options are fully exercised) based on the assumption on the FY12/2026 revenue forecast released on February 25, 2026. The figure does not refer to the forecast for any future fiscal period and does not guarantee the achievement of such estimated impact.

(*6) Undisclosed, as consent for the disclosure of details has not been obtained from the lessee.

8. Strategic CAPEX –Future Candidate Properties–(*)

◆ JHR is expected to implement strategic CAPEX to enhance the competitiveness of properties and achieve continuous DPU growth

(as of December 31, 2025)

Hotel Nikko Alivila

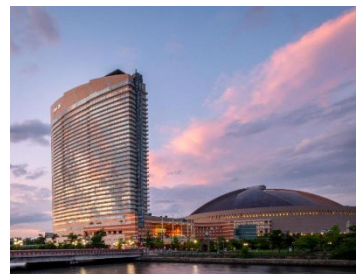
Resort



Acquisition Price (JPY MM)	No. of Rooms	NOI Yield (2025 result)	Building Age (years)
18,900	397	8.0%	31.8

Hilton Fukuoka Sea Hawk

Full-service



Acquisition Price (JPY MM)	No. of Rooms	NOI Yield (2025 result)	Building Age (years)
64,350	1,052	5.8%	30.8

Southern Beach Hotel & Resort OKINAWA

Resort



Acquisition Price (JPY MM)	No. of Rooms	NOI Yield (2025 result)	Building Age (years)
16,200	448	4.5%	16.7

Hotel Nikko Nara

Full-service



Acquisition Price (JPY MM)	No. of Rooms	NOI Yield (2025 result)	Building Age (years)
10,373	330	5.0%	27.8

Hakone Setsugetsuka

Resort



Acquisition Price (JPY MM)	No. of Rooms	NOI Yield (2025 result)	Building Age (years)
4,070	158	6.6%	19.2

The Beach Tower Okinawa

Resort



Acquisition Price (JPY MM)	No. of Rooms	NOI Yield (2025 result)	Building Age (years)
7,610	280	6.1%	21.8

(*) The properties listed herein are only candidates for strategic CAPEX, and the timing, feasibility, and specific details of any strategic CAPEX related to these properties are currently undetermined, and no projects have been confirmed for implementation.

9. Rent Revision since 2024

Rent Revision					
Contract Date	Hotel	Revision Details	Estimated Impact ^(*1)	Expiration of Contract	
2024	Oct. Hotel Francs	Introduced variable rent linked to GOP with fixed rent unchanged	+61.8%	Dec. 2030	
	May La'gent Stay Sapporo Odori	Changed the variable rent calculation formula	+0.4%	Dec. 2027	
	Aug. the b ikebukuro	the b hachioji	Increased the fixed rent ratio by raising fixed rents to near 2019 level	Almost the same	Jul. 2029
		the b hakata			
	Apr. Mercure Okinawa Naha	Reduced hotel management fees for the Accor Group, etc.	+8.7%	Apr. 2029	
	Sep. Mercure Yokosuka			Aug. 2029	
	Oct. Mercure Sapporo			Sep. 2029	
	2025 Jan. ibis Styles Kyoto Station			Dec. 2029	
	ibis Styles Sapporo	Dec. 2029			
Apr. MIMARU Tokyo Shinjuku West	Increased fixed rent in accordance with contract provisions	+27.0%	Apr. 2027 ^(*2)		
Dec. Southern Beach Hotel & Resort OKINAWA	Changed tenant to HMJ with revised rent terms	+6.0%	Dec. 2035		
2026	Jan. Chisun Hotel Kamata	Raised variable rent rate (86% → 88%)	+2.3%	Dec. 2030	
	Apr. dormy inn Kumamoto	Changed to the variable rent terms (threshold amount and rate)	+34.2%	Mar. 2031	
	(Anticipated) Hotel Oriental Express Ginza West ^(*3) (former Sotetsu Fresa Inn Shimbashi-Karasumoriguchi)	Changed tenant to HMJ with revised rent terms	– ^(*4)	Dec. 2036	
	(Anticipated) Jul. The Beach Tower Okinawa	Introduced variable rent linked to GOP with fixed rent unchanged	+11.4%	Jun. 2027	

Properties with Scheduled Lease Expirations ^(*5)				
Expiration of Contract	Hotel	Lease Type	Current Rent Structure	
2026	Mar. dormy inn EXPRESS Asakusa	Ordinary lease	Fixed	
	Washington Hotel Plaza Nara	Ordinary lease	Fixed	
	Smile Hotel Nihombashi Mitsukoshimae	Ordinary lease	Fixed + Revenue sharing	
	dormy inn Kumamoto	Fixed-lease	Fixed + Variable	
	Sotetsu Fresa Inn Shimbashi-Karasumoriguchi	Fixed-lease	Fixed + Revenue sharing	
	Jun. The Beach Tower Okinawa	Fixed-lease	Fixed	
	Oct. Hakone Setsugetsuka	Fixed-lease	Fixed	
	Dec. Chisun Inn Keikyū Kamata	Chisun Inn Keikyū Kamata	Fixed-lease	Variable
		the b suidobashi	Fixed-lease	Fixed + Variable
		ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel)	Fixed-lease	Fixed + Variable

Renewal contract signed

(*1) The estimated impact represents the rent increase rate after the revision, calculated by comparing the annual rent before and after the revision, based on the actual 2025 revenue for each hotel under the respective contract terms.
 (*2) As of February 25, 2026, the lease contract for MIMARU Tokyo Shinjuku WEST is scheduled to expire in February 2040; the contractually specified timing for rent revisions is indicated.
 (*3) Sotetsu Fresa Inn Shimbashi-Karasumoriguchi is scheduled to be renamed "Hotel Oriental Express Ginza West" effective from April 2026.
 (*4) Estimated impact cannot be calculated because the former operator has not disclosed the hotel's actual figures. As for the rent terms, the fixed rent remains unchanged; however, the variable rent has been revised from revenue sharing to an amount equal to 95% of the hotel's AGOP in excess of JPY254 million.
 (*5) Any contract with the tenant following the current expiration is not guaranteed, and there is no assurance that it will be renewed at an increased rate.

V. Financial Conditions

1. Financial Conditions (1)

Basic Policy

In principle, appraisal-based LTV capped at 40%

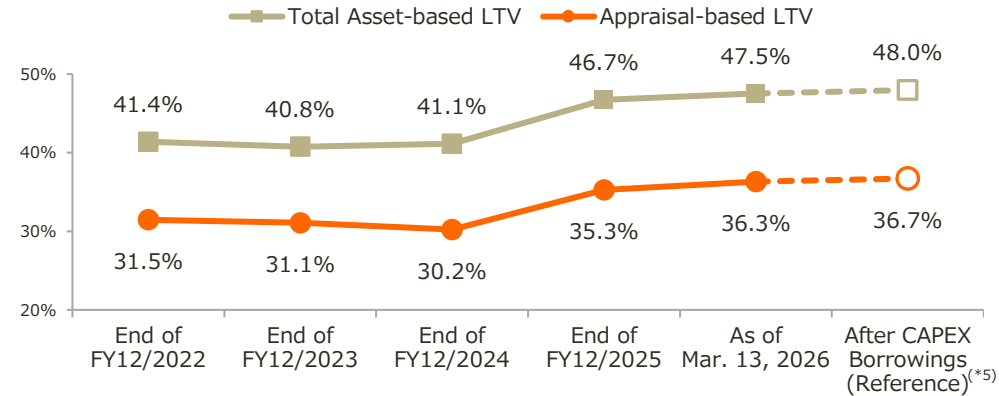
Leveling out maturity ladder

Longer duration with cost consideration

Main Financial Indicators

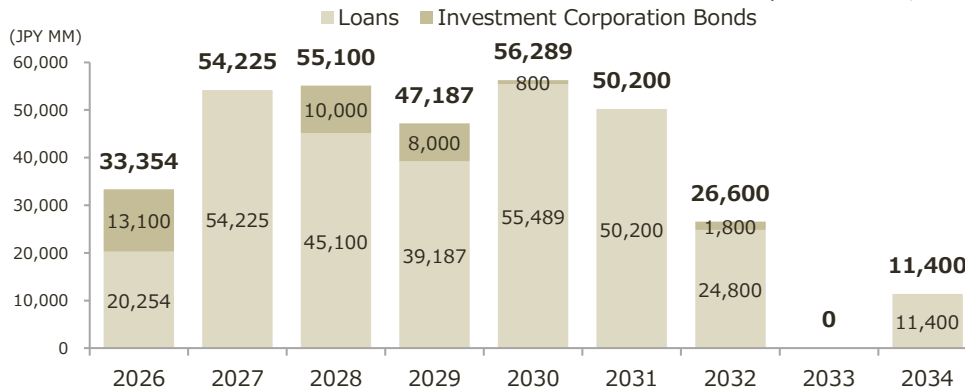
	End of FY12/2024	End of FY12/2025	As of March 13, 2026
Total interest-bearing debt	JPY 205.2 Bn	JPY 269.3 Bn	JPY 334.3 Bn
Appraisal-based LTV	30.2%	35.3%	36.3%
Fixed interest rate ratio	73.2%	80.1%	74.9%
Average life of interest-bearing debt^(*1)	3.3 year	3.5 year	3.3 year
Cost for interest-bearing debt^(*2)	1.3%	1.7%	1.7%
Free cash^(*3)	JPY 11.7 Bn	JPY 9.6 Bn	JPY 7.7 Bn ^(*4)

Changes in LTV

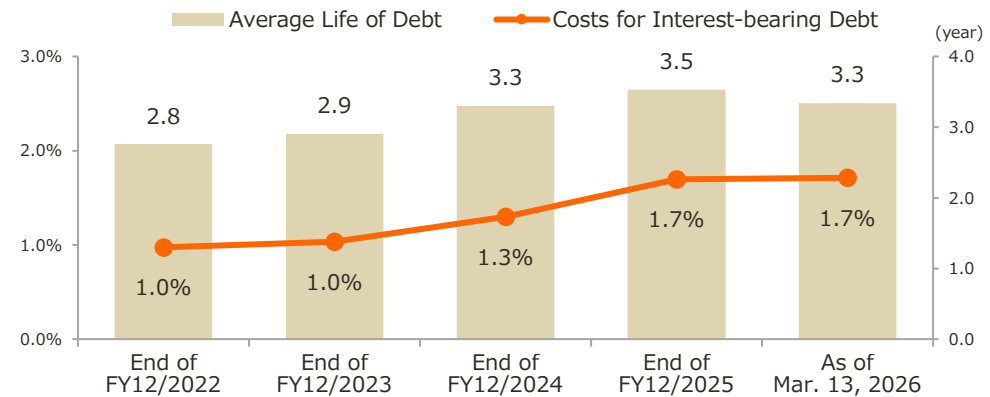


Repayment Schedule of Interest-bearing Debt

(as of March 13, 2026)



Changes in Costs for Interest-bearing Debt and Average Life of Interest-bearing Debt



(*1) Average maturity of interest-bearing debt as of the end of each period. The same shall apply hereinafter.

(*2) Weighted-average costs for interest-bearing debt (including up-front fee, etc.) as of the end of each period. Rounded off to one decimal place. The same shall apply hereinafter.

(*3) The figures represent the balance of cash and deposits, excluding various reserves in trust, etc.

(*4) The figure represents the forecast as of the end of March 2026.

(*5) JHR is undertaking renovation work at Hilton Tokyo Odaiba. To fund the renovation costs (total JPY6.4 billion) scheduled for FY12/2026, it plans to take out a new loan of JPY6.0 billion during FY12/2026. When calculating the total asset-based LTV and appraisal-based LTV after the CAPEX borrowing, the total interest-bearing debt and total assets figures used are those after such borrowing, plus the planned new borrowing amount for FY12/2026 (JPY6.0 billion). Furthermore, while financing through borrowing is being considered for the renovation costs (total of JPY4.4 billion) scheduled for FY12/2027, this remains undecided as of the date of this material.

1. Financial Conditions (2)

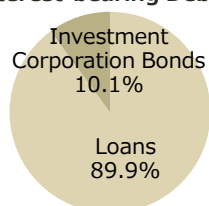
Breakdown of Interest-bearing Debt

(JPY MM)

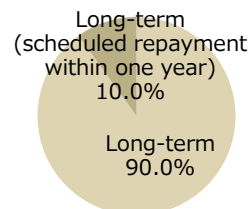
Lenders/Bond Name	Balance (as of the end of December 2024)		Balance (as of the end of December 2025)		Variance	Balance after New Loan (as of March 13, 2026)		Variance
	Balance	%	Balance	%		Balance	%	
Sumitomo Mitsui Banking Corporation	43,833	21.4%	60,833	22.6%	17,000	77,733	23.2%	16,900
Mizuho Bank, Ltd.	29,446	14.3%	43,896	16.3%	14,450	55,970	16.7%	12,074
Sumitomo Mitsui Trust Bank, Limited	18,535	9.0%	27,535	10.2%	9,000	37,535	11.2%	10,000
MUFG Bank, Ltd.	10,000	4.9%	17,300	6.4%	7,300	26,100	7.8%	8,800
SBI Shinsei Bank, Ltd.	19,858	9.7%	20,358	7.6%	500	25,358	7.6%	5,000
Resona Bank, Limited	12,682	6.2%	17,182	6.4%	4,500	21,182	6.3%	4,000
Development Bank of Japan Inc.	7,855	3.8%	10,755	4.0%	2,900	14,755	4.4%	4,000
Aozora Bank, Ltd.	4,452	2.2%	5,952	2.2%	1,500	5,952	1.8%	-
Fukuoka Bank, Ltd.	4,936	2.4%	4,936	1.8%	-	4,936	1.5%	-
The Chiba Bank, Ltd.	3,032	1.5%	3,532	1.3%	500	4,832	1.4%	1,300
The Tokyo Star Bank, Limited	2,260	1.1%	4,060	1.5%	1,800	4,060	1.2%	-
Daiwa Next Bank, Ltd.	1,000	0.5%	2,000	0.7%	1,000	4,000	1.2%	2,000
Kansai Mirai Bank, Limited	1,800	0.9%	2,600	1.0%	800	3,500	1.0%	900
The Nishi-Nippon City Bank, Ltd.	2,800	1.4%	3,400	1.3%	600	3,400	1.0%	-
The Minato Bank, Ltd.	1,900	0.9%	2,400	0.9%	500	2,400	0.7%	-
Hiroshima Bank, Ltd.	1,854	0.9%	1,854	0.7%	-	1,854	0.6%	-
The Nomura Trust and Banking Co., Ltd.	2,000	1.0%	1,500	0.6%	(500)	1,500	0.4%	-
Sompo Japan Insurance Inc.	1,000	0.5%	1,000	0.4%	-	1,000	0.3%	-
The Bank of Okinawa, Ltd.	500	0.2%	1,000	0.4%	500	1,000	0.3%	-
Rakuten Bank, Ltd.	-	-	1,000	0.4%	1,000	1,000	0.3%	-
The Shizuoka Bank, Ltd.	788	0.4%	788	0.3%	-	788	0.2%	-
Bank of The Ryukyus, Limited	500	0.2%	500	0.2%	-	500	0.1%	-
The Higo Bank, Ltd.	-	-	500	0.2%	500	500	0.1%	-
The Senshu Ikeda Bank, Ltd.	-	-	500	0.2%	500	500	0.1%	-
The Hokuriku Bank, Ltd.	300	0.1%	300	0.1%	-	300	0.1%	-
Total of Bank Loans	171,331	83.5%	235,681	87.5%	64,350	300,655	89.9%	64,974
Total of Investment Corporation Bonds	33,900	16.5%	33,700	12.5%	(200)	33,700	10.1%	-
Total of Interest-bearing Debt	205,231	100.0%	269,381	100.0%	64,150	334,355	100.0%	64,974

(as of March 13, 2026)

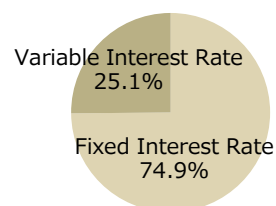
<Bank Loans/ Interest-bearing Debt>



<Long-term/Short-term>(*1)



<Fixed/Variable>



(*1) Long-term represents debt with original maturity over one year, and short-term represents debt with original maturity within one year.

(*2) The Net Asset Value (NAV) per unit is calculated by the following formula: (net assets at end of the period + unrealized gains/losses at end of the period - total dividends) ÷ total investment units issued at end of the period.

(*3) Represents the forecast as of the end of December 2026.

Status of Credit Rating

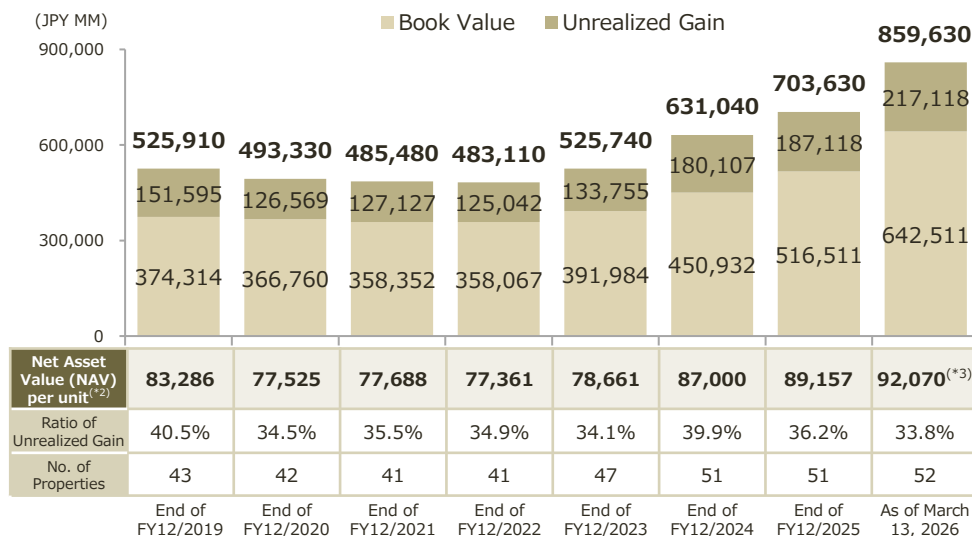
Japan Credit Rating Agency, Ltd. (JCR)

A+ (Stable → Positive)
Changed on May 26, 2025

Rating and Investment Information, Inc. (R&I)

A (Stable → Positive)
Changed on June 2, 2025

Changes in Appraisal Value (Unrealized Gain)



Policy for Use of Negative Goodwill

In addition to JPY262 million per period (50-year amortization of negative goodwill), the following items are added to dividends:

1. Loss on sales caused by property dispositions
2. Loss on retirement of noncurrent assets
3. Dilution of dividend per unit
4. Inconsistency between tax and accounting treatments (Amortization of fixed-term leasehold of land, amortization of asset retirement obligations, etc.)
5. Suspension of sales and such due to large-scale renovation works with significant impact on revenue

VI. ESG

1. ESG Initiatives

GRESB(*1) Real Estate Assessment

Acquired **"Green Star"** for 8 consecutive years from 2018

- ▶ In 2025, acquired **"3-star"** in GRESB Rating



Environmental Targets

- **30% reduction** of GHG emissions per floor area(*2) in our portfolio by 2050 (GHG emissions intensity) compared to FY2017(*3)

Green Finance

- January 2024
Established a Green Finance Framework to facilitate funding for environmentally conscious projects
(Revised in August 2024)

Total Green Finance

JPY25.9Bn

% of Green Finance

9.6%

(*1) GRESB is an annual benchmarking program to evaluate ESG considerations of property companies and real estate funds. The GRESB Real Estate Assessment is distinguished by its comprehensive evaluation of initiatives for sustainability of property companies, REITs and real estate funds, not of individual properties. GRESB rating is a relative evaluation based on comprehensive scores.

(*2) Properties owned by JHR are managed by hotel lessees, etc. GHG emissions of JHR fall under Scope 3, Category 13, Leased Assets (Downstream).

(*3) The GHG emissions (GHG emissions intensity) for FY2017 (Baseline fiscal year, April 2017–March 2018) is 0.135 (t-CO₂/m²).

(*4) CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a system for evaluating and rating the environmental performance of buildings. In addition to environmental considerations such as energy conservation and the use of materials and equipment with low environmental impact, it comprehensively evaluates the quality of buildings, including consideration for interior comfort and landscaping.

(*5) BELS (Building-Housing Energy-Efficiency Labeling System) is a display system of energy conservation performance of a building set by the Ministry of Land, Infrastructure, Transport and Tourism.

(*6) DBJ Green Building Certification Program was launched by DBJ for the purpose of supporting the properties which give proper care to environment and society (Green Building).

Green Building Certification

CASBEE(*4) Certification for Buildings (3 properties)

HOTEL AMANEK Shinjuku-Kabukicho.



CASBEE for New Construction
Rank A (Very Good)

Hilton Tokyo Odaiba



CASBEE for Buildings (Existing Buildings)
Rank B+ (Good)

Oriental Hotel Fukuoka Hakata Station



CASBEE for Buildings (Existing Buildings)
Rank B+ (Good)

BELS(*5) Evaluation (3 properties)

Hotel Nikko Alivila



この建物のエネルギー効率 13%削減
エネルギー効率改善率

Mercure Okinawa Naha



この建物のエネルギー効率 34%削減
エネルギー効率改善率

UAN kanazawa



この建物のエネルギー効率 20%削減
エネルギー効率改善率

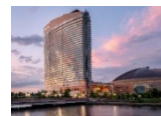
DBJ Green Building Certification Program(*6) (10 properties)

Hilton Tokyo Bay



DBJ Green Building
2025

Hilton Fukuoka Sea Hawk



DBJ Green Building
2025

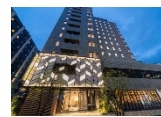
Newly added

Oriental Hotel Okinawa Resort & Spa



DBJ Green Building
2025

Hotel Oriental Express Fukuoka Tenjin



DBJ Green Building
2025

MIMARU Tokyo Shinjuku West



DBJ Green Building
2025

Kobe Meriken Park Oriental Hotel



DBJ Green Building
2024

Oriental Hotel Tokyo Bay



DBJ Green Building
2024

Hilton Tokyo Narita Airport



DBJ Green Building
2024

International Garden Hotel Narita



DBJ Green Building
2024

Hotel Nikko Nara



DBJ Green Building
2024

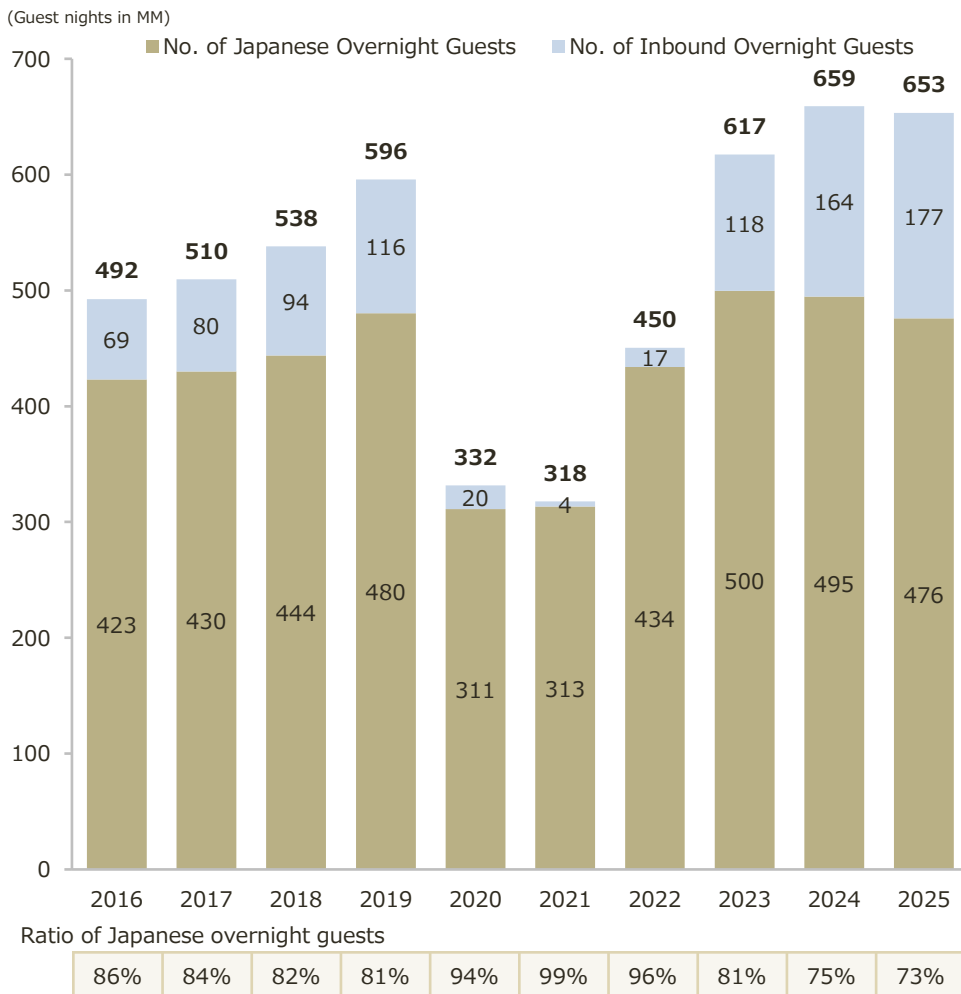
No. of Certified Properties	% of Total Floor Area
16 properties	59.5%

VIII. Market Environment

1. Status of Domestic Accommodation Demand

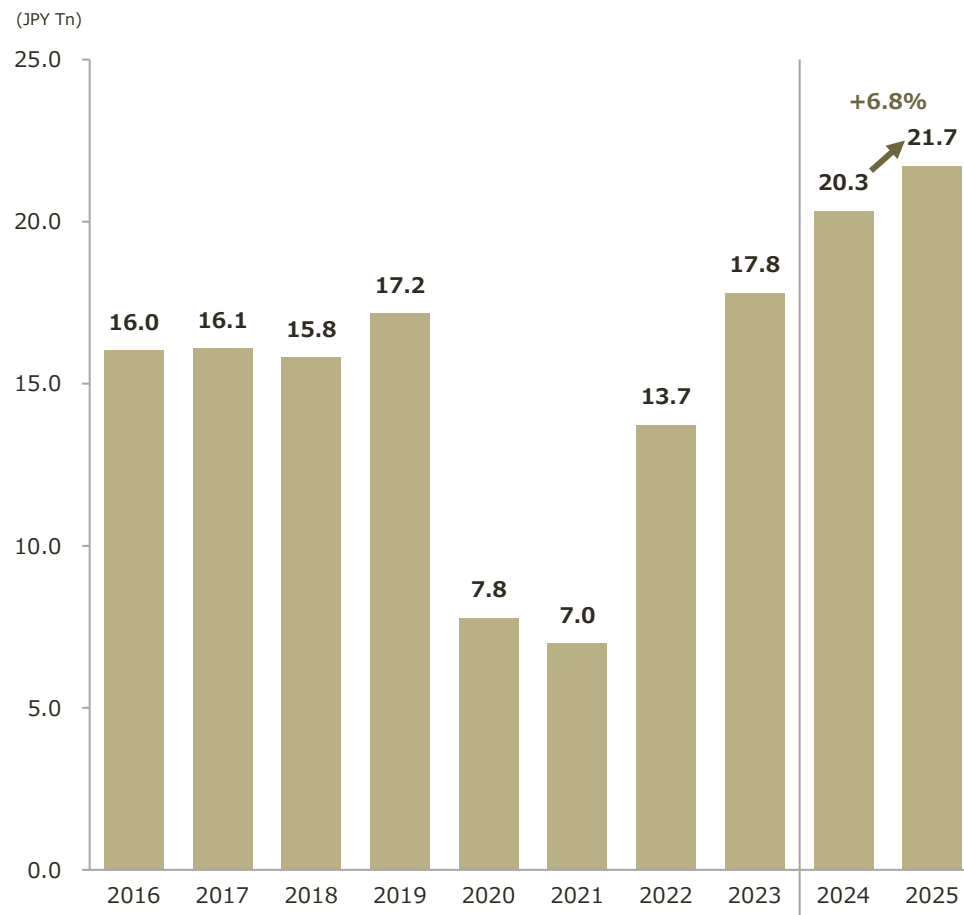
◆ While the number of Japanese overnight guests remains solid and stable, overnight travel spending is on an upward trend

Changes in Number of Overnight Guests in Japan^(*1)



Source: "Overnight Travel Statistics Survey" by Japan Tourism Agency
 (*1) No. of inbound overnight guests, No. of Japanese overnight guests and the total number of overnight guests are rounded off to the nearest million. The figures from 2016 to 2024 are final, those for January to November 2025 are second preliminary figures, and those for December 2025 are first preliminary figures.

Changes in Japanese Domestic Overnight Travel Spending^(*2)

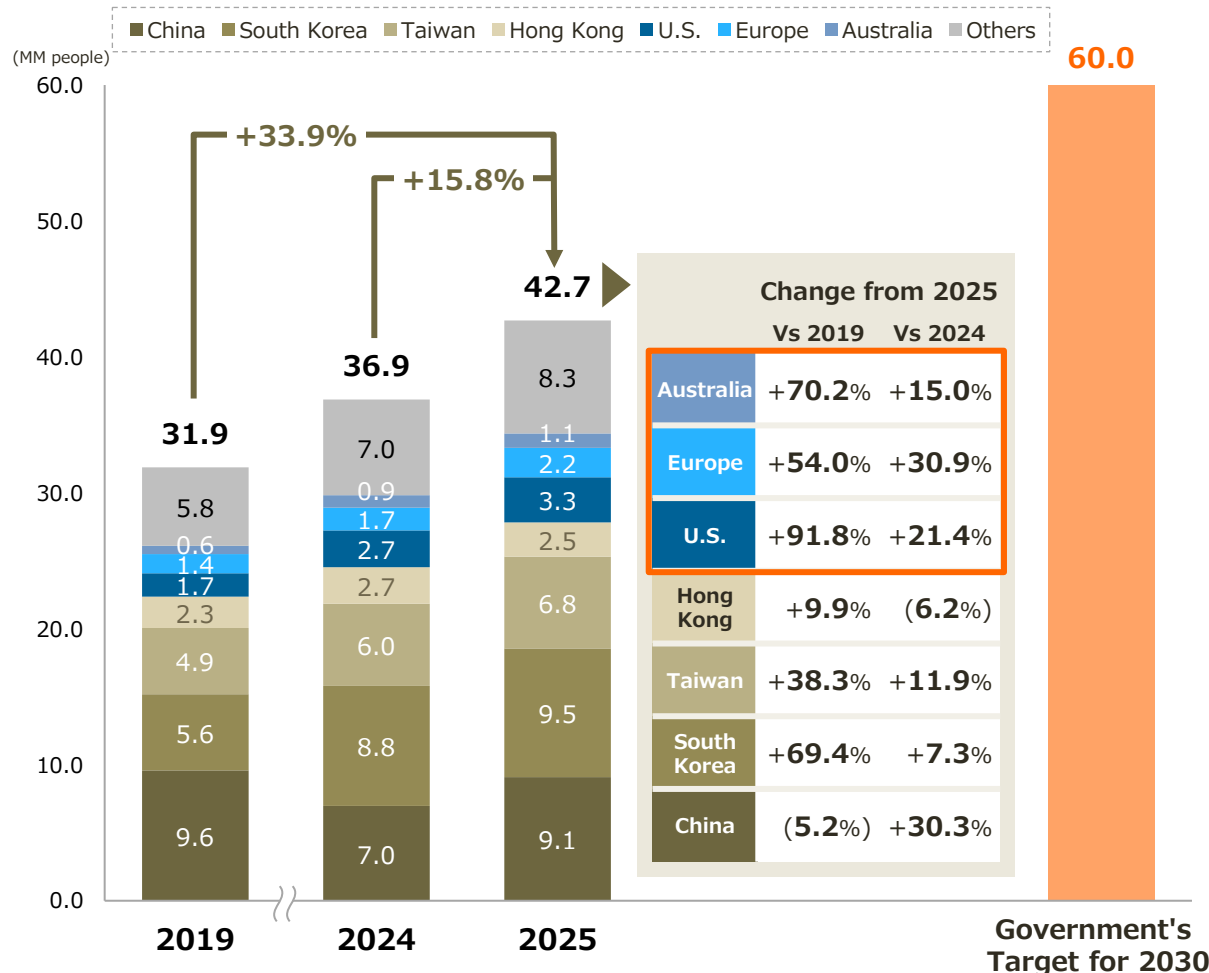


Source: "Travel and Tourism Consumption Survey" by Japan Tourism Agency
 (*2) The figures from 2016 to 2024 are final, those for 2025 are second preliminary figures.

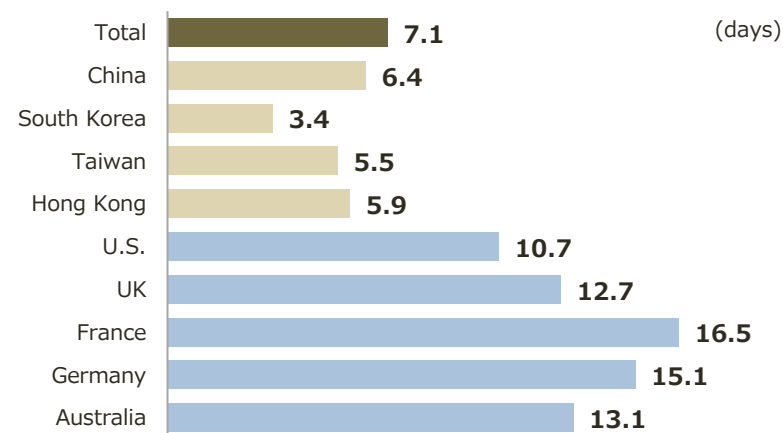
2. Status of Inbound Visitors

- ◆ Number of inbound visitors in 2025 reached a new record high as it continues to rise towards the government's target for 2030 of annual 60 million visitors
- ◆ Inbound visitors from Europe, the U.S. and Australia, who tend to stay longer and spend more on accommodation, are rapidly growing

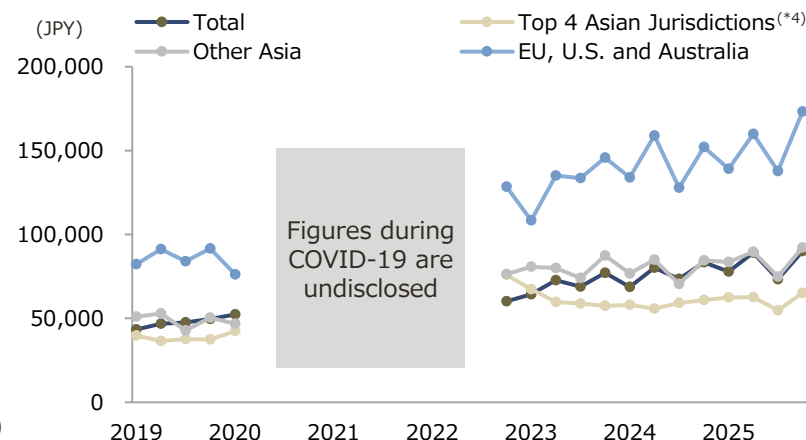
Number of Inbound Visitors^(*1)



Average Length of Stay by Jurisdiction (2025)^(*2)



Accommodation Spending^(*3) by Jurisdiction



Source: Prepared by JHRA based on the data from Japan National Tourism Organization (JNTO), "Inbound Visitors Statistics" on January 21, 2026 and from Prime Minister's Office, "Vision for a Tourism-Oriented Country to Support the Future of Japan" on March 30, 2016, and the data from MLIT, "Inbound Consumption Trends Survey" on January 21, 2026.

(*1) The number of inbound visitors is rounded off to the nearest thousand. Figures for 2018 to 2024 are verified statistics. Figures for January 2025 to October 2025 are provisional. Figures for November 2025 and December 2025 are estimates.

(*2) The average length of stay by inbound visitors by country/region (2025) is based on preliminary data for the 2025 calendar year.

(*3) "Accommodation spending" refers to the total accommodation expenditure of inbounds during their stay in Japan.

(*4) "Top 4 Asian Jurisdiction" refers to China, Korea, Taiwan, and Hong Kong.

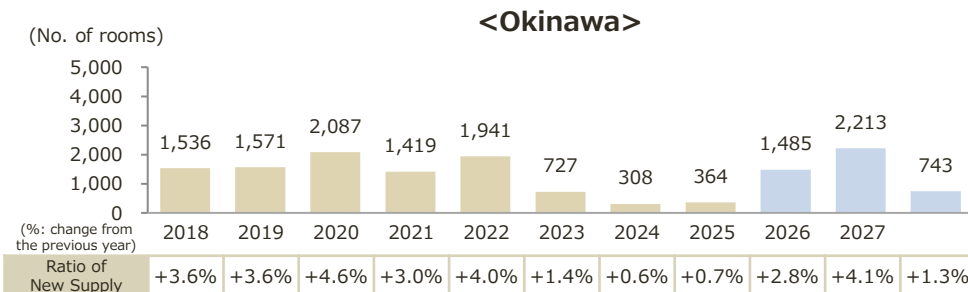
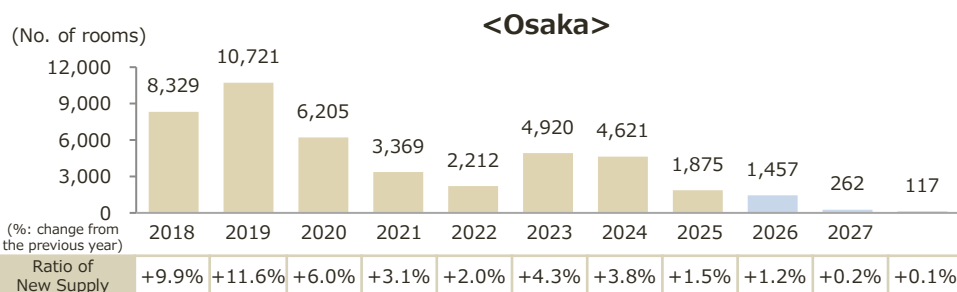
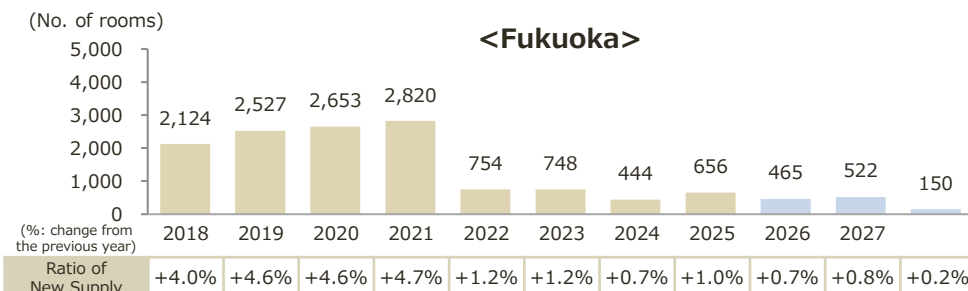
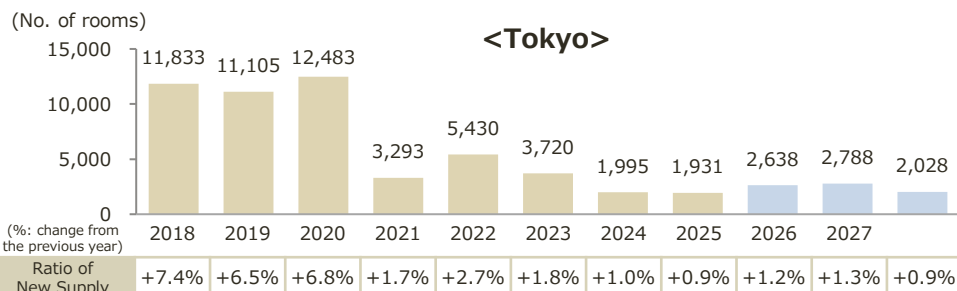
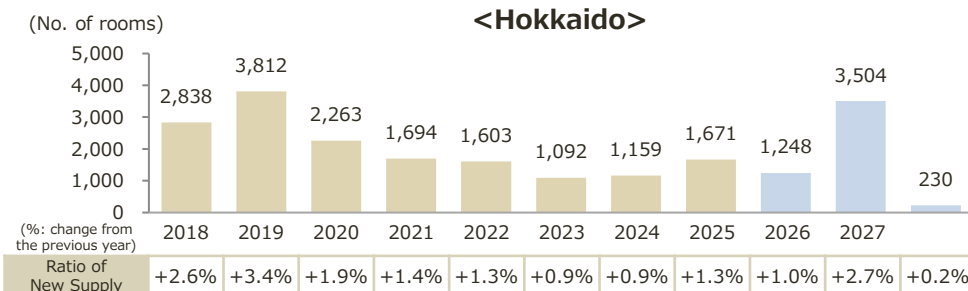
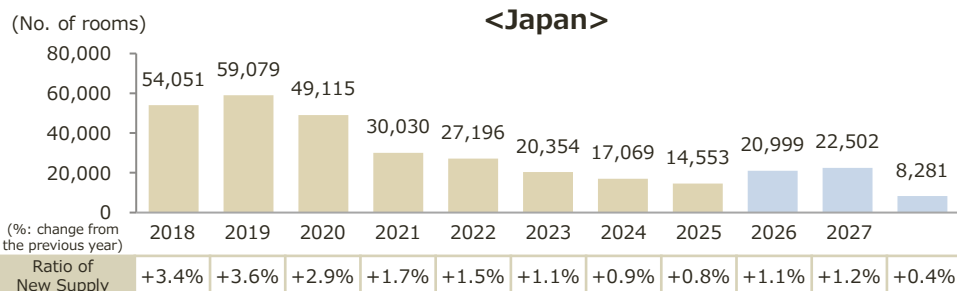
3. Status of New Supply of Hotels

◆ Limited new openings are expected, with supply levels projected to remain below past averages

Supply of Rooms in Hotels/Ryokans in Japan

As of the end of January 2026

■ Opened ■ Scheduled to open



Source: Estimated by the Asset Management Company using data from "Public Health Administration Report" by Ministry of Health, Labour and Welfare (MHLW), a weekly hotel & restaurant magazine (HOTERES) and Nikkei Telecom.
 (*) Ratio of new supply is the ratio of new rooms to be supplied in a year to the stock of rooms (Hotels/Ryokans) at the beginning of the year. With regard to the above data, please note that in case the number of rooms are stated as "to be determined" by hotels, the asset management company has used 180, the average number of new supply of hotel rooms, for calculation.

Annex/FAQ

Annex: Assumptions for Simulated Figures

<Disclaimer and Important Assumptions>

- The simulated figures in this material are estimated by JHRA reflecting the expected impact of Active Asset Management and market environment outlook at the time of estimation prior to and following the renovation (each figure is estimated for the full fiscal year). These figures are simulated figures only, not forecasts, and are intended solely for the purpose of investment planning. JHRA has a large amount of discretion in preparing these simulated figures, and if different premises or judgments were adopted, the resulting figures could differ materially from those shown here even when based on the same facts and circumstances. The actual operating performance of properties owned by JHR will be affected by the interaction of market demand, general economic conditions and various other factors unrelated to JHRA's Active Asset Management efforts. As a result, actual operating results may differ substantially from the simulated figures and underlying assumptions set forth below. In addition, the assumed figures should not be relied upon as contributing to actual NOI or distributions for any particular future period.
- The simulated figures for HYATT REGENCY TOKYO were calculated based on assumptions about market demand and other market factors that would form the pre-renovation or post-renovation baseline, and Hilton Tokyo Odaiba were calculated based on assumptions about market demand and other market factors that would form the post-renovation baseline. In calculating the simulated figures JHR have made assumptions regarding market demand and other market factors that include a comprehensive consideration of, as of the relevant time, (a) actual results for occupancy rates, ADR and RevPAR for hotels in each relevant area and category for the fiscal year ended December 31, 2025, as well as a hypothetical rate of increase in RevPAR expected from year-on-year comparisons, (b) inflationary trends in pricing conditions, (c) trends in the increase in inbound visitors to Japan extrapolated from actual results for 2025 and (d) demand characteristics specific to the applicable hotel brand. As a result, actual figures may differ substantially from the simulated figures and underlying assumptions set forth below due to changes or fluctuations in these external factors.
- Note that the simulated figures for OKINAWA HARBORVIEW HOTEL were prepared without reference to, or consideration of, any assumptions regarding baseline market demand or other market factors for any specific period. Consequently, because of the influence of such external factors, JHRA and others may be unable to reliably assess the extent to which the internal growth assumptions for the property will or will not be achieved.

<Calculation Basis for Assumptions>

	HYATT REGENCY TOKYO		Hilton Tokyo Odaiba	OKINAWA HARBORVIEW HOTEL
	Pre-Additional Renovation (Renovation Year)	Post-Additional Renovation		
Active Asset Management	<ul style="list-style-type: none"> Enhanced revenue management Strengthened MICE sales Maximizing Profit through operational optimization Standardization across HMJ group 	<ul style="list-style-type: none"> Approx. JPY1.5Bn in CAPEX^(*1) for guest room renovations (scheduled for 2027) Enhanced revenue management Strengthened MICE sales Maximizing Profit through operational optimization Standardization across HMJ group 	<ul style="list-style-type: none"> Approx. JPY10.8Bn in CAPEX^(*1) for entire building renovation (scheduled: February 2026 to December 2027) 	<ul style="list-style-type: none"> Approx. JPY3.85Bn in CAPEX^(*1) for entire building renovation (scheduled: January 2025 to May 2026)
Revenue Per Available Room (JPY)	49,877	55,630	Undisclosed ^(*2)	21,241
Gross Operating Revenue (JPY MM)	17,728	19,471	Undisclosed ^(*2)	4,630
Gross Operating Profit (JPY MM)	8,603	9,733	Undisclosed ^(*2)	1,728
Total Rent (JPY MM)	8,000	9,064	4,803	1,617
Net Operating Income (JPY MM)	7,061	8,125	4,447	1,570
NOI Yield (%)	5.6	6.4	6.1	7.3
Depreciation (JPY MM)	924	1,031	1,079	475
Net Operating Income after Depreciation (JPY MM)	6,137	7,093	3,368	1,094
NOI Yield after Depreciation (%)	4.9	5.6	4.6	5.1
Net Income (JPY MM)	4,412	5,351	2,812	798
Reversal Amount of Reserve for Temporary Difference Adjustment (JPY MM)	500	500	1,859 ^(*3)	–

(*1) The timing, amount, etc., of CAPEX are as of February 25, 2026.

(*2) Undisclosed, as consent for the disclosure of details has not been obtained from the lessee.

(*3) Estimated as of the end of FY12/2026. For the FY12/2027, JHR plans to mitigate the impact on distributions from renovation-related room closures and similar adjustment by appropriating the reserve for temporary difference adjustment. However, the amount to be allocated has not been determined at this time.

Public Offering	<p>Q. If HYATT REGENCY TOKYO were acquired at the beginning of the year, would the acquisition be accretive to DPU from the first year?</p> <p>A. The DPU is not expected to be accretive in the first year, but is expected to become accretive as revenue increase from the following year onwards. Based on calculations at the time of the public offering announcement, the estimated DPU uplift is JPY53 per unit pre-additional renovation and JPY210 per unit post-additional renovation.</p>
	<p>Q. Would DPU remain accretive even if appraisal-based LTV is maintained?</p> <p>A. Even with appraisal-based LTV kept at the same level as before the public offering, DPU is expected to be accretive post-renovation, with an estimated uplift of JPY116.</p>
	<p>Q. What was the impact on fund raising from the unit price decline driven by geopolitical risks?</p> <p>A. The proceeds from the public offering were below the initial expectation; however, the shortfall has been covered with cash on hand.</p>
External Growth	<p>Q. What is JHR's acquisition strategy by area and size?</p> <p>A. JHR does not limit investments to specific regions or asset size and will pursue acquisitions that enhance portfolio quality based on leisure demand capture, competitiveness and growth potential.</p>
	<p>Q. What is JHR's policy on asset disposition?</p> <p>A. Dispositions are primarily intended for capital recycling; sales solely for realizing gains are not contemplated. Assets are selected based on their future growth potential.</p>

Newly Acquired Property	<p>Q. What factors enabled the acquisition at a price below the appraisal value?</p> <p>A. The hotel was acquired during its recovery phase, following a major renovation by the seller, enabling an attractive price relative to appraisal.</p>
	<p>Q. Does the 45-year-old property comply with current seismic standards?</p> <p>A. The property is considered compliant with current seismic standards, having adopted dynamic seismic design at construction, obtained ministerial approval, and passed structural durability tests.</p>
	<p>Q. How achievable is the assumed 6.4% NOI yield post-additional renovation?</p> <p>A. The assumed 6.4% NOI yield reflects renovation upside, ongoing Active Asset Management, the hotel market growth, and is considered achievable given the Shinjuku location, asset quality and JHR's track record.</p>
Internal Growth	<p>Q. Which areas are expected to see stronger or weaker demand in 2026?</p> <p>A. Okinawa is expected to see strong RevPAR growth of +11.0% YoY, Osaka modest growth of +0.4% YoY despite a high base from Expo-related demand, and other regions stable growth of around +5% YoY.</p>
	<p>Q. What is the proportion of room revenue from inbound visitors, including HYATT REGENCY TOKYO?</p> <p>A. The inbound revenue ratio for the 29 Hotels with Variable Rent, etc. was 46% in FY2025 and is forecast at 47% in FY2026, rising to approx. 55% after the acquisition.</p>
	<p>Q. What is the outlook for inbound demand from China?</p> <p>A. In FY2026, revenue from China is assumed to decline 37.9% YoY, while inbound revenue excluding China is expected to grow 17.6%, resulting in total inbound revenue +9.4% and total room revenue +5.4%.</p>

Internal Growth

Q. What is the outlook for F&B dept. in 2026?

A. At the 29 Hotels with Variable Rent, etc. revenue from general banquets and restaurants is expected to grow by 3–4% YoY, while wedding revenue is expected to decline by 10% YoY with profitability remaining broadly flat. Overall F&B revenue is forecast to increase by 1.7% YoY.

Q. What is the impact of rising labor and utility costs?

A. In FY2026, labor costs are expected to remain flat, while utility costs are projected to rise by around 8% YoY, with the increase offset by revenue growth.

Q. CAPEX exceeds depreciation – will this trend continue, and how will be funded?

A. While the basic policy is to keep CAPEX within depreciation, higher CAPEX may be undertaken where sufficient investment returns are expected. Funding options include cash, borrowings, asset sales and public offering, as appropriate.

Q. What is the expected return on strategic CAPEX, and how are construction cost increases managed?

A. Strategic CAPEX continues to be assessed based on a 7-year payback on a post-depreciation NOI basis and an ROI of around 15%. With an in-house engineering team, cost control is considered achievable despite rising construction costs.

Q. How achievable is the post-renovation NOI yield of 6.1% at Hilton Tokyo Odaiba?

A. RevPAR is expected to increase by over 20% following the large-scale renovation, with ADR remaining attractive versus central Tokyo luxury hotels, supporting the view that a 6.1% post-renovation NOI yield is fully achievable.

Q. What is the DPU impact of rent revisions?

A. Based on FY2025 hotel performance, the DPU impact from rent revisions at eight properties in FY2025 and FY2026 is estimated to be approx. JPY120 on an annualized basis.

Finance

Q. Appraisal-based LTV has increased – has there been any change to the leverage policy?

A. There is no change to the basic policy of maintaining appraisal-based LTV at or below 40%. Leverage was increased as the acquired asset is expected to generate stable income. Going forward, we aim to enhance asset value through Active Asset Management, leading to a reduction in appraisal-based LTV and greater financial flexibility.

Q. How much impact from interest rate increases is assumed?

A. Assuming two 25bps rate hikes this year, the all-in cost of interest-bearing debt is expected to be around 2.0% by end-December 2026.

Q. What is the borrowing capacity up to 40% appraisal-based LTV?

A. Borrowing capacity is approx. JPY60 billion (approx. JPY55 billion after the Hilton Tokyo Odaiba renovation-related borrowings).

Q. Why did appraisal-based LTV increase by around 30bps after the public offering?

A. Appraisal-based LTV was recalculated following the issue price determination, excluding units through the overseas over-allotment option and third-party allotment (80,700 units in total).

Market

Q. What drove the RevPAR outperformance at JHR's hotels in 2025, despite a YoY decline in total domestic overnight stays?

A. JHR's portfolio is well positioned to capture domestic and international leisure demand, with significant upside potential in ADR, driving RevPAR growth through Active Asset Management.

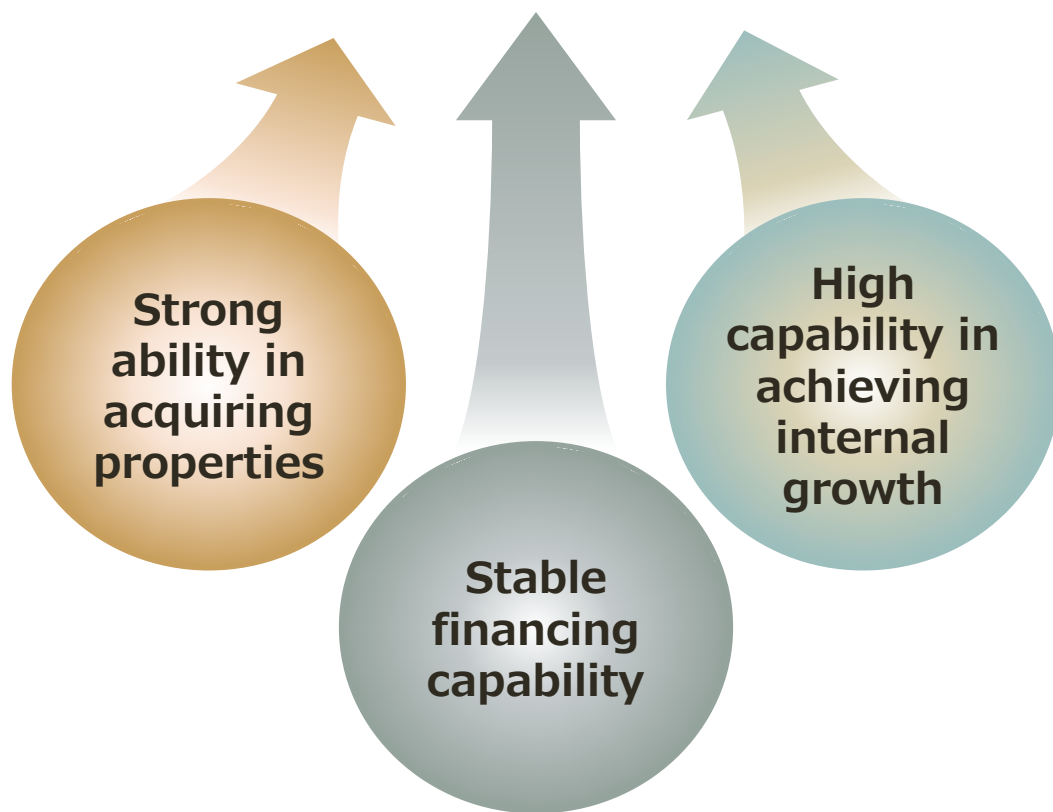
Others

Q. What is JHR's disclosure policy for individual properties?

A. As a general policy, JHR will continue regional-level disclosure and does not disclose individual property performance. Individual property RevPAR, ADR and occupancy rates will not be disclosed to maintain competitiveness; except for limited cases where RevPAR only may be disclosed, such as new acquisition.

Appendix 1
JHR's Characteristics and Strategy

Aim to increase dividend for mid to long term



Strong ability in acquiring properties

- Highly recognized as Japan's largest J-REIT specializing in hotels
- High presence and credibility in the property market by continuously acquiring properties
- Capability to propose various acquisition schemes and to execute acquisitions

High capability in achieving internal growth

- Management approach through active asset management strategies that achieves a good balance between stability and upside potential
- Increase hotel revenue through collaboration with high-quality operators
- Attract inbound demand through enhanced international brand portfolio
- Strengthen and maintain competitiveness by investing in appropriate capital expenditures

Stable financing capability

- Secure sound and stable finance
- Diversify financing methods

2. Simultaneous Pursuit of Stability and Upside Potential

◆ JHR pursues both stability and upside potential by steadily implementing growth strategies

Ensure Stable Revenue

Fixed rent structure

- ◆ Appropriate monitoring of hotel operation
- ◆ Capital expenditures to maintain competitiveness and asset value

Maintain and improve rent-paying capacity of tenants, etc.

Pursue Upside

Management contract structure

Variable rent structure

Revenue-sharing structure

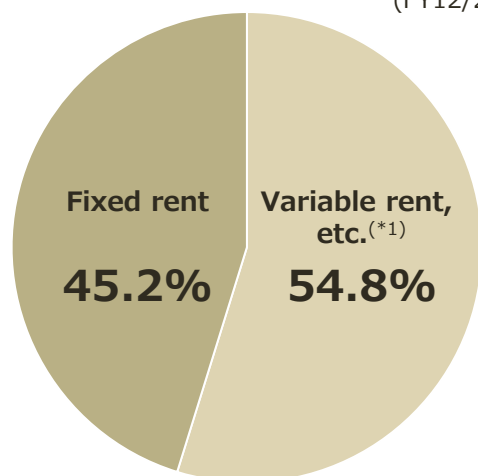
Active Asset Management Strategies

- ◆ Change in rent structures and rebranding
- ◆ Strategic capital expenditures, etc.

Increase in rental income, etc. through improvement in hotels' performance

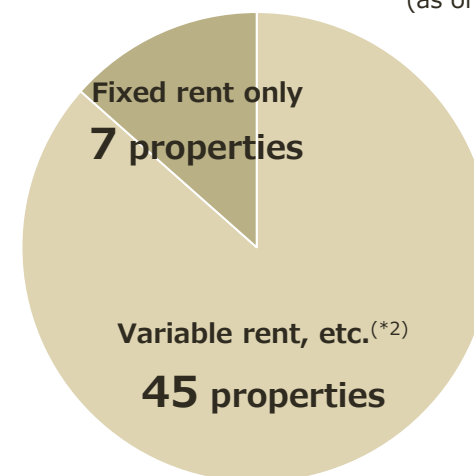
Proportion of Rental Income

(FY12/2026 forecast)



Proportion of Rent Structures

(as of March 13, 2026)



(*1) Variable rent, Rent from revenue-sharing rent and Income from management contracts.

(*2) Fixed rent + variable rent structure, Fixed rent + revenue-sharing rent structure, Variable rent structure and management contract structure.

(*3) The proportion of rental income is based on the Financial Report for FY12/2025 dated February 25, 2026.

3. External Growth Strategy

External Environment

Trend of the Hotel Investment Market

- The hotel market in Japan continues to grow, driven by robust domestic accommodation demand and expanding inbound demand.
- As for the hotel transaction market, not only foreign funds, but also domestic investors, including J-REITs, are increasingly considering hotel investments. This is driven by expectations for the further growth in the hotel market, and proactive lending stance of financial institutions toward hotel assets. Under these conditions, hotel transactions are likely to become even more active.
- For acquisition of hotels, it is important to differentiate each hotel since the competitiveness of hotels is becoming more evident in accordance with the hotel specifications, locations and the abilities of hotel operators.

Basic Policies

- Acquire highly competitive hotel real estate, etc. in areas that have potential to attract "demand by both domestic and inbound leisure customers" in the medium to long term
- Improve profitability, stability and quality of the overall portfolio



Key Measures

- Emphasize the superiority of buildings and facilities (infrastructure), operations (services), locations of hotel real estate, etc.
 - The prime investment targets are "full-service hotels" and "resort hotels" that have high barriers to entry due to operation and management know-how, capital outlay and locations
 - For "limited-service hotels," the creditworthiness of the hotel lessee, the age of the building, location, guest room composition and profitability are important
 - For limited-service hotels that specialize in selling single rooms, we will consider acquiring them individually, taking into account the specifications and upside potential of the hotel
 - In particular, we will actively consider purchasing hotels that can be expected to grow internally through an aggressive asset management strategy and hotels that can be expected to generate synergies with existing properties
- Strategic investment areas
 - Hokkaido area, Tokyo and Bay area^(*1), Osaka/Kyoto area^(*2), Fukuoka area and Okinawa area
- Investigate and plan the internal growth strategy in property acquisition
 - At the time of contract renewal, etc., investigate appropriate rent levels and structures as well as the potential for cost savings and building and facility improvement
 - Promote internal growth by collaborating with lessees and operators, especially when the hotel has variable rent structure, etc.
- Respond to various investment opportunities by utilizing HMJ's efficient hotel operation platform, know-how for operational improvement, etc.

(*1) Bay area includes the coastal area of Tokyo Bay in Kanagawa and Chiba prefectures. The same shall apply hereinafter.

(*2) Osaka/Kyoto Area refers to Osaka and Kyoto prefectures. The same shall apply hereinafter.

4. Internal Growth Strategy

External Environment

Hotel Market Environment

- With more visitors from Asia, Europe and the U.S., inbound demand is expected to remain above pre-pandemic levels, and accommodation demand is anticipated to continue to be strong.
- The continued growth in inbound demand will support market expansion, with increased flight routes and eased visa requirements expected to further drive inbound tourism to Japan.
- While the market continues to experience strong growth, upward pressure on costs and expenses has occurred. We believe it is key to increase unit prices by appropriately passing on higher costs, conducting renovation, providing added value, implementing appropriate marketing strategies, etc.

Basic Policies

- Pursue both stability and upside potential by steadily implementing active asset management strategies



Key Measures

- Planning and execution of the active asset management in order to realize pursuit in upside revenue
 - Make strategic CAPEX which will improve profitability and strengthen competitiveness mainly at hotels with high growth potential
 - Raise rent and change to rent structures that can achieve upside revenue
 - Reduction of management contract fee of properties under management contract
 - Increase hotel revenue through collaboration with high-quality operators
 - Attract inbound demand through rebranding to international brands, etc.
 - Make proactive proposals to build effective hotel operating structures which aim to maximize GOP, from the perspective of both hotel revenue and expenses
 - Stimulate and capture domestic demand by creating products utilizing the characteristics of each hotel in line with the current market environment
- Planning and execution of strategic CAPEX which secure steady revenue, and monitoring of lessees
 - Analyze the creditworthiness of hotel lessees, understand income and expenditures of hotels, closely observe and improve rent-paying capacity
 - Maintain and improve rent-paying capacity of tenants, etc. through capital expenditures, which lead to maintain and improve competitiveness and asset value

External Environment

Trend of Financing Environment and Interest Rates

- J-REIT public offerings in 2025 declined year-on-year in both number and total amount. The TSE REIT Index rose by around 20% since the start of the year, reflecting strong office leasing conditions and improving supply-demand balance.
- With expectations for continued growth in hotel performance supported by strong inbound demand, financial institutions are taking a more positive stance.
- Certain caution remains required for further increases in interest rates due to the Bank of Japan's policy reviews and overseas factors.

Basic Policies

- Ensure healthy and stable finance
- Strengthen lender formation and relationships with financial institutions
- Diversify financing methods

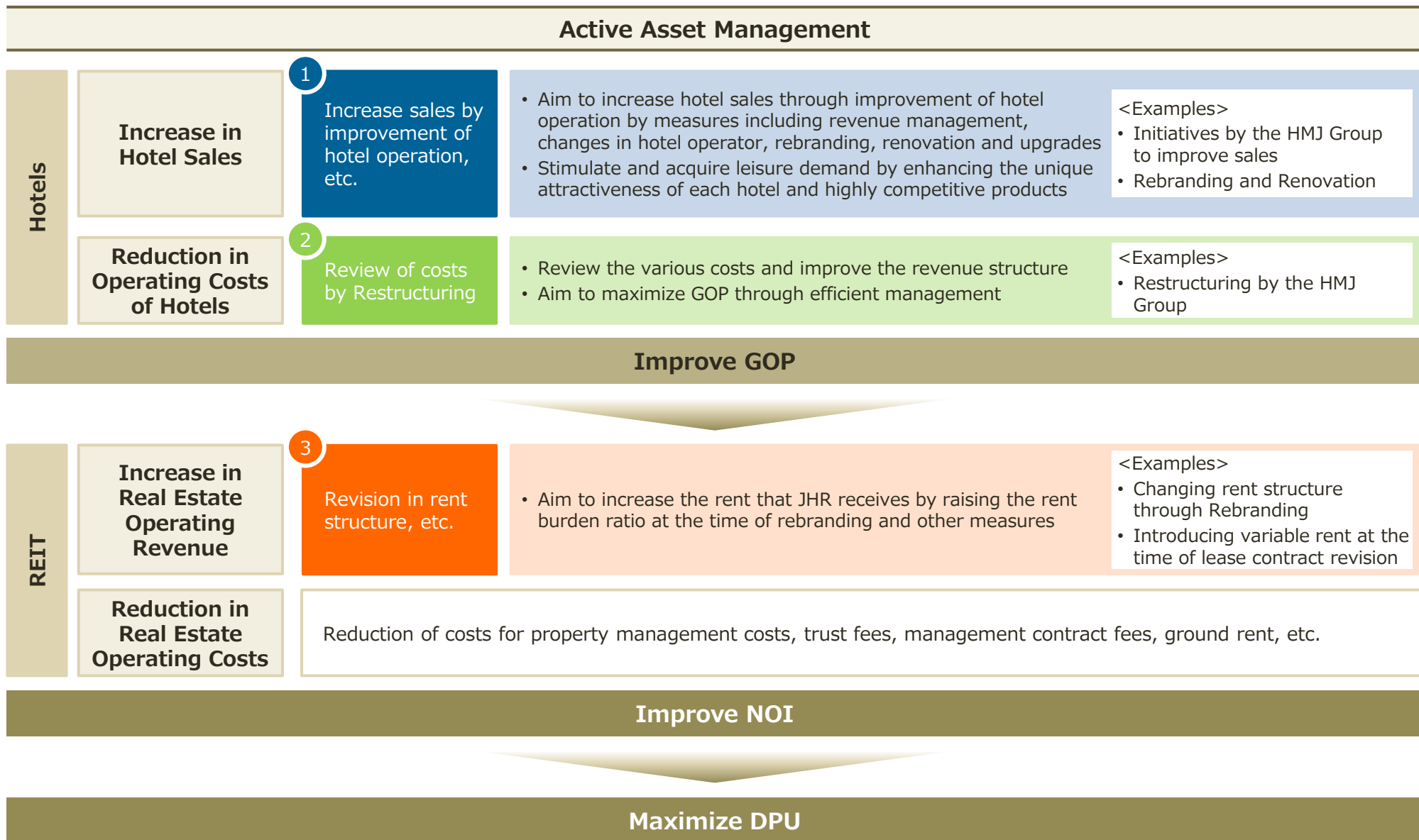


Key Measures

- Improve financial stability through leveling out maturity ladder and fixing interest rate
- Pursue longer loan terms with cost consideration amid rising interest rates
- In principle, maintain appraisal-based LTV level at a maximum of 40%
- Maintain good relationship with financial institutions
- Diversify financing methods and promote green finance, including public offerings and issuance of investment corporation bonds

6. Internal Growth through Active Asset Management

◆ Realize upside potential through Active Asset Management

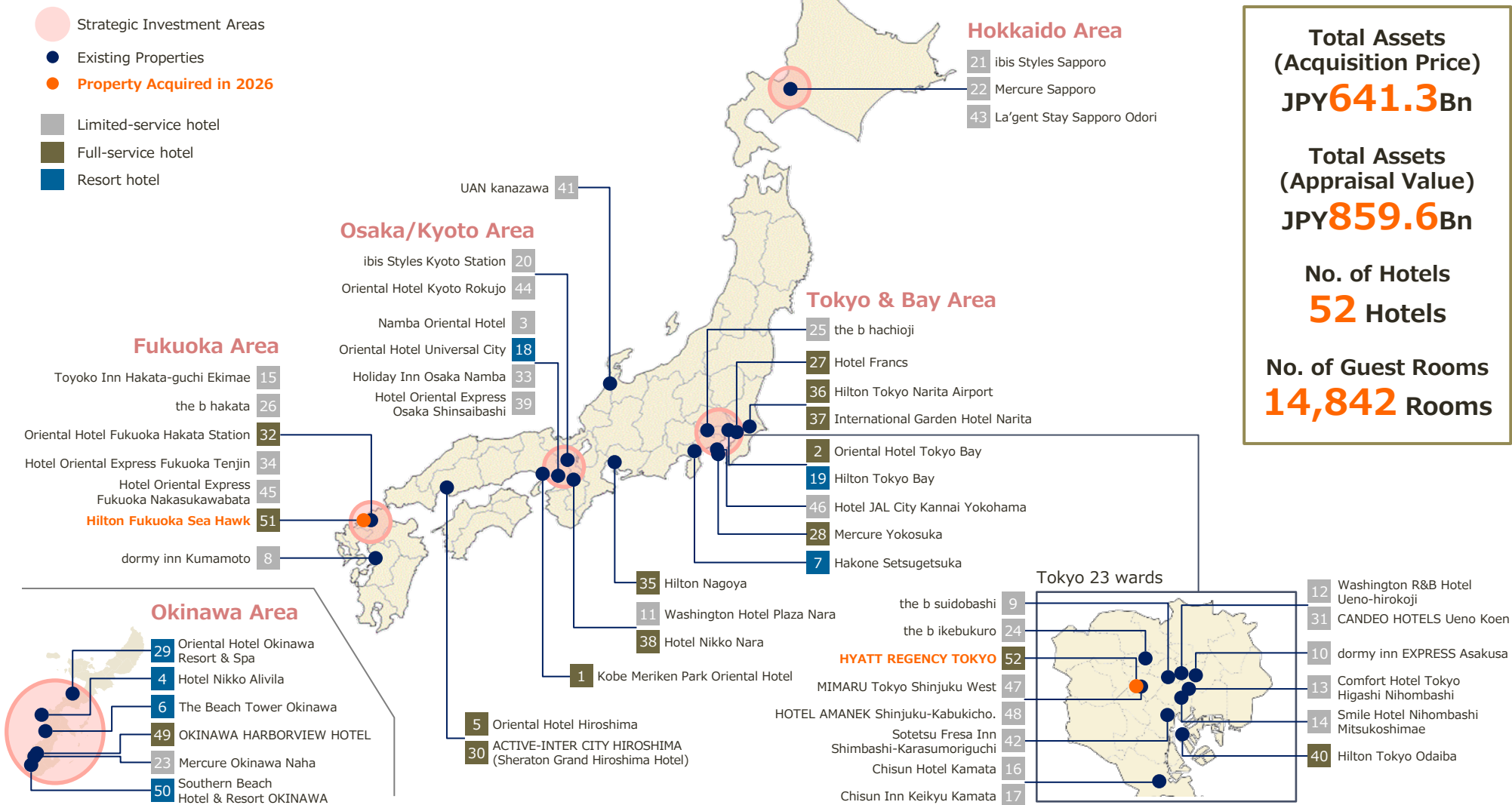


Appendix 2
Information of Properties

1. Portfolio Map

- ◆ Portfolio consisted of competitive hotels in areas with strong leisure accommodation demand
- ◆ Selectively invest in locations with high growth potential of leisure demand such as Strategic Investment Areas

(as of March 13, 2026)



Total Assets (Acquisition Price)
JPY641.3Bn

Total Assets (Appraisal Value)
JPY859.6Bn

No. of Hotels
52 Hotels

No. of Guest Rooms
14,842 Rooms

2. List of Portfolio

Limited-service hotel
 Full-service hotel
 Resort hotel
 (as of March 13, 2026)

The 29 Hotels with Variable Rent, etc.

HMJ Group

Accor Group

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Ishin Group

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Large-scale Renovation Ongoing

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Acquisition in 2026

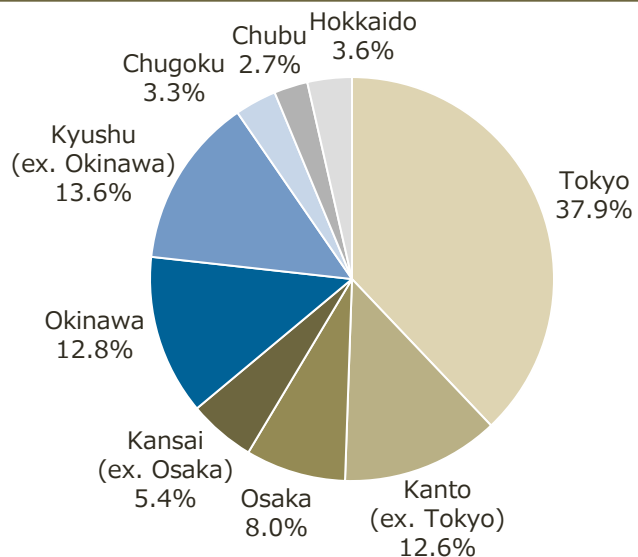
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3. Portfolio Diversification

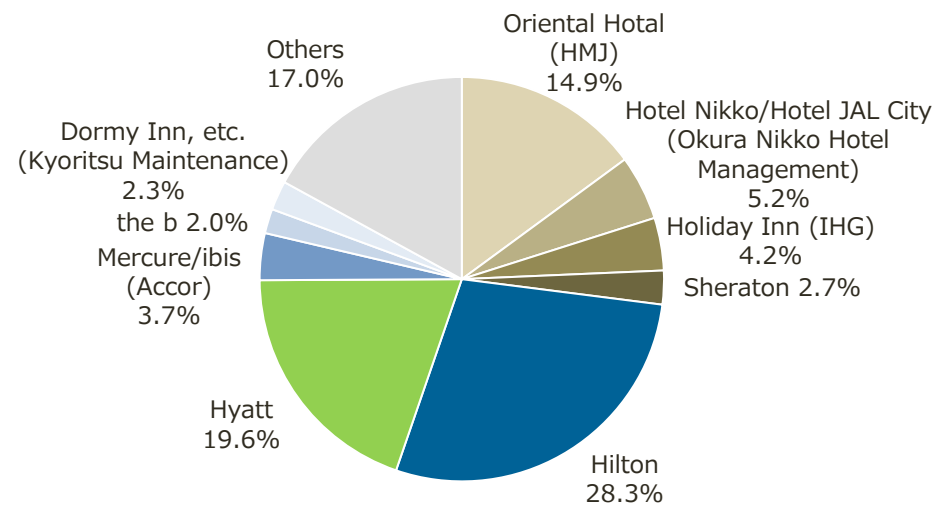
◆ Widely diversified and high-quality portfolio

(as of March 13, 2025)

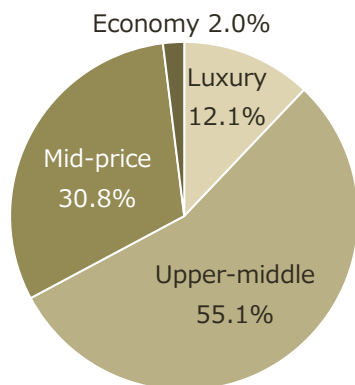
By Area(*)



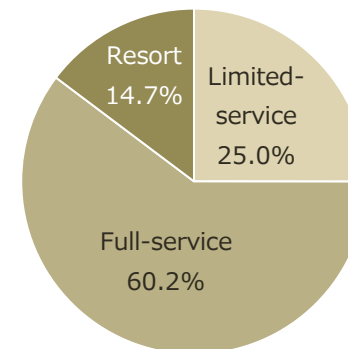
By Hotel Brand(*)



By Hotel Grade(*)



By Hotel Type(*)



(*) All figures are calculated based on the acquisition price. Percentages are rounded to one decimal place.

4. Rent Structure

◆ Aim to secure stability through fixed rents and increase variable rents, etc. through active asset management strategies

(FY12/2026 Result)

Rent Structure ^(*1)		Fixed rent	Fixed rent + Revenue-sharing rent	Fixed rent + Variable rent	Variable rent	Management contract	Total
Type of Contract		Lease contract	Lease contract	Lease contract	Lease contract	Management contract	
Type of Rent	Fixed	○	○	○	-	-	-
	Variable	-	A certain percentage of revenue exceeding the threshold	A certain percentage of hotel GOP	A certain percentage of hotel revenue or hotel GOP	Hotel GOP	-
Real Estate Operating Revenue ^(*2) (%)		JPY1,603MM (3.2%)	JPY4,029MM (8.1%)	JPY39,130MM (78.4%)	JPY2,287MM (5.4%)	JPY2,453MM (4.9%)	JPY49,903MM (100.0%)
(breakdown)	Fixed Rent ^(*3) (%)	JPY1,603MM (3.2%)	JPY2,741MM (5.5%)	JPY17,923MM (35.9%)	JPY127MM (0.3%)	JPY165MM (0.3%)	JPY22,561MM (45.2%)
	Variable Rent (%)	-	JPY1,287MM (2.6%)	JPY21,206MM (42.5%)	JPY2,560MM (5.1%)	JPY2,287MM (4.6%)	JPY27,342MM (54.8%)
CAPEX Paid by JHR ^(*4)		1. Renewal of building and facilities	1. Renewal of building and facilities (3. Strategic investment)	1. Renewal of building and facilities 2. Fixtures and equipment 3. Strategic investment	1. Renewal of building and facilities 2. Fixtures and equipment 3. Strategic investment	1. Renewal of building and facilities 2. Fixtures and equipment 3. Strategic investment	-
No. of Properties		7	5	31	5	4	52
Acquisition Price (%)		JPY24,806MM (3.9%)	JPY42,354MM (6.6%)	JPY522,579MM (81.5%)	JPY29,255MM (4.6%)	JPY22,397MM (3.5%)	JPY641,391MM (100.0%)
Hotels		The Beach Tower Okinawa Hakone Setsugetsuka dormy inn EXPRESS Asakusa Washington Hotel Plaza Nara Washington R&B Hotel Ueno-hirokoji Toyoko Inn Hakata-guchi Ekimae CANDEO HOTELS Ueno Koen	Hilton Tokyo Bay Smile Hotel Nihombashi Mitsukoshimae Comfort Hotel Tokyo Higashi Nihombashi UAN kanazawa Sotetsu Fresa Inn Shimbashi-Karasumoriguchi	HMJ Group (23 Hotels) ^(*5) Ishin Group (4 Hotels) dormy inn Kumamoto Hotel Francs ^(*6) MIMARU Tokyo Shinjuku West HOTEL AMANEK Shinjuku-Kabukicho.	Hilton Nagoya Mercure Yokosuka Chisun Hotel Kamata Chisun Inn Keikyuu Kamata La'gent Stay Sapporo Odori	ibis Styles Kyoto Station ibis Styles Sapporo Mercure Sapporo Mercure Okinawa Naha	-

(*1) Rent structure is classified based on the type of rent under the lease contract and other contracts of hotels owned by JHR as of March 13, 2026.

(*2) Based on the revenue forecast for FY12/2026, which was announced in the Financial Report dated February 25, 2026.

(*3) The fixed amount of real estate operating revenue does not include fixed rent from the hotel lessees as well as fixed rent and water utility expense income under the lease contracts for the non-hotel parts (offices, signage, car park, retail shop, etc.) of the acquired assets.

(*4) The table lists a general scope of CAPEX paid by JHR and detail is individually stipulated in the lease contract of each hotel.

(*5) The rent structure for OKINAWA HARBORVIEW HOTEL, one of the HMJ group, is as follows: until July 31, 2026, fixed rent only. On and after August 1, 2026, a combination of fixed and variable rent will apply.

5. Property List (1/2)

(as of March 13, 2026)

No.	Property Name	Hotel Type (*1)	Grade (*2)	No. of Guest Rooms	Location	Age (*3)	Acquisition Price (JPY MM) (*4)	Book Value (JPY MM) (*5)	Appraisal Value				Investment Ratio (*6)	Revenue from Real Estate Operation (JPY1,000) (*7)	NOI (JPY1,000) (*7)	P/L from Real Estate Operation (JPY1,000) (*7)	NOI Yield (result) (*8)
									26th Period (as of June 30, 2025)		26th Period (as of December 31, 2025)						
									Appraisal Value (JPY MM)	CAP Rate	Appraisal Value (JPY MM)	CAP Rate					
1	Kobe Meriken Park Oriental Hotel	Full-service	Upper-middle	323	Hyogo	30.7	10,900	9,723	14,800	4.8%	14,600	4.8%	2.1%	1,238,474	993,101	642,097	9.1%
2	Oriental Hotel Tokyo Bay	Full-service	Upper-middle	511	Chiba	30.9	19,900	18,307	35,100	4.3%	35,100	4.3%	3.9%	2,244,657	2,111,712	1,437,705	10.6%
3	Namba Oriental Hotel	Limited-service	Mid-price	267	Osaka	30.0	15,000	15,430	33,700	4.1%	33,700	4.1%	2.9%	1,646,205	1,525,864	1,348,543	10.2%
4	Hotel Nikko Alivila	Resort	Luxury	397	Okinawa	31.9	18,900	17,795	29,100	4.7%	29,200	4.7%	3.7%	1,673,671	1,511,484	1,250,382	8.0%
5	Oriental Hotel Hiroshima	Full-service	Upper-middle	227	Hiroshima	32.5	4,100	3,958	4,340	4.9%	4,290	4.9%	0.8%	269,008	223,500	145,706	5.5%
6	The Beach Tower Okinawa	Resort	Mid-price	280	Okinawa	22.0	7,610	6,361	10,200	4.3%	10,400	4.5%	1.5%	511,008	464,348	340,886	6.1%
7	Hakone Setsugetsuka	Resort	Mid-price	158	Kanagawa	19.4	4,070	3,421	5,620	4.6%	5,630	4.6%	0.8%	294,944	269,517	170,222	6.6%
8	dormy inn Kumamoto	Limited-service	Mid-price	291	Kumamoto	18.1	2,334	2,121	3,970	5.4%	5,570	5.4%	0.5%	286,895	263,279	208,027	11.3%
9	the b suidobashi	Limited-service	Mid-price	99	Tokyo	39.5	1,120	1,155	2,530	4.0%	2,530	4.0%	0.2%	186,259	174,995	148,439	15.6%
10	dormy inn EXPRESS Asakusa	Limited-service	Economy	75	Tokyo	29.0	999	915	1,330	3.8%	1,300	3.8%	0.2%	65,075	55,484	42,085	5.6%
11	Washington Hotel Plaza Nara	Limited-service	Mid-price	203	Nara	26.0	2,050	1,710	2,450	4.8%	2,450	4.8%	0.4%	151,000	134,000	98,000	6.5%
12	Washington R&B Hotel Ueno-hirokoji	Limited-service	Economy	176	Tokyo	23.9	1,720	1,770	1,880	3.9%	1,880	3.9%	0.3%	97,300	80,791	60,856	4.7%
13	Comfort Hotel Tokyo Higashi Nihombashi	Limited-service	Economy	259	Tokyo	18.1	3,746	3,404	5,910	4.1%	5,910	4.1%	0.7%	358,320	324,628	279,532	8.7%
14	Smile Hotel Nihombashi Mitsukoshimae	Limited-service	Economy	164	Tokyo	29.0	2,108	2,005	3,170	3.9%	3,170	3.9%	0.4%	178,386	160,812	137,685	7.6%
15	Toyoko Inn Hakata-guchi Ekimae	Limited-service	Economy	256	Fukuoka	24.5	1,652	1,310	2,770	4.4%	2,780	4.4%	0.3%	141,039	125,362	107,531	7.6%
16	Chisun Hotel Kamata	Limited-service	Economy	105	Tokyo	34.1	1,512	1,440	2,090	4.6%	2,130	4.6%	0.3%	182,391	167,448	128,059	11.1%
17	Chisun Inn Keikyu Kamata	Limited-service	Economy	70	Tokyo	22.9	823	760	1,450	4.4%	1,460	4.4%	0.2%	106,753	99,168	86,577	12.0%
18	Oriental Hotel Universal City	Resort	Upper-middle	330	Osaka	24.7	6,753	7,216	22,300	4.7%	22,300	4.7%	1.3%	1,926,944	1,864,228	1,713,414	27.6%
19	Hilton Tokyo Bay	Resort	Luxury	828	Chiba	37.7	26,050	26,025	42,800	4.1%	42,800	4.1%	5.1%	2,565,283	2,280,838	2,068,126	8.8%
20	ibis Styles Kyoto Station	Limited-service	Mid-price	215	Kyoto	17.0	6,600	6,519	10,000	4.2%	10,000	4.2%	1.3%	477,472	420,063	388,921	6.4%
21	ibis Styles Sapporo	Limited-service	Mid-price	278	Hokkaido	15.6	6,797	6,211	11,300	4.7%	11,300	4.7%	1.3%	663,565	543,854	460,457	8.0%
22	Mercure Sapporo	Limited-service	Mid-price	285	Hokkaido	16.9	6,000	5,514	12,400	4.6%	12,400	4.6%	1.2%	920,294	704,206	611,589	11.7%
23	Mercure Okinawa Naha	Limited-service	Mid-price	260	Okinawa	16.6	3,000	2,703	7,400	4.6%	7,440	4.6%	0.6%	402,903	342,470	275,653	11.4%
24	the b ikebukuro	Limited-service	Mid-price	175	Tokyo	43.7	6,520	6,667	7,810	4.0%	7,990	4.0%	1.3%	448,060	416,127	380,934	6.4%
25	the b hachioji	Limited-service	Mid-price	196	Tokyo	39.6	2,610	2,662	2,740	5.0%	2,740	5.0%	0.5%	213,341	188,319	150,555	7.2%
26	the b hakata	Limited-service	Mid-price	175	Fukuoka	28.5	2,300	2,318	6,120	4.2%	6,180	4.2%	0.4%	361,963	346,821	320,806	15.1%
27	Hotel Francs	Full-service	Mid-price	222	Chiba	34.6	3,105	3,268	6,690	4.7%	6,690	4.7%	0.6%	485,549	424,748	361,843	13.7%
28	Mercure Yokosuka	Full-service	Upper-middle	160	Kanagawa	32.4	1,650	1,711	3,640	4.6%	3,640	4.6%	0.3%	447,956	327,955	285,951	19.9%
29	Oriental Hotel Okinawa Resort & Spa	Resort	Upper-middle	361	Okinawa	21.1	14,950	16,663	19,700	4.8%	19,700	4.8%	2.9%	1,686,437	1,593,318	1,070,035	10.7%

5. Property List (2/2)

(as of March 13, 2026)

No.	Property Name	Hotel Type (*1)	Grade (*2)	No. of Guest Rooms	Location	Age (*3)	Acquisition Price (JPY MM) (*4)	Book Value (JPY MM) (*5)	Appraisal Value				Investment Ratio (*6)	Revenue from Real Estate Operation (JPY1,000) (*7)	NOI (JPY1,000) (*7)	P/L from Real Estate Operation (JPY1,000) (*7)	NOI Yield (result) (*8)
									26th Period (as of June 30, 2025)		26th Period (as of December 31, 2025)						
									Appraisal Value (JPY MM)	CAP Rate	Appraisal Value (JPY MM)	CAP Rate					
30	ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel)	Full-service	Luxury	238	Hiroshima	15.5	17,320	16,881	20,500	4.5%	20,600	4.5%	2.7%	1,843,340	1,325,465	1,072,612	7.7%
31	CANDEO HOTELS Ueno Koen	Limited-service	Mid-price	268	Tokyo	16.2	6,705	6,506	7,620	3.9%	7,420	3.9%	1.0%	349,971	322,154	272,700	4.8%
32	Oriental Hotel Fukuoka Hakata Station	Full-service	Upper-middle	221	Fukuoka	40.7	7,197	7,847	15,700	4.6%	16,000	4.6%	1.1%	2,096,700	1,850,869	1,481,293	25.7%
33	Holiday Inn Osaka Namba	Limited-service	Mid-price	314	Osaka	17.6	27,000	26,420	27,300	4.3%	27,300	4.3%	4.2%	1,498,984	1,446,950	1,317,040	5.4%
34	Hotel Oriental Express Fukuoka Tenjin	Limited-service	Mid-price	263	Fukuoka	26.9	5,248	5,729	7,600	4.6%	7,820	4.6%	0.8%	1,004,701	878,618	811,710	16.7%
35	Hilton Nagoya	Full-service	Luxury	460	Aichi	37.0	15,250	15,341	15,500	4.1%	15,500	4.1%	2.4%	1,537,874	864,299	668,749	5.7%
36	Hilton Tokyo Narita Airport	Full-service	Upper-middle	548	Chiba	32.6	13,175	13,193	13,200	4.4%	13,200	4.4%	2.1%	727,267	651,786	403,586	4.9%
37	International Garden Hotel Narita	Full-service	Mid-price	463	Chiba	29.8	9,125	8,774	9,650	4.7%	9,650	4.7%	1.4%	522,366	478,918	312,824	5.2%
38	Hotel Nikko Nara	Full-service	Upper-middle	330	Nara	28.0	10,373	10,018	10,000	4.7%	10,000	4.7%	1.6%	563,312	514,260	348,612	5.0%
39	Hotel Oriental Express Osaka Shinsaibashi	Limited-service	Mid-price	124	Osaka	8.1	2,738	2,757	2,900	4.5%	2,900	4.5%	0.4%	274,782	259,474	242,474	9.5%
40	Hilton Tokyo Odaiba	Full-service	Upper-middle	453	Tokyo	30.2	62,400	63,023	72,700	3.6%	72,700	3.7%	9.7%	3,285,909	2,926,988	2,598,533	4.7%
41	UAN kanazawa	Limited-service	Upper-middle	47	Ishikawa	8.5	2,050	2,022	2,340	4.5%	2,340	4.5%	0.3%	130,017	118,884	98,558	5.8%
42	Sotetsu Fresa Inn Shimbashi-Karasumoriguchi	Limited-service	Mid-price	220	Tokyo	18.0	8,400	8,435	10,200	3.7%	10,300	3.7%	1.3%	468,420	398,864	375,503	4.7%
43	La'gent Stay Sapporo Odori	Limited-service	Mid-price	219	Hokkaido	9.7	10,020	10,956	11,800	4.2%	11,800	4.2%	1.6%	695,003	650,519	522,230	6.5%
44	Oriental Hotel Kyoto Rokujo	Limited-service	Mid-price	166	Kyoto	6.5	4,446	4,550	6,650	4.1%	6,650	4.1%	0.7%	422,482	401,147	362,386	9.0%
45	Hotel Oriental Express Fukuoka Nakasukawabata	Limited-service	Mid-price	183	Fukuoka	4.9	4,460	4,614	6,280	4.1%	6,280	4.1%	0.7%	517,245	494,198	467,321	11.1%
46	Hotel JAL City Kannai Yokohama	Limited-service	Mid-price	170	Kanagawa	19.3	4,000	4,006	4,580	4.0%	4,590	4.0%	0.6%	226,482	206,147	173,736	5.2%
47	MIMARU Tokyo Shinjuku West	Limited-service	Upper-middle	76	Tokyo	6.1	9,645	9,982	14,200	3.6%	14,200	3.6%	1.5%	591,164	563,226	535,129	5.8%
48	HOTEL AMANEK Shinjuku-Kabukicho.	Limited-service	Mid-price	169	Tokyo	3.0	8,845	9,154	12,900	3.7%	12,900	3.7%	1.4%	572,827	552,104	527,680	6.2%
49	OKINAWA HARBORVIEW HOTEL	Full-service	Mid-price	352	Okinawa	50.9	21,562	26,346	24,200	5.2%	24,200	4.6%	3.4%	1,050,000	1,014,722	669,367	4.7%
50	Southern Beach Hotel & Resort OKINAWA	Resort	Mid-price	448	Okinawa	16.9	16,200	16,228	20,300	4.9%	20,300	4.8%	2.5%	772,920	721,935	511,597	4.5%
51	Hilton Fukuoka Sea Hawk	Full-service	Upper-middle	1,052	Fukuoka	31.0	64,350	64,642	71,700	4.3%	71,700	4.3%	10.0%	3,809,458	3,750,344	3,140,223	5.8%
52	HYATT REGENCY TOKYO ^(*9)	Full-service	Upper-middle	712	Tokyo	45.6	126,000	-	-	-	156,000	3.6%	19.6%	-	-	-	-
Total or Average		-	-	14,842	-	30.6	641,391	516,511	701,130	-	859,630	-	100.0%	43,211,368	38,547,851	31,650,044	-

(*1) For hotel type, "Full-service" refers to a "full-service hotel," "Resort" refers to a "resort hotel," and "Limited-service" refers to a "limited-service hotel."

(*2) Mainly based on ADR, etc., JHR has classified the hotels into 4 categories as "luxury," "upper-middle," "mid-price" and "economy."

(*3) The age of each property is as of March 13, 2026. Average age is the weighted average calculated as follows: The sum of (acquisition price of each property x property age)/total acquisition price.

(*4) The acquisition price in the purchase and sale agreement for beneficial interest in trust, etc. (Consumption tax, an amount equivalent to consumption tax, brokerage fee and other purchase-related costs are excluded.)

(*5) Book value is as of the end of December 2025.

(*6) The investment ratio column shows the ratio of the acquisition price of each property to the total acquisition price, rounded to one decimal place.

(*7) Actual results for 12 months from January to December 2025. Since the lessees did not agree to disclose numbers in units of JPY1,000 for No. 11, the amounts are rounded down to the nearest JPY million.

In addition, the total figures include actual results from Washington Hotel Plaza Hakata, Nakasu, which was sold in January 2025.

(*8) NOI yield (result) is calculated by dividing the NOI (result) for the full year FY12/2025 by each acquisition price.

(*9) Since the property was acquired in March 2026, the appraisal value at the end of December 2025 is the appraisal value at acquisition.

6. Summary of Lease Contracts (1/3)

(as of the end of December 2025)

No.	Property Name	Lease Type	Rent Structure (*1)	Lessee (*2)	Hotel Operator/ Hotel Consulting and Management Company	Lease/ MC Term	Expiration Date of Contract	Contractual Rent (*3)	Rent Modification Summary	Most Recent Rent Modification Summary (After acquisition)		Rent Modification Schedule (2026 to 2027)																	
										Timing	Condition	2026	2027																
1	Kobe Meriken Park Oriental Hotel	Fixed-lease	Fixed + Variable	Hotel Management Japan Co., Ltd.	Okura Nikko Hotel Management Co., Ltd.	15	Dec. 2034	For 5 HMJ Hotels JPY3,221MM/year + when Hotel AGOP exceeds JPY4,120MM, the excess x 85% is paid	In principle, the same rent will be applied until expiration of the contract.	Jan. 2023	Modified Structure	-	-																
2	Oriental Hotel Tokyo Bay																												
3	Namba Oriental Hotel																												
4	Oriental Hotel Hiroshima																												
5	Hotel Nikko Aliviva																												
6	The Beach Tower Okinawa ^(**4)	Fixed-lease	Fixed	Kyoritsu Maintenance Co., Ltd.		20	Jun. 2026	JPY511MM/year	The same rent will be applied until expiration of the contract.	Jul. 2026 (plan)	Increased in fixed rent + Introduced variable rent	-	To expire (Jun.)																
		Fixed + Variable																											
7	Hakone Setsugetsuka	Fixed-lease	Fixed											20	Oct. 2026	JPY294MM/year	The same rent will be applied until expiration of the contract.	-	-	To expire (Oct.)	-								
8	dormy inn Kumamoto ^(**5)	Fixed-lease	Fixed + Variable																			3	Mar. 2026	JPY194MM/year + when Hotel GOP exceeds JPY400MM, the excess x 40% is paid	Rent can be modified through mutual agreement.	Apr. 2026 (plan)	Same fixed rent + Change in rate applied to variable rent	-	-
																						5	Mar. 2031	JPY194MM/year + when Hotel GOP exceeds JPY250MM, the excess x 50% is paid					
9	dormy inn EXPRESS Asakusa	Ordinary Lease	Fixed			3	Mar. 2026	JPY63MM/year	Rent can be modified through mutual agreement every 3 years.	Apr. 2023	Same	To expire (Mar.)	-																
10	Washington Hotel Plaza Nara	Ordinary Lease	Fixed	Washington Hotel K.K.		3	Mar. 2026	JPY131MM/year	Rent can be modified through mutual agreement.	Mar. 2023	Same	To expire (Mar.)	-																
11	Washington R&B Hotel Ueno-hirokoji	Ordinary Lease	Fixed											3	Apr. 2028	JPY96MM/year	Rent can be modified through mutual agreement.	Apr. 2025	Increased (+3.0%)	-	-								
12	Comfort Hotel Tokyo Higashi Nihombashi	Fixed-lease	Fixed + Revenue sharing	Greens Co., Ltd.		20	Jan. 2028	JPY242MM/year + Revenue-sharing rent	Rent can be modified through mutual agreement every 5 years.	Apr. 2018	Same (Introduced Revenue-sharing rent)	-	-																
13	Smile Hotel Nihombashi Mitsukoshimae	Ordinary Lease	Fixed + Revenue sharing	THE KAMOGAWA GRAND HOTEL, LTD.		3	Mar. 2026	JPY134MM/year + Revenue-sharing rent	Rent can be modified through mutual agreement.	Mar. 2023	Same	To expire (Mar.)	-																
14	Toyoko Inn Hakata-guchi Ekimae	Ordinary Lease	Fixed	Toyoko Inn Co., Ltd.		30	Sep. 2031	JPY141MM/year	No rule has been stipulated.	Oct. 2007	Increased (+9.4%)	-	-																
15	Chisun Hotel Kamata	Fixed-lease	Variable	Solare Hotels and Resorts Co., Ltd.	SHR Hotels, Co., Ltd.	5	Dec. 2030	Hotel GOP x 88% (If the amount is below JPY0, it will be JPY0)	-	Jan. 2026	Change in rate applied to variable rent	-	-																
16	Chisun Inn Keikyuu Kamata	Fixed-lease	Variable											7	Dec. 2026	Hotel GOP x 86% (If the amount is below JPY0, it will be JPY0)	-	Jan. 2020	Same	To expire (Dec.)	-								
17	Oriental Hotel Universal City	Fixed-lease	Fixed + Variable	K.K. Osaka Sakurajima Operations (*)		10.5	Dec. 2031	JPY350MM/year + when Hotel AGOP exceeds JPY370MM, the excess x 95% is paid	In principle, the same rent will be applied until expiration of the contract.	Jul. 2021	Change in lessee and Modified Structure	-	-																
18	Hilton Tokyo Bay	Fixed-lease	Fixed + Revenue sharing	THE DAI-ICHI BUILDING CO., LTD.	Hilton International Company	6	Dec. 2028	JPY1,965MM/year + Revenue-sharing rent	Rent can be modified through mutual agreement.	Jan. 2019	Renewed (Increased)	-	-																

6. Summary of Lease Contracts (2/3)

(as of the end of December 2025)

No.	Property Name	Lease Type	Rent Structure (*1)	Lessee (*2)		Hotel Operator/Hotel Consulting and Management Company	Lease/MC Term	Expiration Date of Contract	Contractual Rent (*3)	Rent Modification Summary	Most Recent Rent Modification Summary (After acquisition)		Rent Modification Schedule (2026 to 2027)	
											Timing	Condition	2026	2027
19	ibis Styles Kyoto Station	-	Management contract	-	AAPC Japan K.K.		17	Dec. 2029	Amount equivalent to Hotel GOP	-	Jan. 2025	Renewed (Increased)	-	-
20	ibis Styles Sapporo	-	Management contract				15	Dec. 2029	Amount equivalent to Hotel GOP	-	Jan. 2025	Renewed (Increased)	-	-
21	Mercure Sapporo	-	Management contract				15	Sep. 2029	Amount equivalent to Hotel GOP	-	Oct. 2024	Renewed (Increased)	-	-
22	Mercure Okinawa Naha	-	Management contract				15	Apr. 2029	Amount equivalent to Hotel GOP	-	Apr. 2024	Renewed (Increased)	-	-
23	Mercure Yokosuka	Fixed-lease	Variable	AAPC Japan K.K.			5	Aug. 2029	Linked to Hotel GOP	The same rent will be applied until expiration of the contract.	Sep. 2024	Renewed (Increased)	-	-
24	the b ikebukuro	Fixed-lease	Fixed + Variable	Ishin Suidobashi Operations, K.K. ^(*6)			5	Jul. 2029	JPY142MM/year + Linked to Hotel AGOP	The same rent will be applied until expiration of the contract.	Aug. 2024	Renewed (Increased in fixed rent)	-	-
25	the b hachioji	Fixed-lease	Fixed + Variable			5	Jul. 2029	JPY75MM/year + Linked to Hotel AGOP	The same rent will be applied until expiration of the contract.	Aug. 2024	Renewed (Increased in fixed rent)	-	-	
26	the b hakata	Fixed-lease	Fixed + Variable			5	Jul. 2029	JPY99MM/year + Linked to Hotel AGOP	The same rent will be applied until expiration of the contract.	Aug. 2024	Renewed (Increased in fixed rent)	-	-	
27	the b suidobashi	Fixed-lease	Fixed + Variable			7	Dec. 2026	JPY30MM/year + Linked to Hotel AGOP	The same rent will be applied until expiration of the contract.	Oct. 2020	Fixed rent was changed (Reduction)	To expire (Dec.)	-	
28	Hotel Francs	Fixed-lease	Fixed + Variable	BP Co., Ltd.			6	Dec. 2030	JPY300MM/year + when Hotel GOP exceeds JPY350MM, the excess x 52% is paid	The same rent will be applied until expiration of the contract.	Oct. 2024	Increased in fixed rent + Introduced variable rent	-	-
29	Oriental Hotel Okinawa Resort & Spa	Fixed-lease	Fixed + Variable	Lagoon resort Nago Co., Ltd. (*)			10	Dec. 2030	JPY550MM/year + when Hotel AGOP exceeds JPY655MM, the excess x 95% is paid	In principle, the same rent will be applied until expiration of the contract.	Jan. 2023	Modified structure	-	-
30	ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel)	Fixed-lease	Fixed + Variable	K.K. A.I.C Hiroshima Management (*)	Starwood Asia Pacific Hotels & Resorts Pte.Ltd.		11	Dec. 2026	JPY348MM/year + when Hotel AGOP exceeds JPY360MM, the excess x 90% is paid	In principle, the same rent will be applied until expiration of the contract.	Jan. 2023	Modified Structure	To expire (Dec.)	-
31	CANDEO HOTELS Ueno Koen	Fixed-lease	Fixed	Candeo Hospitality Management, Inc.			20	Feb. 2030	Nondisclosure ^(*7)	Rent can be modified through mutual agreement every 3 years.	Jul. 2016	Nondisclosure ^(*7)	-	-
32	Oriental Hotel Fukuoka Hakata Station	Fixed-lease	Fixed + Variable	Hotel Centraza Co., Ltd. (*)			15	Dec. 2034	JPY425MM/year + when Hotel AGOP exceeds JPY442MM, the excess x 98% is paid	In principle, the same rent will be applied until expiration of the contract.	Jan. 2023	Modified structure	-	-
33	Holiday Inn Osaka Namba	Fixed-lease	Fixed + Variable	OW Hotel Operations KK (*)			15	Oct. 2031	JPY576MM/year + when Hotel AGOP exceeds JPY580MM, the excess x 97% is paid	In principle, the same rent will be applied until expiration of the contract.	Jan. 2023	Modified structure	-	-
34	Hotel Oriental Express Fukuoka Tenjin	Fixed-lease	Fixed + Variable	K.K Fukuoka Tenjin Operations (*)			10.5	Dec. 2031	JPY150MM/year + when Hotel AGOP exceeds JPY165MM, the excess x 97% is paid	In principle, the same rent will be applied until expiration of the contract.	Jun. 2021	Change in lessee and Modified structure	-	-
35	Hilton Nagoya	Ordinary Lease	Variable	Nagoya Hilton Co., Ltd.	Hilton International Company		41	Dec. 2029	Nondisclosure ^(*7)	Rent can be modified through mutual agreement.	-	-	-	-
36	Hilton Tokyo Narita Airport	Fixed-lease	Fixed + Variable	KK NaritaKosuge Operations (*)			20	Jun. 2037	JPY444MM/year + when Hotel AGOP exceeds JPY450MM, the excess x 93% is paid	In principle, the same rent will be applied until expiration of the contract.	Jan. 2023	Modified structure	-	-
37	International Garden Hotel Narita	Fixed-lease	Fixed + Variable	KK NaritaYoshikura Operations (*)			10	Jun. 2027	JPY336MM/year + when Hotel AGOP exceeds JPY360MM, the excess x 98% is paid	In principle, the same rent will be applied until expiration of the contract.	Jan. 2023	Modified structure	-	-
38	Hotel Nikko Nara	Fixed-lease	Fixed + Variable	Hotel Management Co., Ltd. (*)	Okura Nikko Hotel Management Co., Ltd.		10	Dec. 2030	JPY420MM/year + when Hotel AGOP exceeds JPY440MM, the excess x 95% is paid	In principle, the same rent will be applied until expiration of the contract.	Jan. 2023	Modified structure	-	-

6. Summary of Lease Contracts (3/3)

(as of the end of December 2025)

No.	Property Name	Lease Type	Rent Structure (*1)	Lessee (*2)	Hotel Operator/Hotel Consulting and Management Company	Lease/MC Term	Expiration Date of Contract	Contractual Rent (*3)	Rent Modification Summary	Most Recent Rent Modification Summary (After acquisition)		Rent Modification Schedule (2026 to 2027)	
										Timing	Condition	2026	2027
39	Hotel Oriental Express Osaka Shinsaibashi	Fixed-lease	Fixed + Variable	K.K. HOTEL ORIENTAL EXPRESS (*)		10	Mar. 2028	JPY110MM/year + when Hotel AGOP exceeds JPY128MM, the excess x 91% is paid	In principle, the same rent will be applied until expiration of the contract.	Jan. 2023	Modified structure	-	-
40	Hilton Tokyo Odaiba	Fixed-lease	Fixed + Variable	Tokyo Humania Enterprise Inc. (*)		11	Dec. 2029	JPY1,600MM/year + when Hotel AGOP exceeds JPY1,660MM, the excess x 98% is paid	In principle, the same rent will be applied until expiration of the contract.	Jan. 2023	Modified structure	-	-
41	UAN kanazawa	Fixed-lease	Fixed + Revenue sharing	Solare Hotels and Resorts Co., Ltd.	SHR Hotels Co., Ltd.	25	Oct. 2042	JPY108MM/year + when annual room sales exceeds JPY270MM, the excess x 30% is paid	In principle, the same rent will be applied until expiration of the contract.	-	-	-	-
42	Sotetsu Fresa Inn Shimbashi-Karasumoriguchi ^(*8)	Fixed-lease	Fixed + Revenue sharing	Sotetsu Hotel Development Co., Ltd.	Sotetsu Hotel Management CO., LTD.	3	Mar. 2026	JPY204MM/year + Revenue-sharing rent	The same rent will be applied until expiration of the contract.	-	-	To expire (Mar.)	-
	Hotel Oriental Express Ginza West ^(*8)		Fixed + Variable	Shimbashi Karasumori Operations Co., Ltd. (*)		10	Dec. 2036	JPY204MM/year + when Hotel AGOP exceeds JPY254MM, the excess x 95% is paid	In principle, the same rent will be applied until expiration of the contract.	Apr. 2026 (plan)	Change in lessee	-	-
43	La'gent Stay Sapporo Odori	Fixed-lease	Variable	AB Accommo. Co. Ltd.		3.6	Dec. 2027	Linked to Hotel GOP	The same rent will be applied until expiration of the contract.	May 2024	Changed calculation formula	-	To expire (Dec.)
44	Oriental Hotel Kyoto Rokujo	Fixed-lease	Fixed + Variable	Kyoto Horikawa Operations Co., Ltd. (*)		14.2	Dec. 2033	JPY171MM/year + when Hotel AGOP exceeds JPY183MM, the excess x 93.5% is paid	In principle, the same rent will be applied until expiration of the contract.	-	-	-	-
45	Hotel Oriental Express Fukuoka Nakasukawabata	Fixed-lease	Fixed + Variable	Fukuoka Tenyamachi Operations Co., Ltd. (*)		12.7	Dec. 2033	JPY174MM/year + when Hotel AGOP exceeds JPY189MM, the excess x 92% is paid	In principle, the same rent will be applied until expiration of the contract.	-	-	-	-
46	Hotel JAL City Kannai Yokohama	Fixed-lease	Fixed + Variable	K.K. Yokohama Yamashita-cho Operations (*)	Okura Nikko Hotel Management Co., Ltd.	10	Dec. 2033	JPY135MM/year + when Hotel AGOP exceeds JPY150MM, the excess x 95% is paid	In principle, the same rent will be applied until expiration of the contract.	-	-	-	-
47	MIMARU Tokyo Shinjuku West	Fixed-lease	Fixed + Variable	Cosmos Initia Co., Ltd.		20	Feb. 2040	Fixed rent (Nondisclosure ^(**7)) + Variable rent (Linked to Hotel GOP)	Rent can be modified through mutual agreement every 2 years.	Apr. 2025	Increased in fixed rent	-	Rent revision (Apr.)
48	HOTEL AMANEK Shinjuku-Kabukicho.	Fixed-lease	Fixed + Variable	AMANEK Corporation		20	Mar. 2043	Fixed rent (Nondisclosure ^(**7)) + Variable rent (Linked to Hotel GOP)	Rent can be modified through mutual agreement every 5 years.	-	-	-	-
49	OKINAWA HARBORVIEW HOTEL	Fixed-lease	Fixed + Variable	THE HOTELIER GROUP NAHA K.K. (*)		19	Dec. 2034	[until July 31, 2026] JPY1,050MM/year [on and after August 1, 2026] JPY660MM/year + when Hotel AGOP exceeds JPY720MM, the excess x 95% is paid	In principle, the same rent will be applied until expiration of the contract.	-	-	-	-
50	Southern Beach Hotel & Resort OKINAWA	Fixed-lease	Fixed + Variable	Okinawa Itoman Operations Co., Ltd. (* ^(*9))		10	Dec. 2035	JPY600MM/year + when Hotel AGOP exceeds JPY650MM, the excess x 93% is paid	In principle, the same rent will be applied until expiration of the contract.	Dec. 2025	Change in lessee	-	-
51	Hilton Fukuoka Sea Hawk	Fixed-lease	Fixed + Variable	Hawks Town Corporation (*)	Hilton Worldwide Manage Ltd.	10	Dec. 2034	JPY2,040MM/year + when Hotel AGOP exceeds JPY2,100MM, the excess x 95% is paid	Rent can be modified through mutual agreement	-	-	-	-
52	HYATT REGENCY TOKYO ^(**10)	Fixed-lease	Fixed + Variable	Nishishinjuku Hotel & Resort Co., Ltd. (*)		11	Dec. 2036	JPY3,600MM/year + when Hotel AGOP exceeds JPY3,720MM, the excess x 97.5% is paid	In principle, the same rent will be applied until expiration of the contract.	-	-	-	-

(*1) Rent structure is as follows:

Fixed: Fixed rent

Variable: Variable rent

Management contract: Management contract

Fixed + Variable: Property paying both fixed and variable rent

Fixed + Revenue sharing: When the sales of the hotel exceed pre-determined amount, additional rent is paid

(*2) The lessees marked with (*) are wholly owned subsidiaries of HMJ.

(*3) Amount including car park and CAM excluding consumption tax.

(*4) The Beach Tower Okinawa is scheduled to renew its lease contract as of July 1, 2026.

(*5) dormy inn Kumamoto is scheduled to renew its lease contract as of April 1, 2026.

(*6) The lessees of the b ikebukuro, the b hachioji and the b hakata were absorbed into the lessee of the b suidobashi and changed to Ishin Suidobashi Operations, K.K. effective January 1, 2026.

(*7) The detailed content of the contract is not disclosed as consent on disclosure has not been obtained from the lessee.

(*8) Sotetsu Fresa Inn Shimbashi-Karasumoriguchi is scheduled to be rebranded as "Hotel Oriental Express Ginza West" effective April 1, 2026.

(*9) The lessee of Southern Beach Hotel & Resort OKINAWA has changed to Okinawa Itoman Operations Co., Ltd. effective December 28, 2025.

(*10) Since the property was acquired in March 2026, the summary of the lease contract at acquisition is shown.

7. Balance Sheet

(JPY MM)

	FY12/2024 End of Fiscal Year December 31, 2024	FY12/2025 End of Fiscal Year December 31, 2025	Variance		FY12/2024 End of Fiscal Year December 31, 2024	FY12/2025 End of Fiscal Year December 31, 2025	Variance
ASSETS				LIABILITIES			
Current Assets	42,989	50,994	8,005	Current Liabilities	38,280	42,908	4,627
Cash and Deposits ^(*1)	36,029	41,981	5,952	Operating Accounts Payable	1,942	4,010	2,068
Operating Accounts Receivables	6,045	7,970	1,924	Short-term Loans	1,000	-	(1,000)
Others	914	1,043	128	Current Portion of Investment Corporation Bond	2,800	13,100	10,300
Noncurrent Assets	455,690	525,524	69,833	Current Portion of Long-term Loans Payable	30,000	22,780	(7,220)
Net Property and Equipment	419,202	484,905	65,703	Accounts Payable	1,564	1,946	382
Buildings in Trust ^(*2)	131,960	150,285	18,325	Advances Received	868	857	(11)
Land in Trust	283,826	330,376	46,550	Others	105	213	108
Others ^(*3)	3,415	4,243	827	Long-term Liabilities	177,247	240,660	63,413
Intangible Assets	32,038	31,612	(425)	Investment Corporation Bonds	31,100	20,600	(10,500)
Other Assets	4,449	9,006	4,556	Long-term Loans Payable	140,331	212,901	72,570
Leasehold and Security Deposits	152	152	-	Tenant Leasehold and Security Deposits	5,133	5,202	69
Others	4,297	8,854	4,556	Others	683	1,957	1,274
Deferred Assets	250	164	(86)	TOTAL LIABILITIES	215,528	283,568	68,040
				NET ASSETS			
				Unitholders' Capital	232,708	232,708	-
				Capital Surplus	21,746	21,746	-
				Reserve for Temporary Difference Adjustment	8,754	6,959	(1,795)
				Reserve for Special Advanced Depreciation	1,174	1,174	-
				Unappropriated Retained Earnings	18,273	27,147	8,873
				Others	744	3,377	2,633
				TOTAL NET ASSETS	283,402	293,114	9,712
TOTAL ASSETS	498,930	576,683	77,752	TOTAL LIABILITIES AND NET ASSETS	498,930	576,683	77,752

(*1) Cash and deposits in trust is included.

(*2) The sum of buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, and construction in progress in trust.

(*3) The sum of machinery and equipment, tools, furniture and fixtures, and construction in progress.

Appendix 3

Investors Composition and Investment Unit Price

1. Major Unitholders and Classifications of Unitholders

Top 10 Major Unitholders

As of the end of June 2025

Rank	Name	No. of Units	%(*)
1	The Master Trust Bank of Japan, Ltd. (Trust)	937,444	18.39
2	Custody Bank of Japan, Ltd. (Trust)	844,435	16.56
3	The Nomura Trust and Banking Co., Ltd. (Investment Trust)	277,086	5.43
4	BNYM AS AGT/CLTS 10 PERCENT	104,546	2.05
5	STATE STREET BANK AND TRUST COMPANY 505001	90,863	1.78
6	Meiji Yasuda Life Insurance Company	81,387	1.59
7	STATE STREET BANK WEST CLIENT - TREATY 505234	81,076	1.59
8	GOVERNMENT OF NORWAY	79,770	1.56
9	GOLDMAN SACHS INTERNATIONAL	78,544	1.54
10	STATE STREET BANK AND TRUST COMPANY 505103	73,334	1.43
Total		2,648,485	51.96

As of the end of December 2025

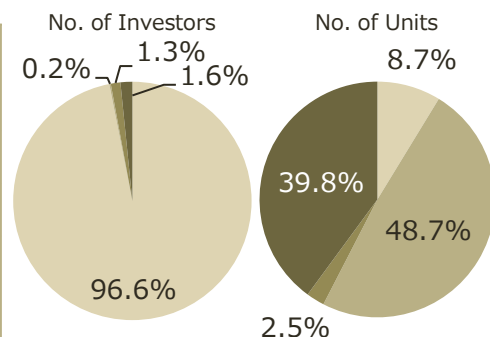
Rank	Name	No. of Units	%(*)
1	The Master Trust Bank of Japan, Ltd. (Trust)	921,516	18.07
2	Custody Bank of Japan, Ltd. (Trust)	866,985	17.00
3	The Nomura Trust and Banking Co., Ltd. (Investment Trust)	271,564	5.32
4	JPMorgan Securities Japan Co., Ltd.	102,250	2.00
5	BNYM AS AGT/CLTS 10 PERCENT	98,730	1.93
6	Meiji Yasuda Life Insurance Company	81,387	1.59
7	STATE STREET BANK AND TRUST COMPANY 505001	78,747	1.54
8	JP MORGAN CHASE BANK 385781	75,273	1.47
9	STATE STREET BANK AND TRUST COMPANY 505103	65,221	1.27
10	Shikoku Railway Company	56,989	1.11
Total		2,618,662	51.37

(*) Ownership ratio shows the total units held by each investor to the total units issued as of respective date (rounded down to two decimal places).

Classifications of Unitholders

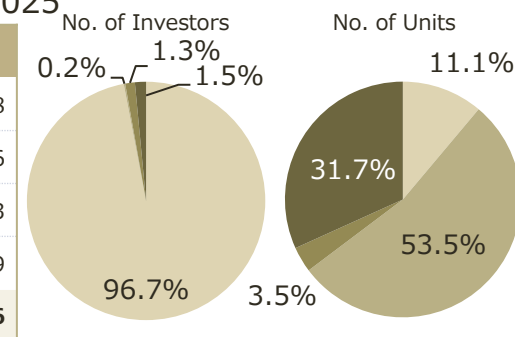
As of the end of June 2025

Owners	No. of Investors	No. of Units
Individuals & Others	33,610	447,490
Financial Institutions (Incl. Securities Firms)	94	2,486,927
Other Domestic Firms	482	130,279
Foreign Firms & Individuals	588	2,032,310
Total	34,774	5,097,006



As of the end of December 2025

Owners	No. of Investors	No. of Units
Individuals & Others	39,289	567,138
Financial Institutions (Incl. Securities Firms)	109	2,731,546
Other Domestic Firms	560	178,673
Foreign Firms & Individuals	644	1,619,649
Total	40,602	5,097,006



(*) Percentage of investors is percentage of investors in each segment to the total number of investors in JHR, and percentage of investment units is percentage of investment units owned by each segment to the total investment units issued as of respective date (both rounded down to one decimal place).

2. Changes in Investment Unit Price and Market Capitalization

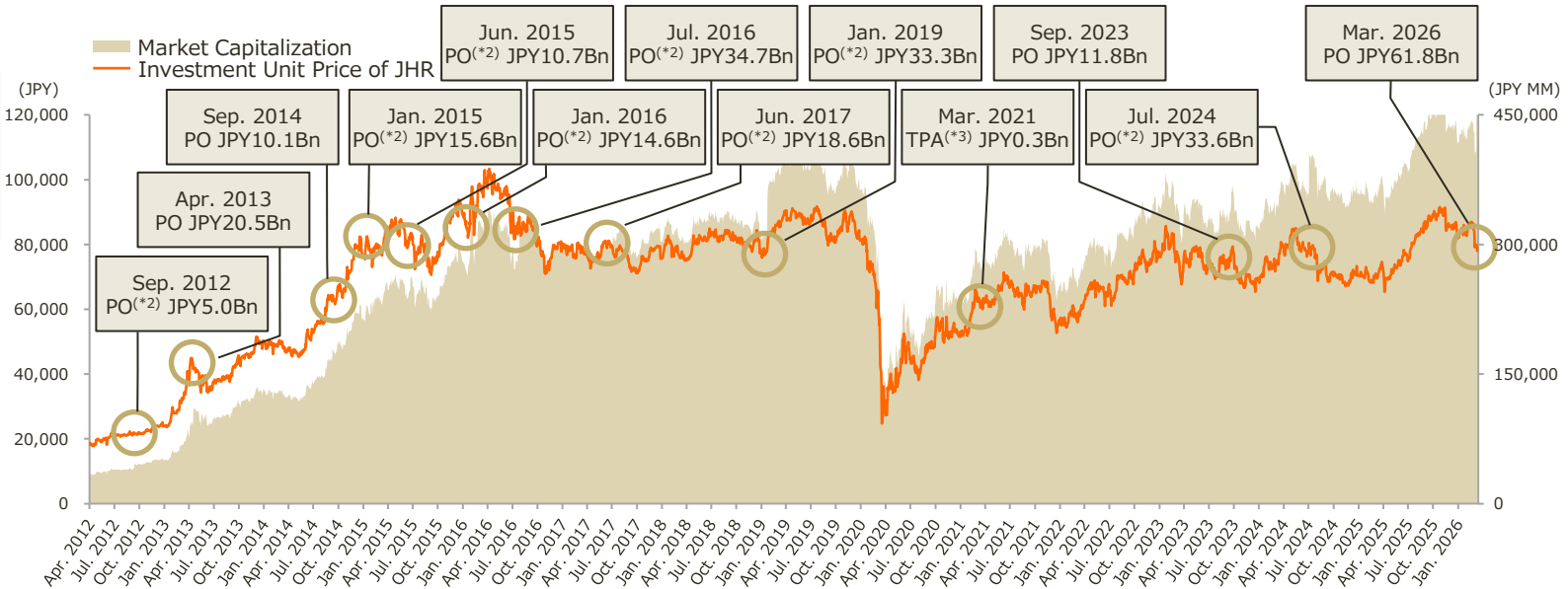
Changes in the investment unit price and market capitalization (Based on the closing price)

Price of the investment unit:
JPY78,000
Total market capitalization:
JPY460.5Bn
 (based on the closing price of March 13, 2026)

(*1) Price of the real estate investment securities may fall depending on the fluctuations of price of the real estate under management or profitability, etc., and investors may suffer losses. Investors may also suffer losses through the bankruptcy or deteriorated financial condition of the issuer. For the risks of investing in JHR's investment securities, please refer to JHR's securities report dated March 24, 2025 and the mid-term financial report dated September 22, 2025.

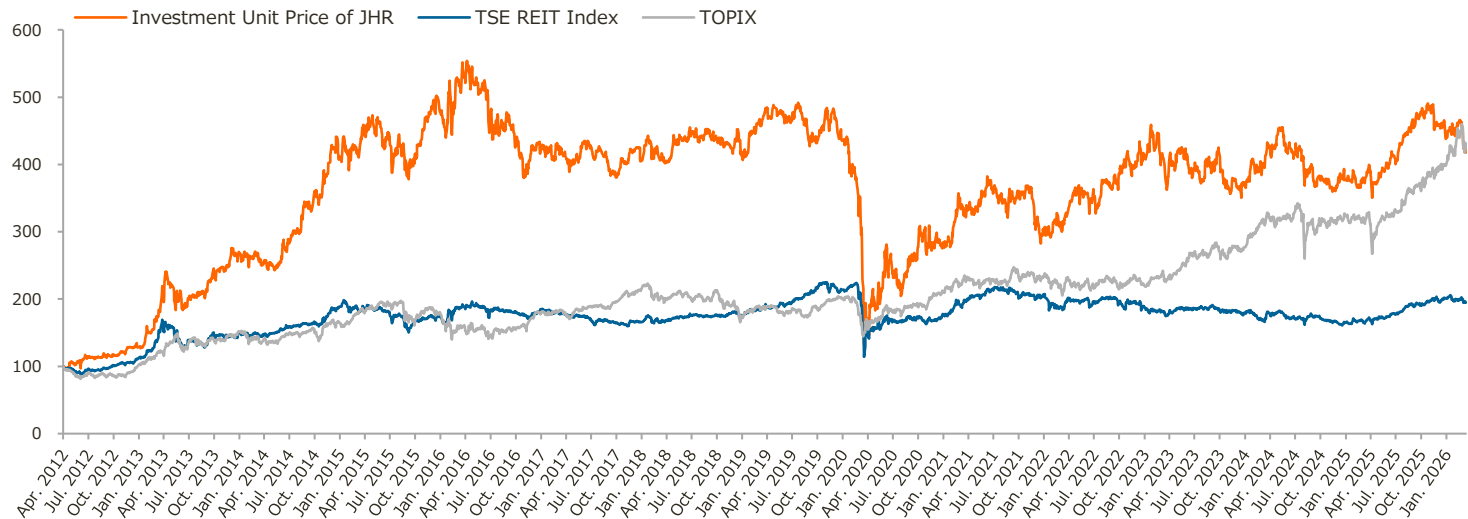
(*2) Including OA

(*3) Indicate the third-party allotment conducted March 2021, with sponsor group as allottee.



Comparison with REIT Index and TOPIX of Tokyo Stock Exchange (TSE)

(*) The unit price of JHR, the Tokyo Stock Exchange REIT index and TOPIX are indexed to the closing price on April 2, 2012, which equals the base value of 100. The TSE REIT Index is a market capitalization-weighted equity index based on free-float shares, covering all Real Estate Investment Trusts (REIT) listed on the Tokyo Stock Exchange.



Appendix 4

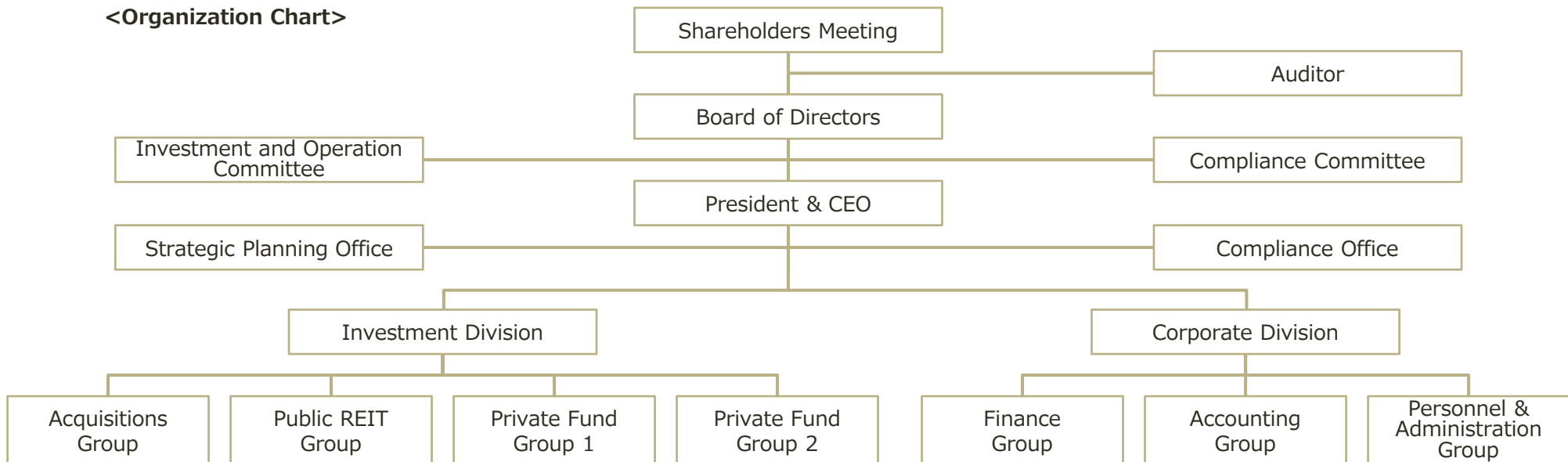
Summary of the Asset Management Company

1. Summary of the Asset Management Company

(as of March 24, 2026)

Company Name	Japan Hotel REIT Advisors Co., Ltd.
Location	Ebisu Neonato 4F, 4-1-18 Ebisu, Shibuya-ku, Tokyo 150-0013
Establishment	August 10, 2004
Capital	JPY300MM
Shareholders	SCJ One (S) Pte. Ltd., Kyoritsu Maintenance Co., Ltd., ORIX Corporation
Representative Director	Hiroyuki Aoki
Registration and Licenses	Real Estate Broker, Governor of Tokyo (5) No. 83613 Discretionary Transaction Agent by Minister of Land, Infrastructure, Transport and Tourism No. 38 Financial Instruments Business Operator, Director-General of the Kanto Local Finance Bureau No. 334 Member of The Investment Trusts Association, Japan Member of The Japan Investment Advisers Association

<Organization Chart>



Mission Statement

Connecting hotels, people, and the future

We explore the possibility of hotels.

We create new value and lead hotels to a bright future.

We will be the pivot to connect people with various perspectives and a pioneer for the future of hotel industry.

We connect hotels, people, and a bright future.

Ideas behind the new mission statement

- Through offering opportunities to invest in hotels, we will deliver attractiveness of hotels to many people.
- Utilizing our unique asset management know-how and skills, we will create new value and contribute to the development of the hotel industry.
- We will enhance sustainability of hotels and contribute to realizing a society that is friendly to people, local community and environment.
- We will earn trust of a wide range of various stakeholders involved in the hotel and become the pivot to bring the stakeholders into harmony.
- We will challenge the status quo, consider all the possibilities for a better solution and become a bridge to the bright future for the hotels and people.

Code of Conduct

We define "Challenge" and "Teamwork" as the code of conduct for a team member at JHRA.

In achieving our mission, "connect hotels, people and future," it is essential to pursue all possibilities and continue exploring to create added value.

We will always pursue possibilities through "challenge" by each department and each employee and continue to create added value through cooperation and collaboration based on "teamwork."

Challenge

- Be a self-starter, take initiative and demonstrate drive
- Set high goal and strive to achieve goals
- Respect creativity and innovation
- Promote challenge, free from fear of failure



Teamwork

- Respect teamwork and collaborate with team-mates
- Respect others. Respect values and opinions of others
- Promote "sharing" (idea, knowledge, information, goal, achievement, joy of achievement, lesson, etc.)
- Make effort for open, frank and sincere communication

Advanced Expertise

- ◆ Ability to propose transaction schemes, execute transactions, and plan and execute unprecedented measures of asset management based on an in-depth understanding of hotel operations and a track record of such asset management.
- ◆ Extensive experience in renovation and rebranding through collaboration with many hotel lessees and operators.
- ◆ Strong and long-term relationships with a large number of hotel lessees and hotel operators.
- ◆ High analytical skills and accurate judgment capacity based on rich information and data obtained through a broad network and high credibility.

Ensured Independence

- ◆ There is no seconded employee from sponsor in JHRA.
- ◆ JHRA's Board of Directors of the Asset Management Company comprises a total of 6 directors: 3 directors unaffiliated with the sponsor, 3 part-time directors affiliated with the sponsor, and 1 part-time auditor unaffiliated with the sponsor. This structure ensures a highly independent management, a key characteristic of JHRA.
- ◆ We established a more rigorous decision-making process for transactions with sponsor-related parties. In principle, JHRA undergoes deliberations and resolutions by the Investment and Operation Committee, the Compliance Committee which includes an outside specialist authorized to dismiss proposals, and the Board of Directors Meeting of JHRA. In addition, in cases where JHR conducts transactions with sponsor-related parties, such transactions shall be conducted upon the approval and resolution by the Board of Directors Meeting at JHR. The officers of JHR are all third parties unrelated to the sponsor-related parties.
- ◆ Since our main sponsor, SC Capital Partners Group is also an independent asset management company, it fully understands and respects the importance of JHRA's independency. JHRA conducts asset management business based upon its judgment.

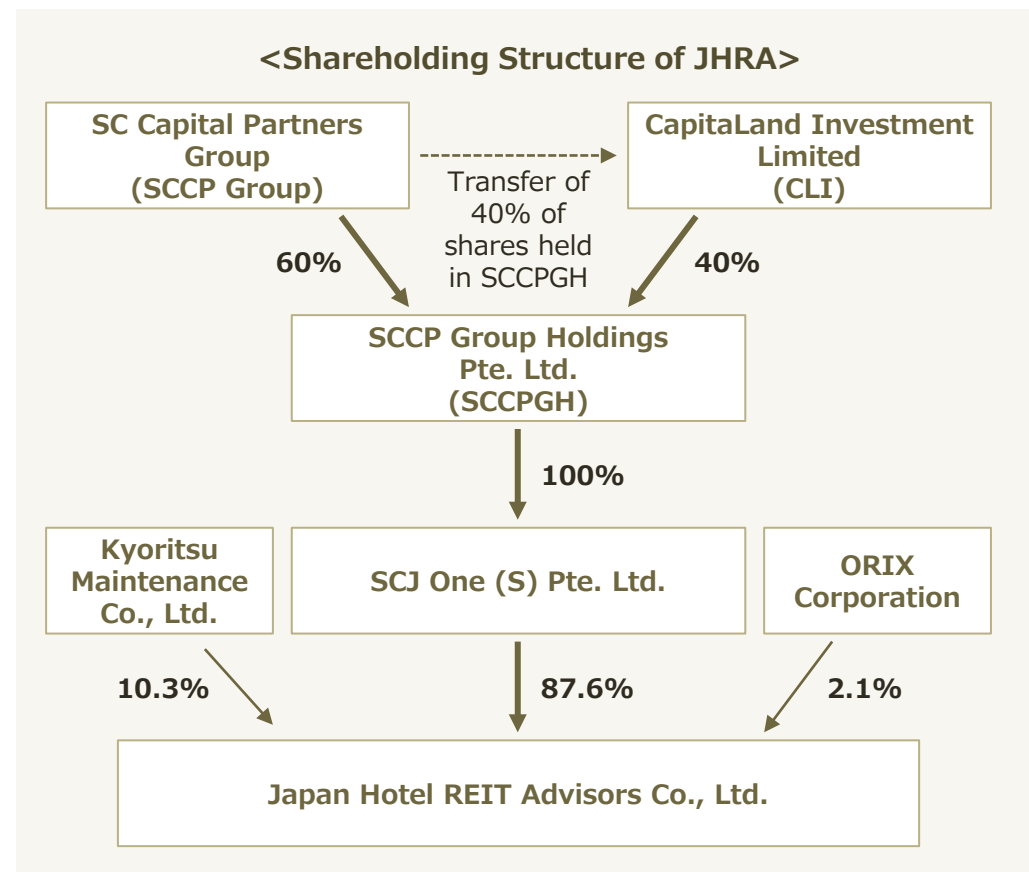
3. Our Sponsor

◆ CapitaLand Investment Limited (CLI) Sponsorship Participation

- March 7, 2025:
CLI acquired **40%** of the total outstanding shares of the major sponsor of JHRA
(The remaining 60% is scheduled to be acquired in 2 phases—**30% in 2027 and another 30% in 2029**)*⁽¹⁾
- March 24, 2025:
JHRA appointed a part-time director of the board from CLI*⁽²⁾

◆ Same-boat Investment by the Main Sponsor

- April to May 2025:
SC Capital Partners Group (SCCP Group), the main sponsor of JHRA, conducted additional market purchases of investment units in JHR
- Post-acquisition holdings by SCCP Group:
Increased from 7,900 units to 38,250 units, representing 0.75% of the total investment units issued by JHR



**No change in investment policy by CLI's participation
JHRA maintains autonomy in its decision-making**

(*1) For details, please refer to the press release, "Notice Concerning Strategic Investment by CapitaLand Investment into Parent Company of the Asset Management Company" dated November 20, 2024.

(*2) For details, please refer to the press release, "Notice Concerning Appointment of Director of Asset Management Company" dated March 14, 2025.

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