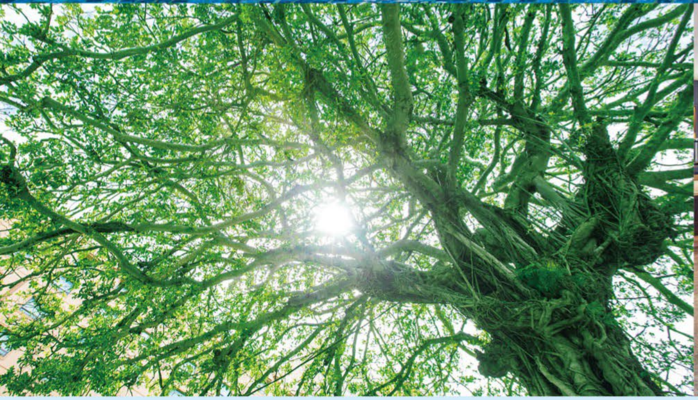


Japan Hotel REIT Investment Corporation (TSE:8985)

Midterm Financial Results

FY12/2026 (27th Period)

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

August 26, 2026

Table of Contents

Ⅰ. Midterm Highlights

1. Market Outlook

◆ Tightening supply-demand dynamics driven by strong demand and limited new supply

<Demand>

Expansion of Global Travel Demand(*1)

- International tourist arrivals to rise from 1.52 billion in 2025 to 2.0 billion by 2030
- Tourism receipts reached a provisional record high of USD1.9 trillion in 2025

Growth in Inbound Demand to Japan

- Inbound arrivals reached a record 42.68 million in 2025; spending also hit a record of JPY9.5 trillion
- Demand continued to grow despite weaker arrivals from China in 2026

Solid Domestic Lodging Demand

- Domestic Japanese overnight stays have modestly declined amid demographic changes
- Travel spending continues to increase, supported by higher accommodation rates

Gradual Recovery Potential in the Osaka Market

- Osaka demand softened while other markets continue to grow
- Recovery expected from 2027 onwards

<Supply>

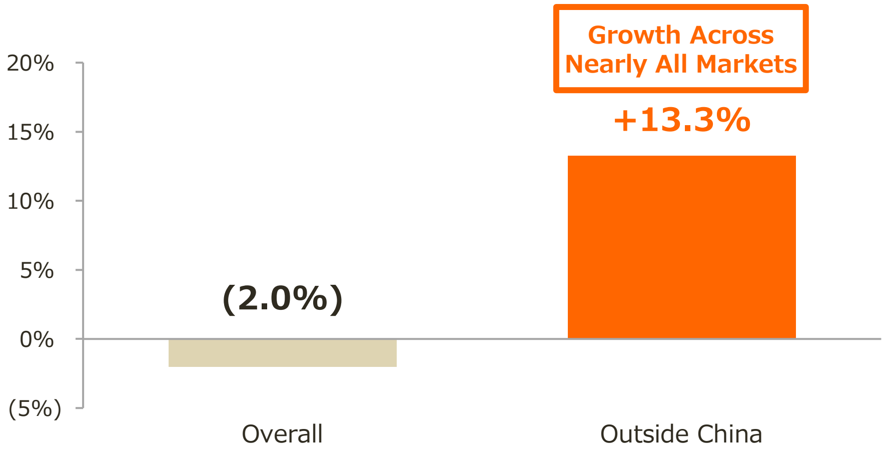
Rising Construction Costs

- Construction costs up 20%+ over the past five years(*2)
- Higher hotel development costs constrain new supply

Labor Shortages in Hotel Operations

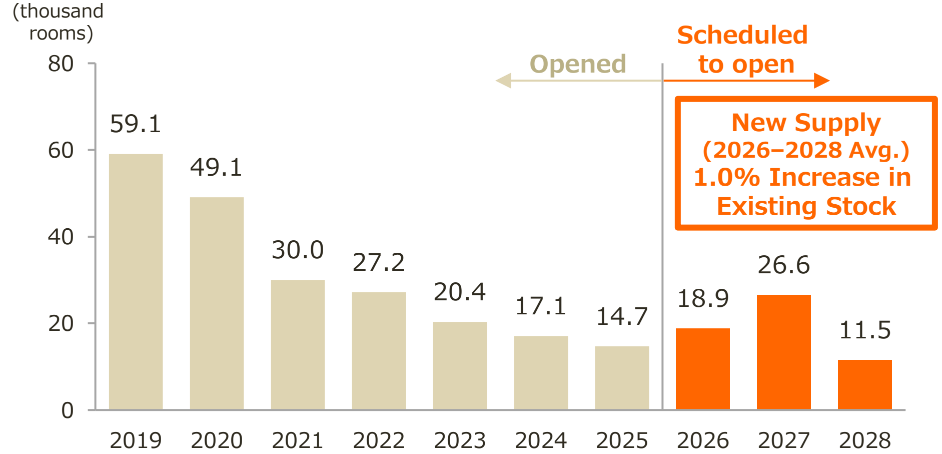
- Over 70% of accommodation facilities face labor shortages(*3)
- Labor shortages constrain new hotel openings, particularly for full-service hotels
- Existing hotels gain a competitive advantage

Inbound Visitor Growth (1H 2026)



Source: Japan National Tourism Organization (JNTO) "Inbound Visitors Statistics"

New Hotel Room Supply in Japan



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.

(*1) Source: UN Tourism, "Fifty Years of Tourism," "World Tourism Barometer" in January 2026
(*2) Source: Ministry of Land, Infrastructure, Transport and Tourism (MLIT), Construction Cost Deflator
(*3) Source: Japan Tourism Agency, White Paper on Tourism in Japan 2026

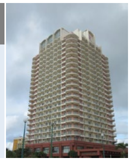
2. Midterm Highlights

JAPAN HOTEL REIT

1. External Growth

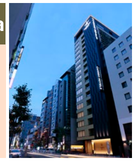
Asset Replacement in July and August 2026

The Beach Tower Okinawa	
Sale Price	JPY30.9Bn
Gain on Sale	JPY24.0Bn
Building Age	22 years



Asset Replacement

Candeo Hotels Osaka Namba	
Acquisition Price	JPY14.3Bn
Appraisal Value	JPY14.9Bn
Building Age	9 years



Public Offering (PO) and Asset Acquisition in March 2026

HYATT REGENCY TOKYO	
Acquisition Price	JPY126.0Bn
Appraisal Value	JPY156.0Bn

Proceeds	JPY61.8Bn
+	
New Loans	JPY65.0Bn

(as of August 3, 2026)

No. of Hotels	Total Asset Size		
	Acquisition Price	Appraisal Value	Unrealized Gain
52 properties	JPY648.1Bn	JPY907.6Bn	JPY255.6Bn

2. Internal Growth

2026 Forecast (based on 29 Hotels with Variable Rent, etc.(*1))

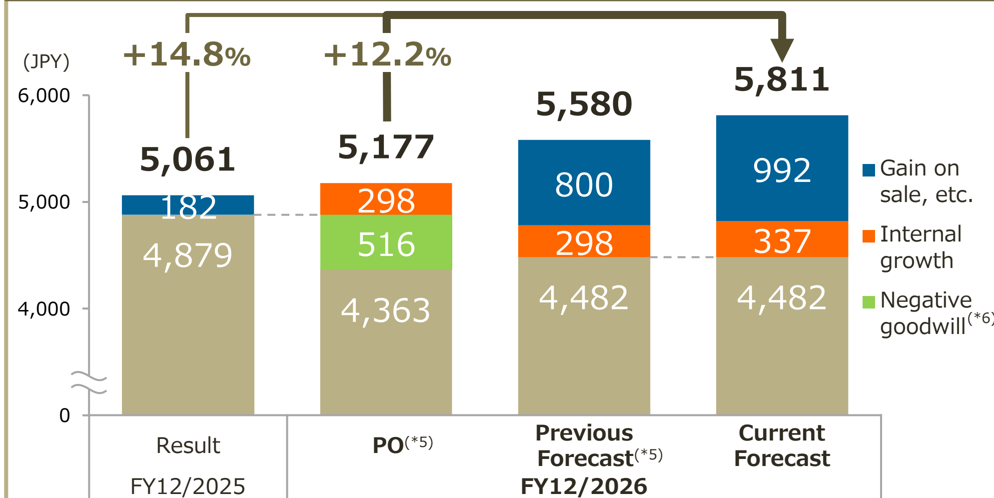
	1H (Result)	vs Previous Forecast	YoY	Full Year (Forecast)	vs Previous Forecast	YoY
RevPAR (JPY)	16,599	+1.3%	+4.9%	18,121	(0.8%)	+4.5%
25 Hotels excl. Osaka	**16,208**	**+2.9%**	**+8.9%**	**17,752**	**+1.4%**	**+7.8%**
GOP (JPY MM)	14,421	+2.3%	+5.6%	33,522	+0.0%	+6.1%
25 Hotels excl. Osaka	**12,298**	**+6.1%**	**+12.2%**	**28,763**	**+4.2%**	**+11.6%**

3. Financial Base Enhancement

	End of FY12/2025	As of August 3, 2026	Increase/Decrease
Appraisal Value(*2) (Properties as of December 31, 2025)	JPY693.2Bn	JPY736.7Bn	**+6.3%**
Unrealized Gain	JPY187.1Bn	JPY255.6Bn	**+JPY68.5Bn**
Appraisal-based LTV	35.3%	34.5%	**(0.8pt)**
Credit Rating (JCR)	A+	AA−	**One-notch upgrade**

Asset Replacement	Before(*3)	After(*3)	Increase/Decrease
Free Cash(*4)	JPY7.0Bn	JPY18.9Bn	**+JPY11.8Bn**
Negative Goodwill Balance	JPY3.8Bn	JPY6.1Bn	**+JPY2.3Bn(*4)**

4. DPU Growth



➢ Following the finalization of amount of gain on sale to be retained, the amount available for dividends rose to JPY992 per unit on a DPU basis (+JPY192 vs the previous forecast)

(*1) For the definition of "29 Hotels with Variable Rent, etc.," please refer to the note on P.20. The same shall apply hereinafter.
(*2) For comparison purposes, the appraised value as of December 31, 2025 excludes The Beach Tower Okinawa, while the appraised value as of August 3, 2026 excludes HYATT REGENCY TOKYO and Candeo Hotels Osaka Namba.
(*3) "After" figures are based on the forecast for FY12/2026 disclosed in the Midterm Financial Report for FY12/2026 dated August 26, 2026. "Before" figures are calculated by deducting the estimated impact of the asset recycling from the "After" figures.
(*4) For the definition of "Free Cash," please refer to (*3) on P.28. For details of "JPY2.3Bn," please refer to (*1) on P.16.
(*5) "PO" is based on the forecast announced in the "Notice Concerning Revision of Operating Forecast for the Fiscal Year Ending December 2026 (27th Period)" dated February 25, 2026, and "Previous Forecast" is based on the "Notice Concerning Revision of Operating and Dividend Forecasts for the Fiscal Year Ending December 2026 (27th Period)" dated July 17, 2026. The same shall apply hereinafter.
(*6) Negative goodwill utilization (JPY516): JPY365 for Hilton Tokyo Odaiba renovation impacts, JPY70 for HYATT REGENCY TOKYO depreciation, and JPY81 for dilution from the PO in March 2026.

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Ⅱ. Operating Forecast for Full Fiscal Year and Summary of Midterm Settlement of Accounts

1. Operating Forecasts for FY12/2026

(JPY MM)		FY12/2025 (26th Period) Actual (A)	FY12/2026 (27th Period) Previous Forecast (B)	FY12/2026 (27th Period) Current Forecast (C)	①Difference from Previous Year (C)–(A)	①Difference from Previous Year %	②Difference from Previous Forecast (C)–(B)	②Difference from Previous Forecast %
Properties	**No. of Properties**	51	52	52	1		–	
Properties	**Acquisition Price**	515,391	648,101	648,101	132,710	25.7%	–	–
Profit and Loss	**Operating Revenue**	45,564	75,066	75,124	29,559	64.9%	58	0.1%
Profit and Loss	**Real Estate Operating Revenue**	43,218	50,994	51,052	7,834	18.1%	58	0.1%
Profit and Loss	Fixed Rent	**45.9%** 19,293	**45.2%** 22,576	**45.2%** 22,574	3,281	17.0%	(1)	(0.0%)
Profit and Loss	Variable Rent	**54.1%** 22,780	**54.8%** 27,342	**54.8%** 27,374	4,593	20.2%	31	0.1%
Profit and Loss	Other Revenue	1,143	1,075	1,103	(40)	(3.5%)	27	2.6%
Profit and Loss	**Gain on Sales of Properties**	2,346	24,071	24,071	21,725	926.0%	–	–
Profit and Loss	**NOI(*2)**	38,554	45,809	45,853	7,298	18.9%	43	0.1%
Profit and Loss	Depreciation	6,694	7,870	7,856	1,162		(13)	
Profit and Loss	Loss on Retirement of Noncurrent Assets, etc.	207	51	55	(151)		4	
Profit and Loss	**NOI after Depreciation(*2)**	31,652	37,887	37,940	6,288	19.9%	53	0.1%
Profit and Loss	SG&A	2,945	3,738	3,640	694		(98)	
Profit and Loss	**Operating Income**	31,052	58,220	58,372	27,319	88.0%	151	0.3%
Profit and Loss	**Ordinary Income**	26,748	51,878	52,100	25,352	94.8%	222	0.4%
Profit and Loss	**Net Income**	27,145	51,876	52,099	24,954	91.9%	222	0.4%
Dividend	**Use of Negative Goodwill**	468	312	316	(151)	(32.4%)	4	1.3%
Dividend	**Reserve for Tax Purpose Reduction Entry**	(1,818)	–	–	1,818	–	–	–
Dividend	**Reserve for advanced depreciation under special provisions for property replacement**	–	(19,240)	(18,107)	18,107	–	1,133	–
Dividend	**Total Dividends**	25,795	32,944	34,308	8,512	33.0%	1,363	4.1%
Dividend	**No. of Units**	5,097,006	5,904,006	5,904,006	807,000	15.8%	–	–
Dividend	**Dividend per Unit (JPY)**	5,061	5,580	5,811	750	14.8%	231	4.1%

(1) Main Factors of Difference vs 2025

Fixed Rent

29 Hotels with Variable Rent, etc.	+JPY294MM
Others	+JPY2,986MM
(Sales in 2026(*3)	-JPY214MM)
(Acquisition in 2026(*4)	+JPY3,119MM)
(Total)	**+JPY3,281MM**

Variable Rent

29 Hotels with Variable Rent, etc.	+JPY2,098MM
Others	+JPY2,495MM
(Hilton Tokyo Odaiba	-JPY1,685MM)
(Acquisition in 2026	+JPY3,248MM)
(Total)	**+JPY4,593MM**

(2) Main Factors of Difference vs Previous Forecast

Fixed Rent

Others	-JPY1MM
(Total)	**-JPY1MM**

Variable Rent

29 Hotels with Variable Rent, etc.	-JPY11MM
Others	+JPY43MM
(Total)	**+JPY31MM**

(*1) For details, please refer to the Midterm Financial Report for FY12/2026 dated August 26, 2026.
(*2) Each is calculated using the following formula. The same shall apply hereinafter.
NOI (Net Operating Income) = Real estate operating revenue − Real estate operating costs + Depreciation + Loss on retirement of noncurrent assets + Asset retirement obligations expenses.
NOI after depreciation = Real estate operating revenue − Real estate operating costs
(*3) The figure shown is the impact amount due to the sale of The Beach Tower Okinawa sold in 2026.
(*4) The figure shown is the impact amount due to the acquisition of HYATT REGENCY TOKYO and Candeo Hotels Osaka Namba acquired in 2026. The same shall apply hereinafter.

2. Midterm Results for FY12/2026

		(JPY MM)	FY12/2025 (26th Period) Midterm Result (A)		FY12/2026 (27th Period) Midterm Result (B)		Difference from Previous Year (B)–(A)	%
Properties	No. of Properties			51		52	1	
Properties	Acquisition Price			515,391		641,391	126,000	24.4%
Profit and Loss	Operating Revenue			21,481		22,568	1,086	5.1%
	Real Estate Operating Revenue			19,135		22,568	3,433	17.9%
		Fixed Rent	50.9%	9,459	49.6%	10,924	1,464	15.5%
		Variable Rent	49.1%	9,126	50.4%	11,083	1,957	21.5%
		Other Revenue		549		559	10	1.9%
	Gain on Sales of Properties			2,346		–	(2,346)	–
	NOI			16,859		20,070	3,210	19.0%
	Depreciation			3,157		3,782	624	
	Loss on Retirement of Noncurrent Assets, etc.			110		5	(105)	
	NOI after Depreciation			13,590		16,282	2,692	19.8%
	SG&A			1,479		1,595	115	
	Operating Income			14,457		14,687	230	1.6%
	Ordinary Income			12,367		11,789	(577)	(4.7%)
	Net Income			12,764		11,789	(975)	(7.6%)

Main Factors of Difference

Fixed Rent

29 Hotels with Variable Rent, etc.	+JPY294MM
Others	+JPY1,170MM
(Acquisition in 2026	+JPY1,090MM)
(Total)	**+JPY1,464MM**

Variable Rent

29 Hotels with Variable Rent, etc.	+JPY947MM
Others	+JPY1,009MM
(Hilton Tokyo Odaiba	-JPY714MM)
(Acquisition in 2026	+JPY1,365MM)
(Total)	**+JPY1,957MM**

(*) For details, please refer to the Midterm Financial Report for FY12/2026 dated August 26, 2026.

Ⅲ-1. External Growth

1. Growth in Asset Size

JAPAN HOTEL REIT

◆ Continue acquiring highly competitive hotels in regions with strong long-term leisure demand

External Growth (FY2024 to FY2026)

FY2024 — Public Offering

MIMARU Tokyo Shinjuku West

JPY**9.6**Bn

HOTEL AMANEK Shinjuku-Kabukicho.

JPY**8.8**Bn

OKINAWA HARBORVIEW HOTEL

JPY**21.5**Bn

Southern Beach Hotel & Resort OKINAWA

JPY**16.2**Bn

FY2025

Hilton Fukuoka Sea Hawk

JPY**64.3**Bn

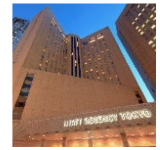
Sale

Washington Hotel Plaza Hakata, Nakasu

JPY**4.6**Bn (Sale Price)

FY2026 — Public Offering

HYATT REGENCY TOKYO



JPY**126.0**Bn

Candeo Hotels Osaka Namba

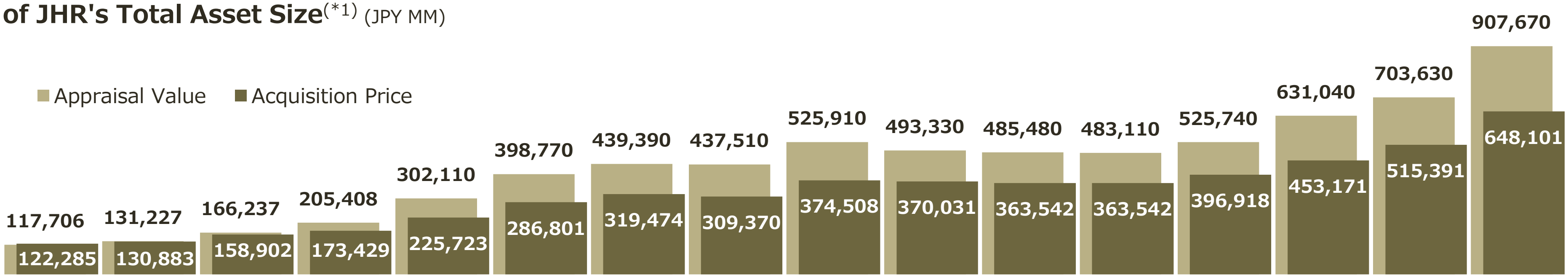
JPY**14.3**Bn

Sale

The Beach Tower Okinawa

JPY**30.9**Bn (Sale Price)

Trend of JHR's Total Asset Size[*1] (JPY MM)



	April 2012 (merger)	FY12/2012	FY12/2013	FY12/2014	FY12/2015	FY12/2016	FY12/2017	FY12/2018	FY12/2019	FY12/2020	FY12/2021	FY12/2022	FY12/2023	FY12/2024	FY12/2025	As of Aug. 3, 2026
No. of Properties	28	28	28	30	36	41	44	41	43	42	41	41	47	51	51	52
No. of Acquisition	–	2	2	3	9	5	3	–	2	–	–	–	6	4	1	2
Acquisition Price[*2] (Appraisal Value)	–	10,800 (12,480)	32,650 (36,140)	15,797 (15,910)	57,025 (59,230)	61,077 (63,680)	32,673 (34,030)	–	65,138 (68,850)	–	753[*3] (763)	–	33,376 (39,340)	56,252[*4] (69,065)	64,350 (71,700)	140,320 (170,900)
No. of Disposition	–	2	2	1	3	–	–	3	–	1	1	–	–	–	1	1
Sale Price[*2] (Appraisal Value)	–	842 (1,170)	2,680 (3,497)	700 (1,090)	4,890 (4,644)	–	–	12,150 (10,460)	–	8,000 (8,950)	11,300 (9,900)	–	–	–	4,610 (4,610)[*5]	30,900 (10,400)

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

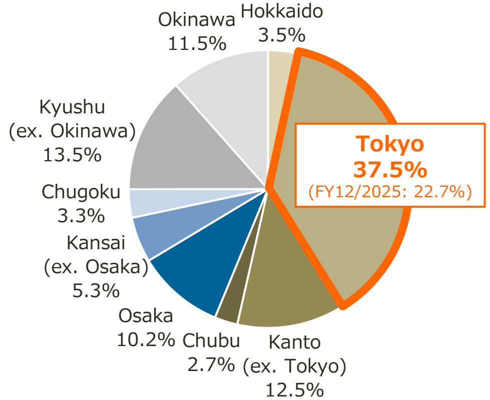
2. Changes in Portfolio

- 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

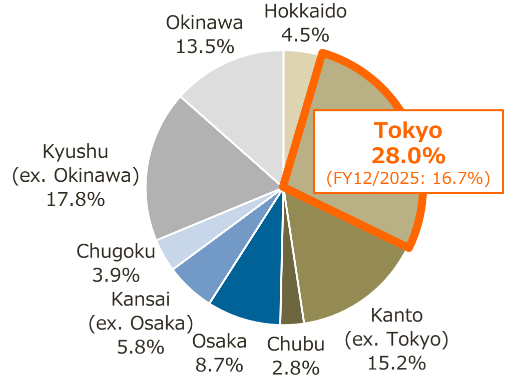
(as of August 3, 2026)

By Area(*1)

Based on acquisition price

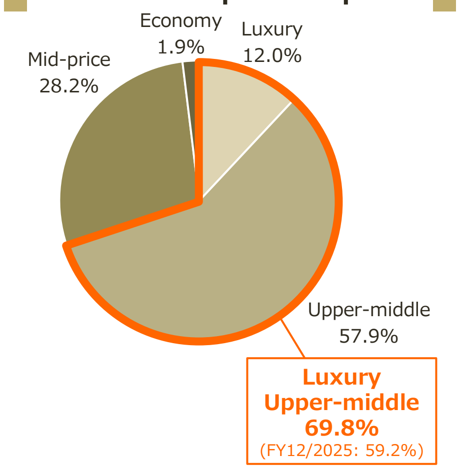


Based on rental income(*2)

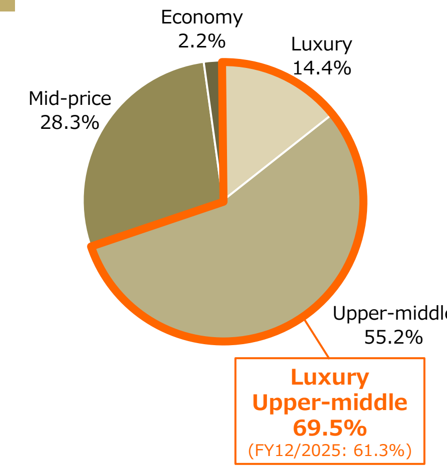


By Hotel Grade(*1)

Based on acquisition price

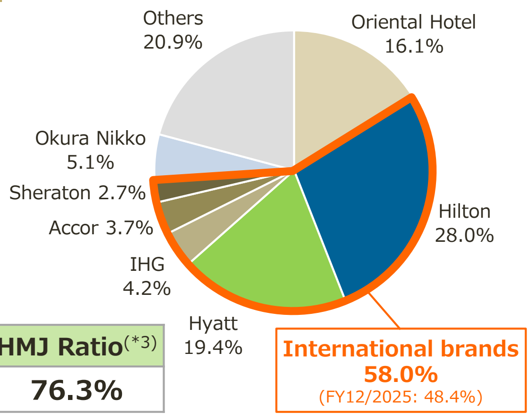


Based on rental income(*2)



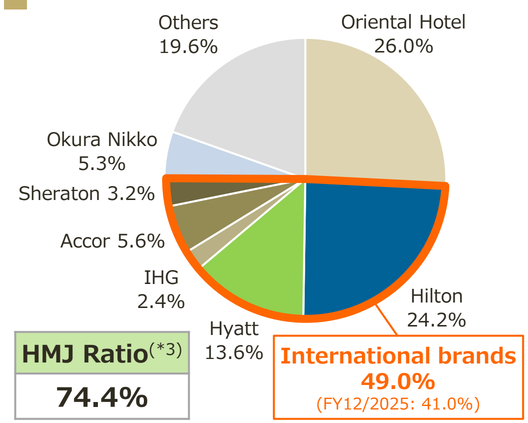
By Hotel Brand(*1)

Based on acquisition price



HMJ Ratio(*3)
76.3%

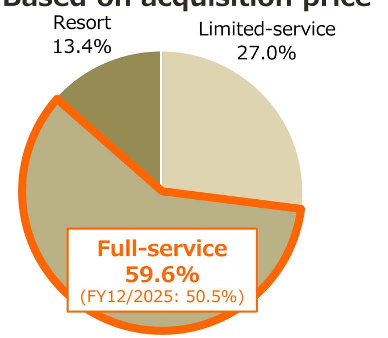
Based on rental income(*2)



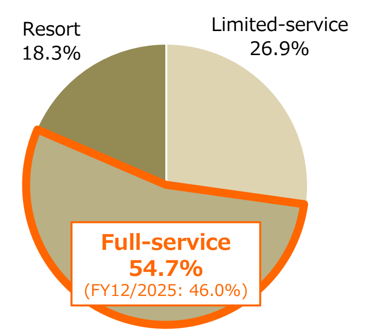
HMJ Ratio(*3)
74.4%

By Type(*1)

Based on acquisition price



Based on rental income(*2)



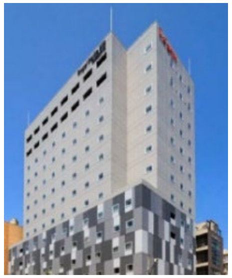
(*1) Percentages are rounded to one decimal place.
(*2) Rental income-based figures are calculated based on the forecast for FY12/2026 announced in the Midterm Financial Report for FY12/2026 dated August 26, 2026, adjusted for property-specific factors.
(*3) "HMJ Ratio" refers to the percentage of hotels leased by Hotel Management Japan Co., Ltd, a group company of JHRA and its subsidiaries.

3. Improvement in Profitability and Asset Value After Acquisition

JAPAN HOTEL REIT

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

La'gent Stay Sapporo Odori



Acquisition Date
Sep. 2023

Acquisition Price
JPY10,020MM

NOI Yield		
At acquisition (Result)	➡	FY12/2026 (Forecast)
4.7%	➡	7.6%

Appraisal Value		
At acquisition	➡	As of end of Jun. 2026
JPY10,800MM	➡	JPY13,000MM

MIMARU Tokyo Shinjuku West

Acquisition Date
Jul. 2024

Acquisition Price
JPY9,645MM

NOI Yield		
At acquisition (Result)	➡	FY12/2026 (Forecast)
4.4%	➡	6.0%

Appraisal Value		
At acquisition	➡	As of end of Jun. 2026
JPY11,700MM	➡	JPY15,200MM

Oriental Hotel Kyoto Rokujo

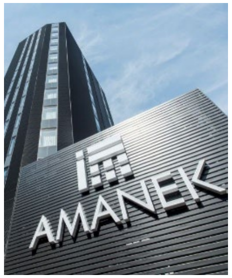
Acquisition Date
Sep. 2023

Acquisition Price
JPY4,446MM

NOI Yield		
At acquisition (Result)	➡	FY12/2026 (Forecast)
5.3%	➡	9.3%

Appraisal Value		
At acquisition	➡	As of end of Jun. 2026
JPY5,920MM	➡	JPY7,000MM

HOTEL AMANEK Shinjuku-Kabukicho.



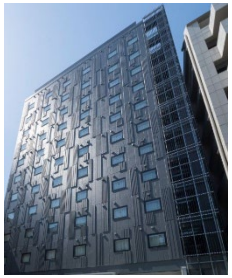
Acquisition Date
Jul. 2024

Acquisition Price
JPY8,845MM

NOI Yield		
At acquisition (Result)	➡	FY12/2026 (Forecast)
5.5%	➡	6.1%

Appraisal Value		
At acquisition	➡	As of end of Jun. 2026
JPY12,800MM	➡	JPY13,400MM

Hotel Oriental Express Fukuoka Nakasukawabata



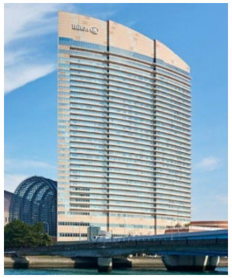
Acquisition Date
Sep. 2023

Acquisition Price
JPY4,460MM

NOI Yield		
At acquisition (Result)	➡	FY12/2026 (Forecast)
5.2%	➡	12.7%

Appraisal Value		
At acquisition	➡	As of end of Jun. 2026
JPY6,070MM	➡	JPY6,760MM

Hilton Fukuoka Sea Hawk



Acquisition Date
Feb. 2025

Acquisition Price
JPY64,350MM

NOI Yield		
At acquisition (Result)	➡	FY12/2026 (Forecast)
6.2%	➡	6.7%

Appraisal Value		
At acquisition	➡	As of end of Jun. 2026
JPY71,700MM	➡	JPY76,600MM

(*) At acquisition (Result), NOI yield is calculated using annualized NOI based on pre-acquisition operating results provided by the seller, divided by the acquisition price.
For FY12/2026 (Forecast), NOI yield is calculated using forecast NOI disclosed in the Midterm Financial Report dated August 26, 2026, divided by the acquisition price.

Ⅲ-2. External Growth (Capital Recycling)

1. Capital Recycling: Enhancing Portfolio Quality

JAPAN HOTEL REIT

- Maintain NOI while enhancing portfolio quality through asset replacement into newer property
- Potential for rent increases given the current low rent burden relative to hotel revenue

Disposed Asset

The Beach Tower Okinawa

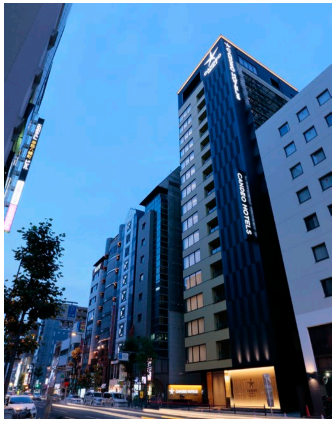
- Stable revenue under a long-term fixed rent lease
- Explored options to realize upside potential, including a sale upon lease expiry
- Executed a short-term lease, providing buyers with multiple investment scenarios and achieving a sale at approx. 3x appraisal value

Sale Date	July 31, 2026
Sale Price	JPY30,900MM
Appraisal Value(*1)	JPY10,400MM
Building Age(*2)	**22.3 years**
NOI(*3)	**JPY464MM**
NOI after Depreciation(*3)	**JPY340MM**
Fixed Rent	JPY511MM (per year)
Variable Rent	10% of excess GOP
Lease Structure	Fixed-term building lease contract
Lease Term	Current lease: June 2026 to June 2027 Previous lease: June 2006 to June 2026

Asset Replacement

Acquired Asset

Candeo Hotels Osaka Namba



- Stable revenue under a fixed rent lease at a level comparable to the asset to be sold
- Upside potential from current low rent burden relative to hotel revenue and the Osaka IR effect
- Opportunity to realize upside through rent increases upon lease expiry

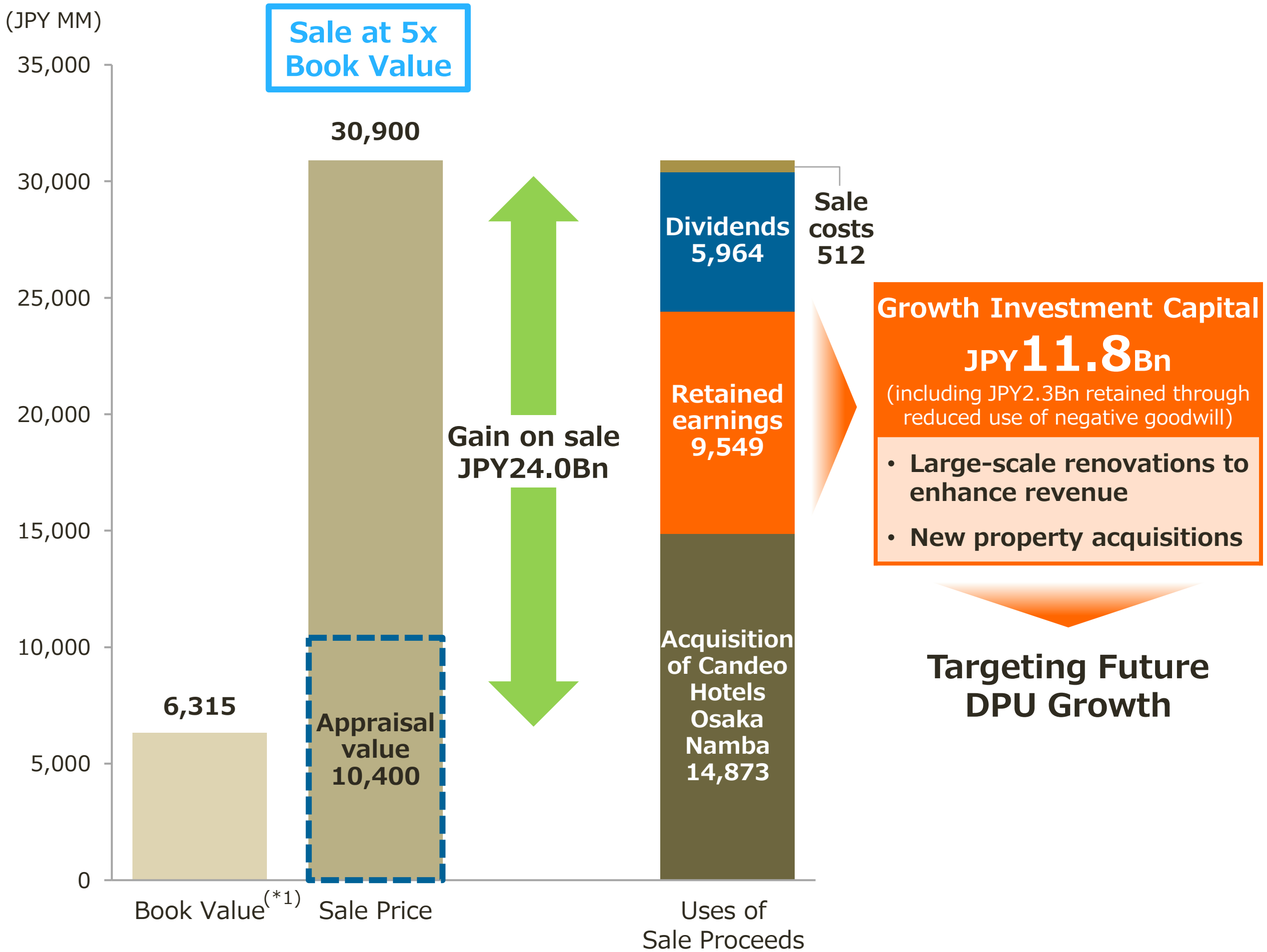
Acquisition Date	August 3, 2026
Acquisition Price	JPY14,320MM
Appraisal Value(*1)	JPY14,900MM
Building Age(*2)	**9.2 years**
NOI(*3)	**JPY492MM**
NOI after Depreciation(*3)	**JPY424MM**
Fixed Rent	Undisclosed(*4)
Variable Rent	None
Lease Structure	Fixed-term building lease contract
Lease Term	June 2017 to June 2047

(*1) The appraisal values are as of FY12/2025 for the asset to be sold and as of May 31, 2026 for the asset to be acquired. The same applies hereinafter.
(*2) The building ages are as of July 17, 2026.
(*3) For the disposed asset, actual NOI and NOI after depreciation for FY12/2025 are presented.
For the acquired asset, annualized forecast figures calculated on the assumptions announced in the Midterm Financial Report dated August 26, 2026, are presented.
(*4) This information is not disclosed because we have not obtained the lessee's consent.

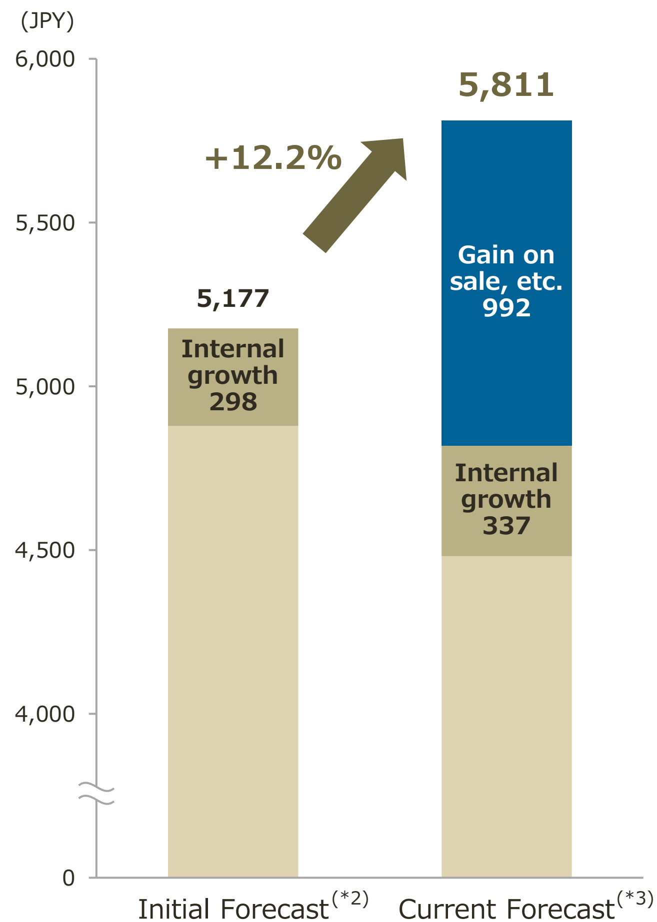
2. JPY24.0 billion Gain on Sale at 5x Book Value

- Sale proceeds to be used for acquisitions, retained earnings for growth investments, and distributions
- FY2026 forecast DPU up 12.2% (+JPY634), supported by the gain on sale

Expected Use of Sale Proceeds (Forecast)



Impact on DPU (FY2026 Forecast)



(*1) The book value is as of the end of May 2026.
(*2) Forecast figures announced in the Financial Report dated February 25, 2026.
(*3) Forecast figures announced in the Midterm Financial Report dated August 26, 2026.
(*4) Revised from the figures disclosed in "Supplementary Material for Today's Press Releases" dated July 17, 2026, following the finalization of the amount of gain on sale to be retained. The same shall apply hereinafter.

3. Strengthened Financial Position through Effective Use of Disposal Gains

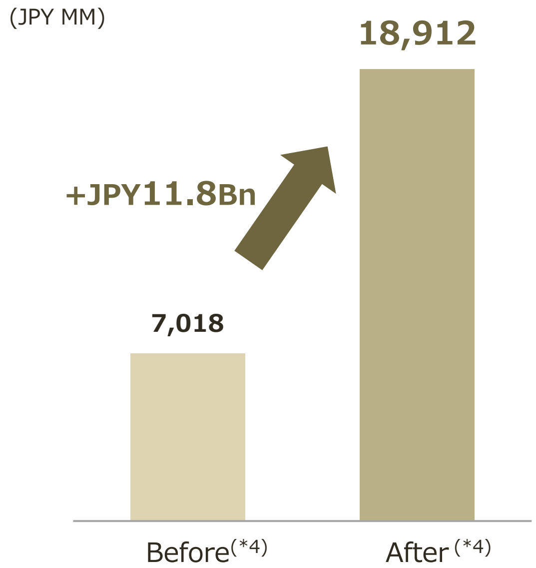
- Retained a portion of the gain on sale to support future growth
- Expanded borrowing capacity through a lower appraisal-based LTV

Increase in Free Cash

+JPY11.8Bn

For future large-scale renovations and property acquisitions

Free Cash Balance (Expected as of FY12/2026)

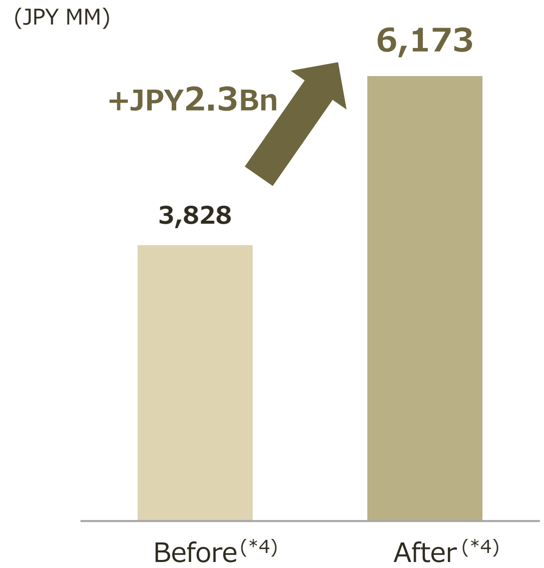


Retention of Negative Goodwill

+JPY2.3Bn(*1)

Supporting future stable distributions

Negative Goodwill Balance (Expected after FY12/2026)

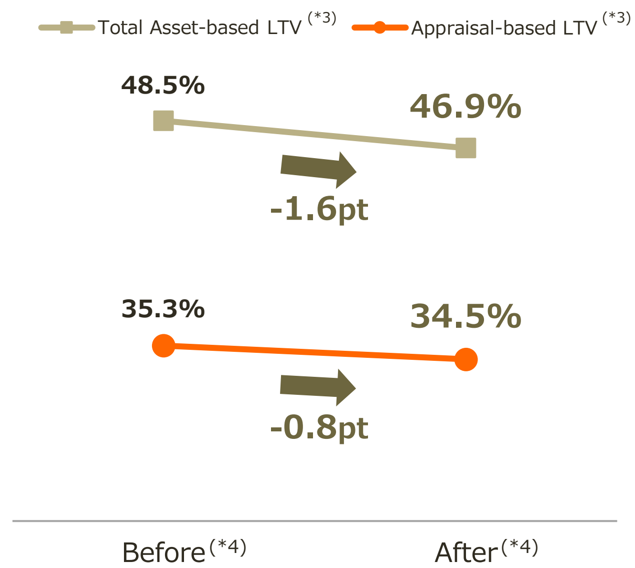


Reduction in Appraisal-based LTV

-0.8pt

Borrowing capacity increased by JPY13.7Bn(*2)

Interest-bearing Debt Ratio (Expected as of August 3, 2026)



(*1) By reinvesting this gain on sale, we plan to reduce the use of negative goodwill from the original plan of JPY2,346 million. The breakdown of the JPY2,346 million is as follows: JPY1,859 million to cover the cost of large-scale renovation work for Hilton Tokyo Odaiba; JPY416 million to cover depreciation expenses for HYATT REGENCY TOKYO; and JPY69 million that was intended to be allocated to address dilution resulting from the public offering conducted in March 2026.
In the forecast announced in the "Notice Concerning Revision of Operating Forecast for the Fiscal Year Ending December 2026 (27th Period)," dated February 25, 2026, the use of JPY483 million of negative goodwill was anticipated to address dilution. However, the planned use of negative goodwill decreased by JPY414 million to JPY69 million due to a reduction in the amount required to address dilution following the finalization of the number of investment units to be issued in the new investment unit offering.
(*2) Borrowing capacity represents an approximate amount estimated by JHRA, based on the difference in maximum borrowings before and after the asset replacement, assuming an appraisal-value LTV limit of 40% in each case.
(*3) "Total asset-based LTV" and "Appraisal-based LTV" are calculated based on total interest-bearing debt and total assets as of June 2026, reflecting the impact of the asset replacement. Appraisal-based LTV is calculated using total assets plus unrealized gains and losses as the denominator.
(*4) "After" is calculated based on the forecast disclosed in the Midterm Financial Report dated August 26, 2026. "Before" is calculated by deducting the impact of the asset replacement from the corresponding "After" figures.

4. Successful Realization of Upside Potential

JAPAN HOTEL REIT

- Significant upside realized upon lease expiry for assets with low rent burden relative to hotel revenue
- Maximizing unitholder value through rent increases, rebranding and strategic asset sales

Hakone Setsugetsuka

NOI Yield(*1)

6.6% ➡ **15.6%**

Rent Increase Upside

- Introduced variable rent through negotiations, significantly increasing NOI yield
- Further GOP growth potential through CAPEX investment after nearly 20 years of operation

	Before	After
Fixed Rent	JPY294MM	JPY294MM
Variable Rent	–	**50% of excess GOP**
Lease Term	December 2006 to October 2026	November 2026 to May 2028
Appraisal Value	JPY5,630MM (as of December 31, 2025)	JPY9,110MM (as of June 30, 2026)

Hotel Oriental Express Ginza West

NOI Yield(*2)

5.2% ➡ **9.4%**

Rebranding Upside

- Changed lessee to HMJ, capturing upside through rebranding and improved lease terms
- Further GOP growth through enhanced revenue management and operational improvements

	Before	After
Fixed Rent	JPY204MM	JPY204MM
Variable Rent	Revenue-sharing structure	**95% of excess AGOP**
Lease Term	April 2023 to March 2026	April 2026 to December 2036
Appraisal Value	JPY10,300MM (as of December 31, 2025)	JPY11,800MM (as of June 30, 2026)

The Beach Tower Okinawa

Appraisal Value ➡ Sale Price

JPY10.4Bn ➡ **JPY30.9Bn**

Asset Sale Upside (Sale in July 2026)

- Realized upside through the sale
- Achieved a sale at approx. 3x appraisal value, maximizing unitholder value

Before	At Sale
Low rent burden relative to hotel revenue	Significant gain on sale reflecting future rent upside potential
JPY10,400MM (Appraisal value)	**JPY30,900MM** (Sale price)

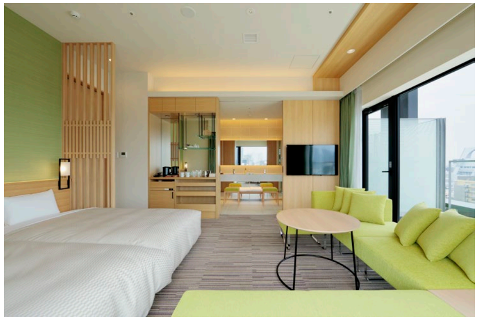
(*1) The NOI yield under the former lease (before) is calculated by dividing the actual NOI for FY12/2025 by the acquisition price. The NOI yield under the new lease (after) is calculated by dividing the estimated NOI, based on the actual GOP for FY12/2025, by the acquisition price.

(*2) The NOI yield under the former lease (before) is calculated by dividing the annualized actual NOI for the period from April to December 2025 by the acquisition price. The NOI yield under the new lease (after) is calculated by dividing the annualized forecast NOI for the period from April to December 2026 based on the assumptions underlying the forecast announced in the Midterm Financial Report dated August 26, 2026, by the acquisition price.

5. Overview of the Asset (Candeo Hotels Osaka Namba)

JAPAN HOTEL REIT

- Located in Osaka's Minami district, a major destination for domestic and inbound leisure demand, and completed in 2017
- All rooms accommodate two or more guests, with an open-air rooftop spa and other facilities differentiating the hotel from competitors



Property Overview

Acquisition Price	JPY14,320MM	**Appraisal Value**	JPY14,900MM
Hotel Type	Limited-service	**Grade**	Mid-price
Location	2-2-5 Higashi-Shinsaibashi, Chuo-ku, Osaka City, Osaka		
Acreage of Land	1,674.45㎡		
Total Floor Space	14,095.07㎡		
Structure and Stories	S; 17 stories above ground		
Completion	May 2017		
No. of Guest Rooms	496 rooms		
Average Room Size	18.1㎡		
Attached Facilities	Restaurant, Public bath, Open-air rooftop spa, Sauna, Relaxation area, Laundry room		
Rent Type	Fixed rent		
Lease Term	June 1, 2017 to June 30, 2047		
Hotel Lessee	Candeo Hospitality Management, Inc.		

Room Mix

Room Category	No. of Rooms	Capacity (Guests)
Superior Queen	87	2
Superior Twin / Corner Twin	142	2
Deluxe King	23	2
Executive Twin	178	3
Executive Deluxe King	64	3
Universal Twin	1	2
Luxury Suite	1	2
Total / Average	496	2.5

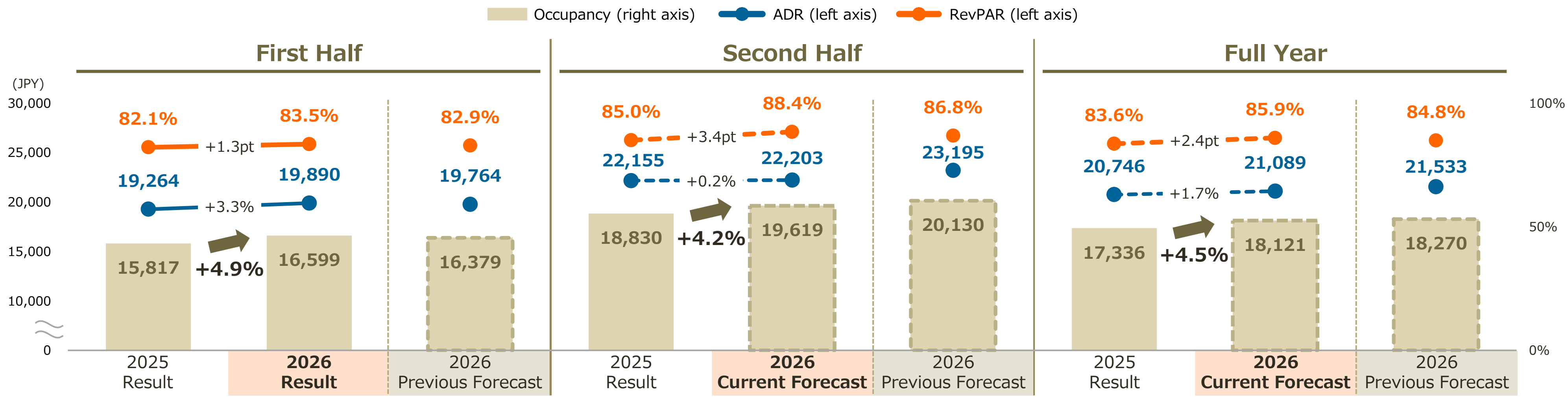
Ⅳ. Internal Growth

1. Hotel Performance (FY2026 Forecast)

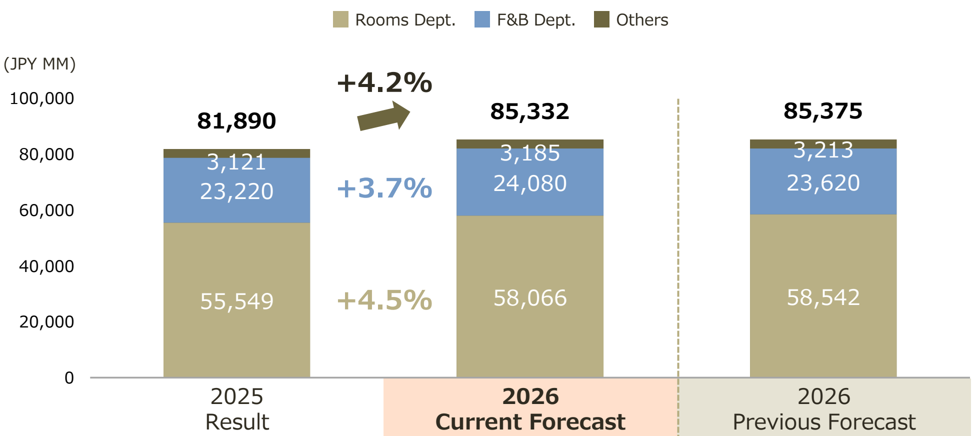
JAPAN HOTEL REIT

- Full-year RevPAR +4.5% YoY and revenue +4.2%, led by the rooms department
- GOP margin +0.7pt and GOP +6.1% YoY, in line with the previous forecast, driven by revenue growth and cost management

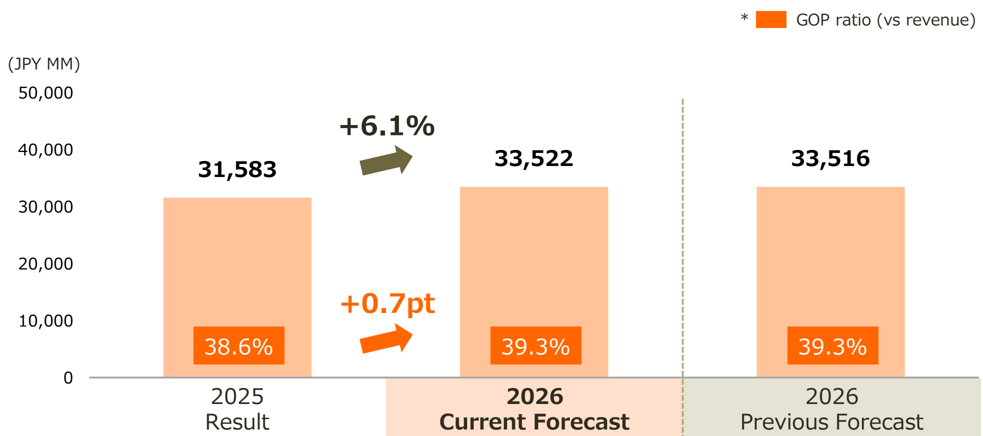
Result and Forecast of Key Performance Indicators (Rooms Dept.) (29 Hotels with Variable Rent, etc.(*))



Revenue



GOP



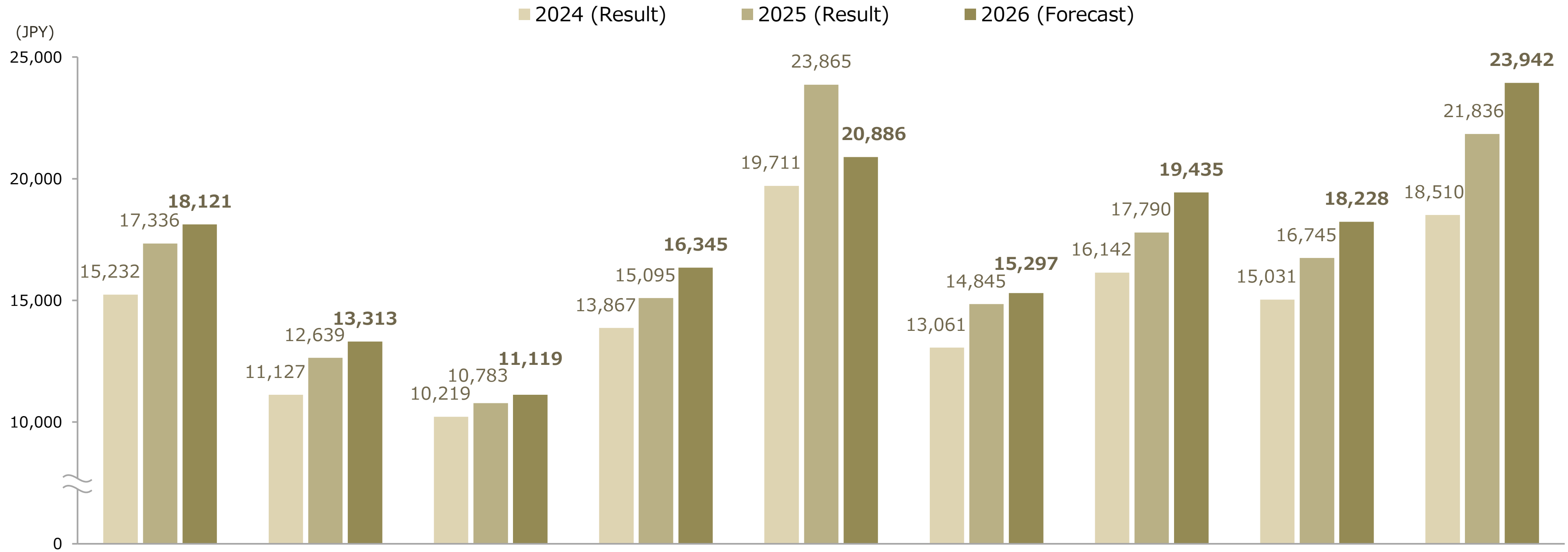
(*) The 29 Hotels with Variable Rent, etc. refer to the following 29 hotels: Kobe Meriken Park Oriental Hotel, Oriental Hotel Tokyo Bay, Namba Oriental Hotel, Hotel Nikko Alivila, Oriental Hotel Hiroshima, Oriental Hotel Universal City, Oriental Hotel Okinawa Resort & Spa, Sheraton Grand Hiroshima Hotel (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, Oriental Hotel Kyoto Rokujo, Hotel Oriental Express Fukuoka Nakasukawabata, Hotel JAL City Kannai Yokohama, Southern Beach Hotel & Resort OKINAWA, Hilton Fukuoka Sea Hawk, ibis Styles Kyoto Station, ibis Styles Sapporo, Mercure Sapporo, Mercure Okinawa Naha, Mercure Yokosuka, the b suidobashi, the b ikebukuro, the b hachioji and the b hakata.

2. RevPAR by Area

JAPAN HOTEL REIT

◆ RevPAR grew by 19.0% over the past two years and is expected to exceed the previous year level in all regions except Osaka in 2026

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	
2024 vs 2025	2025 vs 2026	+13.8%	+4.5%	+13.6%	+5.3%	+5.5%	+3.1%	+8.9%	+8.3%	+21.1%	(12.5%)	+13.7%	+3.0%	+10.2%	+9.2%	+11.4%	+8.9%	+18.0%	+9.6%
2024 vs 2026		+19.0%		+19.6%		+8.8%		+17.9%		+6.0%		+17.1%		+20.4%		+21.3%		+29.4%	
No. of Properties		29		2		3		5		4		4		2		5		4	
Property Name				•Mercure Sapporo •ibis Styles Sapporo		•the b suidobashi •the b ikebukuro •the b hachioji		•Oriental Hotel Tokyo Bay •Hilton Tokyo Narita Airport •International Garden Hotel Narita •Hotel JAL City Kannai Yokohama •Mercure Yokosuka		•Namba Oriental Hotel •Holiday Inn Osaka Namba •Hotel Oriental Express Osaka Shinsaibashi •Oriental Hotel Universal City		•Kobe Meriken Park Oriental Hotel •Oriental Hotel Kyoto Rokujo •ibis Styles Kyoto Station •Hotel Nikko Nara		•Oriental Hotel Hiroshima •Sheraton Grand Hiroshima Hotel (main facility of ACTIVE-INTER CITY HIROSHIMA)		•Oriental Hotel Fukuoka Hakata Station •Hotel Oriental Express Fukuoka Tenjin •Hotel Oriental Express Fukuoka Nakasukawabata •the b hakata •Hilton Fukuoka Sea Hawk		•Hotel Nikko Alivila •Oriental Hotel Okinawa Resort & Spa •Mercure Okinawa Naha •Southern Beach Hotel & Resort OKINAWA	

3. Solid Growth outside Osaka; Gradual Recovery in Osaka from 2027

◆ Portfolio RevPAR is forecasted to increase 4.5% YoY despite lower guest nights in the market

JHR KPIs: Actual and Forecast (2026, YoY)

29 Hotels with Variable Rent, etc.	1H	2H	Full Year
RevPAR	+4.9%	+4.2%	+4.5%

25 Hotels (excl. Osaka)	1H	2H	Full Year
RevPAR	+8.9%	+7.0%	+7.8%
ADR	+6.6%	+2.4%	+4.3%
Occupancy	+1.8pt	+3.8pt	+2.8pt

4 Osaka Hotels (located in Osaka)	1H	2H	Full Year
RevPAR	(14.2%)	(10.9%)	(12.5%)
ADR	(12.6%)	(11.3%)	(11.9%)
Occupancy	(1.7pt)	+0.4pt	(0.7pt)

Key Drivers of Portfolio Performance

- Capturing inbound demand outside China drove RevPAR growth
- Renovation benefits continued at Oriental Hotel Okinawa Resort & Spa

Area	Hotel	RevPAR Growth YoY (FY2026 Forecast)
Okinawa	Oriental Hotel Okinawa Resort & Spa	+13.5%
	Hotel Nikko Alivila	+9.3%
Kyushu	Oriental Hotel Fukuoka Hakata Station	+11.6%
	Hilton Fukuoka Sea Hawk	+8.6%
Chugoku	Sheraton Grand Hiroshima Hotel	+9.9%

Osaka Market Outlook

Current View	• Chinese demand slowdown has weighed on Osaka • Inbound demand outside China continues to grow
Demand Outlook	• Recovery from 2027 driven by demand growth from markets outside China • Japan's first integrated resort (IR), opening in autumn 2030, will support long-term demand growth
Supply Outlook	• New supply in 2027 to 2028 is projected at only approx. 800 rooms (0.6% of existing stock)
Key Takeaways	• **Demand growth and limited supply to further tighten market conditions** • **Osaka to return to growth from 2027 onwards**

4. Enhancing Hotel Competitiveness through Strategic CAPEX

JAPAN HOTEL REIT

Hotel	2024	2025	2026	2026 RevPAR Forecast
Kobe Meriken Park Oriental Hotel (323 rooms)	● **Guest room renovation** (79 rooms): JPY385MM			JPY**21,995** (vs 2019: **+34.1**%)
Oriental Hotel Tokyo Bay (511 rooms)	● **Guest room renovation** (216 rooms): JPY992MM	● **Guest room renovation** (196 rooms): JPY900MM		JPY**29,568** (vs 2019: **+41.9**%)
Oriental Hotel Okinawa Resort & Spa (361 rooms)	● **Guest room renovation** (192 rooms): JPY962MM			JPY**34,544** (vs 2019: **+96.5**%)
Namba Oriental Hotel (258 rooms → 267 rooms)	● **Newly established of guest rooms** (9 rooms) **and lounge, etc.**: JPY780MM			JPY**22,991** (vs 2019: **+33.0**%)
La'gent Stay Sapporo Odori (219 rooms)	● **Guest room renovation** (19 rooms): JPY45MM	● **Guest room renovation** (200 rooms): JPY635MM		JPY**20,561** (vs 2019: **+59.1**%)
OKINAWA HARBORVIEW HOTEL (352 rooms)		● **Full renovation**: JPY3,203MM	● **Full renovation**: JPY643MM	JPY**19,363**(*1) (vs 2019: **+75.3**%)
Total	**JPY3,165MM**	**JPY4,738MM**	**JPY643MM**(*2)	

(*1) As OKINAWA HARBORVIEW HOTEL was under renovation during 1H 2026, forecasted RevPAR for 2H is shown.
(*2) Hilton Tokyo Odaiba and Hilton Fukuoka Sea Hawk are not included because the renovation works are still ongoing as of the date of this material.

5. Value Creation through Operator Changes and Rebranding

JAPAN HOTEL REIT

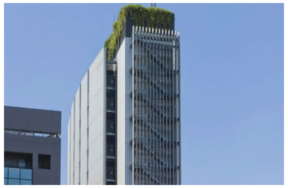
Southern Beach Hotel & Resort OKINAWA

- July 2024
  Acquired
- December 2025
  Changed lessee to HMJ Group

	RevPAR (JPY)	Hotel Revenue (JPY MM)	Rent (JPY MM)	NOI Yield (*2)
Pre-rebranding (2025)	14,739	3,727	769	4.4%
Post-rebranding (2026 Forecast)	15,489	4,029	1,012	5.9%
Change	**+5.1%**	**+8.1%**	**+31.6%**	**+1.4pt**

Hotel Oriental Express Ginza West(*1)
(former Sotetsu Fresa Inn Shimbashi-Karasumoriguchi)

- March 2023
  Acquired
- April 2026
  Changed lessee to HMJ Group



	RevPAR (JPY)	Hotel Revenue (JPY MM)	Rent (JPY MM)	NOI Yield (*2)
Pre-rebranding (2025)	15,286	925	347	5.2%
Post-rebranding (2026 Forecast)	16,318	1,003	619	9.3%
Change	**+6.8%**	**+8.4%**	**+78.2%**	**+4.1pt**

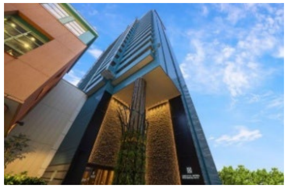
Oriental Hotel Okinawa Resort & Spa
(former Okinawa Marriott Resort & Spa)

- July 2015
  Acquired
- October 2021
  Changed lessee to HMJ Group
- April 2024
  Renovation completed

	RevPAR (JPY)	Hotel Revenue (JPY MM)	Rent (JPY MM)	NOI Yield (*2)
Pre-rebranding (2019)	17,577	3,693	937	5.6%
Post-rebranding (2026 Forecast)	34,544	6,268	2,113	12.3%
Change	**+96.5%**	**+69.7%**	**+125.5%**	**+6.6pt**

Oriental Hotel Universal City
(former Hotel Keihan Universal City)

- September 2012
  Acquired
- December 2021
  Changed lessee to HMJ Group
- July 2022
  Completed full renovations



	RevPAR (JPY)	Hotel Revenue (JPY MM)	Rent (JPY MM)	NOI Yield (*2)
Pre-rebranding (2019)	17,620	2,122	700	11.3%
Post-rebranding (2026 Forecast)	25,223	3,515	1,414	19.4%
Change	**+43.1%**	**+65.6%**	**+102.0%**	**+8.0pt**

Hotel Oriental Express Fukuoka Tenjin
(former HOTEL ASCENT FUKUOKA)

- August 2016
  Acquired
- June 2021
  Changed lessee to HMJ Group
  Rebranded
  Completed full renovations

	RevPAR (JPY)	Hotel Revenue (JPY MM)	Rent (JPY MM)	NOI Yield (*2)
Pre-rebranding (2019)	6,219	632	334	5.9%
Post-rebranding (2026 Forecast)	15,505	1,702	1,053	17.4%
Change	**+149.3%**	**+169.5%**	**+214.9%**	**+11.6pt**

Oriental Hotel Fukuoka Hakata Station
(former Hotel Centraza Hakata)

- April 2016
  Acquired
- April 2019
  Changed lessee to HMJ Group

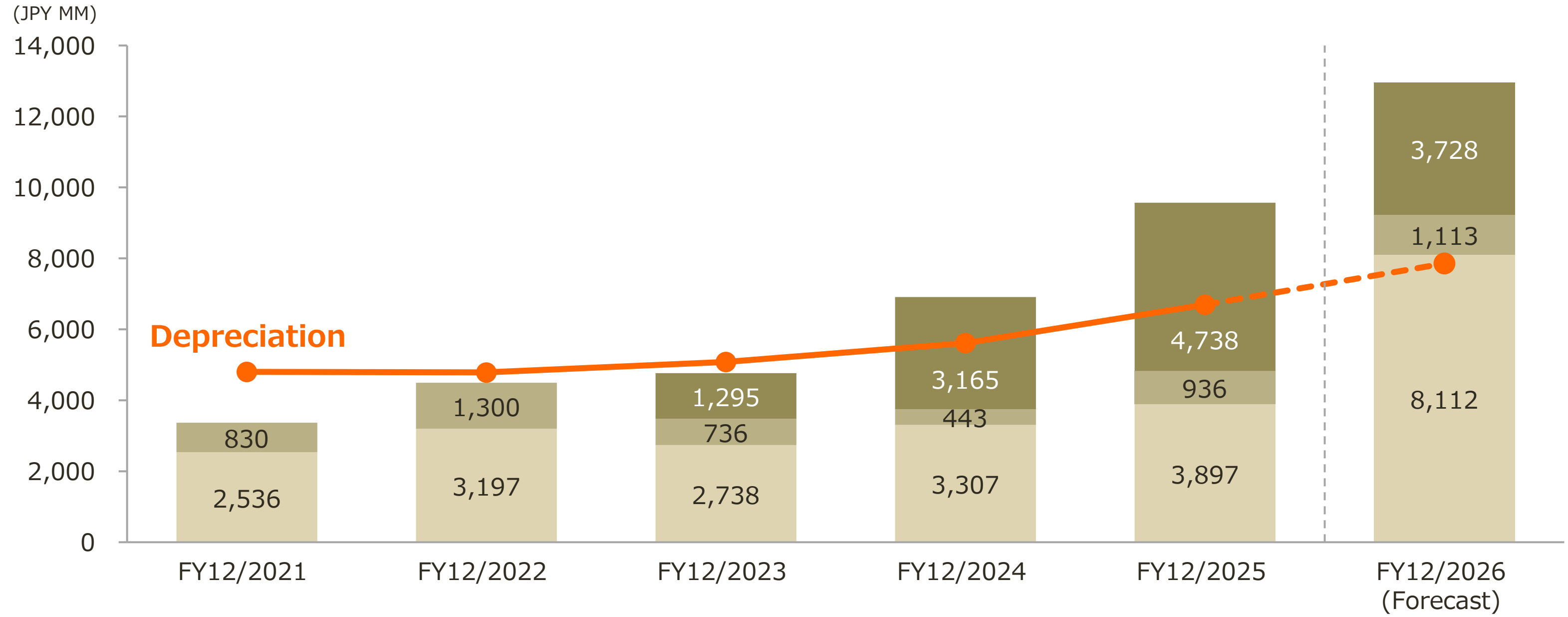
	RevPAR (JPY)	Hotel Revenue (JPY MM)	Rent (JPY MM)	NOI Yield (*2)
Pre-rebranding (2017)	11,071	2,464	865	8.4%
Post-rebranding (2026 Forecast)	26,968	4,122	2,273	26.4%
Change	**+143.6%**	**+67.3%**	**+162.6%**	**+17.9pt**

(*1) RevPAR, hotel revenue and rent for Hotel Oriental Express Ginza West are based on April-December results for each year, and NOI yield is annualized based on the same period.
(*2) NOI yield is based on book value.

6. Capital Expenditure (CAPEX) and Depreciation

JAPAN HOTEL REIT

◆ In principle, CAPEX is managed within depreciation. However, CAPEX is being actively implemented amid recently favorable market conditions



	FY12/2021	FY12/2022	FY12/2023	FY12/2024	FY12/2025	FY12/2026 (Forecast)
Total CAPEX	3,367	4,497	4,769	6,917	9,572	12,954
Depreciation	4,804	4,787	5,083	5,617	6,694	7,856

CAPEX Ⅰ

Capital investment related to renewal of buildings, facilities, and equipment which is required to maintain proper values of properties

CAPEX Ⅱ

Capital investment for fixtures, furniture and equipment that are not directly related to building structures or facilities but necessary for operating Hotels

CAPEX Ⅲ

Strategic capital investment for renewals of guest rooms, banquet rooms, restaurant and others in order to maintain or to improve the competitiveness of the hotels

Key Renovations (including completed and anticipated)

Hotel	Detail	Purpose	Areas to be Renovated	Total Amount	Period
OKINAWA HARBORVIEW HOTEL	Full-scale renovation	Repositioning through full-scale upgrade, including revamped garden pool and lounge	Entire building	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	JPY10,851MM	Feb. 2026 to Dec. 2027
Hilton Fukuoka Sea Hawk	Guest room renovation, etc.	Refining earning capabilities through soft renovations(*), etc.	Executive floor, guest rooms, etc.	JPY600MM	Jun. to Sep. 2026
HYATT REGENCY TOKYO	Addition of guest rooms, etc.	Improving profitability of low-occupancy rooms and capturing new demand	Guest rooms	JPY1,500MM	2027

(*) "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. NOI Yield Enhancement through Rent Revisions

JAPAN HOTEL REIT

Rent Revision Track Record

Revision Date		Hotel	Revision Details	NOI Yield(*1)	Rent Structure	Lease Type
2026	January	Chisun Hotel Kamata	• Raised variable rent rate • Maintained fixed rent	11.1% ➡ **11.4%**	Variable	Fixed-lease
	April	dormy inn Kumamoto	• **Lowered threshold and raised variable rent rate** • Maintained fixed rent • Introduced GOP-linked variable rent at the previous renewal	11.3% ➡ **15.5%**	Fixed + Variable	Fixed-lease
		Hotel Oriental Express Ginza West	• **Changed from revenue sharing to GOP-linked variable rent** • Maintained fixed rent • Changed tenant to HMJ	5.2% ➡ **9.4%**	Fixed + Revenue sharing ➡ **Fixed + Variable**	Fixed-lease
	October	Hakone Setsugetsuka	• **Introduced GOP-linked variable rent** • Maintained fixed rent	6.6% ➡ **15.6%**	Fixed ➡ **Fixed + Variable**	Fixed-lease
2027	January	the b suidobashi	• Increased variable rent through AGOP calculation changes • Raised fixed rent to enhance revenue stability	15.6% ➡ **16.1%**	Fixed + Variable	Fixed-lease

Properties Scheduled for Renewal in 2027

Date		Hotel	Details	Rent Structure	Lease Type
2027	April	MIMARU Tokyo Shinjuku West(*2)	Fixed rent revision pursuant to the lease contract	Fixed + Variable	Fixed-lease
	June	International Garden Hotel Narita	Lease terms to be negotiated upon expiration	Fixed + Variable	Fixed-lease
	December	La'gent Stay Sapporo Odori	Lease terms to be negotiated upon expiration	Variable	Fixed-lease

(*1) NOI Yield is calculated by annualizing rent under the lease contract before and after the revision based on each hotel's FY2025 results and dividing by the acquisition price.
For Hotel Oriental Express Ginza West, NOI yield before the revision is annualized based on actual results from April and December 2025, while NOI yield after the revision is annualized based on the forecast for the same period in the Midterm Financial Report dated August 26, 2026.
(*2) As of August 26, 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) For details of lease terms and conditions for each property, please refer to "5. Summary of Lease Contracts" in Appendix 2.

Ⅴ. Financial Conditions

1. Financial Conditions (1)

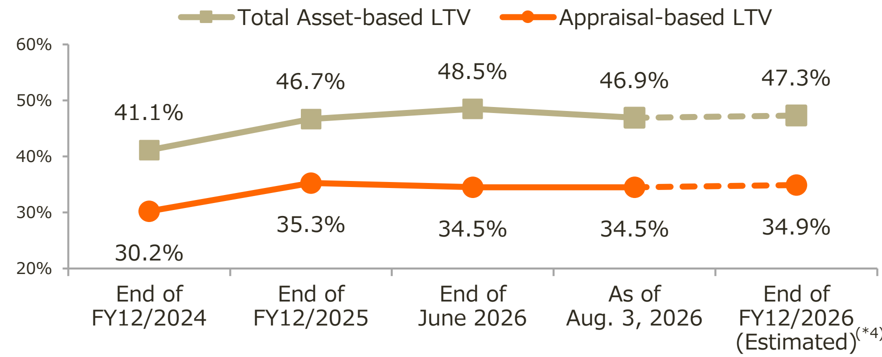
JAPAN HOTEL REIT

Basic Policy	In principle, appraisal-based LTV capped at 40%	Leveling out maturity ladder	Balancing financing costs and dividends

Main Financial Indicators

	End of FY12/2025	End of June 2026	End of FY12/2026 (Estimated)
Total interest-bearing debt	JPY269.3Bn	JPY334.3Bn	JPY340.3Bn
Appraisal-based LTV	35.3%	34.5%	34.9%
Fixed interest rate ratio	80.1%	78.5%	78.5%
Average life of interest-bearing debt(*1)	3.5 years	3.4 years	3.2 years
Cost for interest-bearing debt(*2)	1.7%	1.9%	2.0%
Free cash(*3)	JPY9.6Bn	JPY8.8Bn	JPY18.9Bn

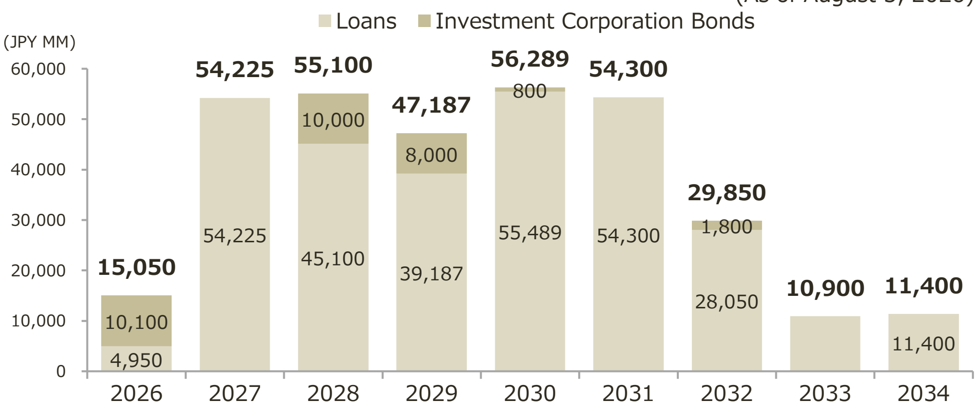
Changes in LTV



	End of FY12/2024	End of FY12/2025	End of June 2026	As of Aug. 3, 2026	End of FY12/2026 (Estimated)(*4)
Average Life of Debt	3.3 years	3.5 years	3.4 years	3.3 years	3.2 years
Costs for Interest-bearing Debt	1.3%	1.7%	1.9%	1.9%	2.0%

Repayment Schedule of Interest-bearing Debt

(As of August 3, 2026)



2027 Interest Rate Simulation

BOJ Policy Rate Hike Scenarios	0.5% per year 0.25% x 2 (Jun./Dec.)	1.0% per year 0.25% x 4 (Mar./Jun./Sep./Dec.)
Impact on DPU	(JPY159)	(JPY211)
Required RevPAR Growth Rate	2.6%	3.4%

Assumptions
- Tibor and swap costs rise with the BOJ policy rate
- Maintain the fixed interest rate ratio as of the end of June 2026
- Assume a six-year refinancing term

(*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) 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 as of the end of FY12/2026 (estimated), the total interest-bearing debt and total assets are based on the amounts as of August 3, 2026, assuming the planned new borrowings of JPY6.0 billion.

1. Financial Conditions (2)

JAPAN HOTEL REIT

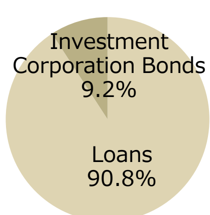
Breakdown of Interest-bearing Debt

(JPY MM)

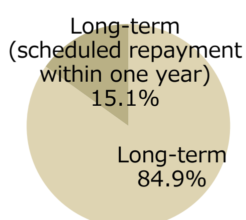
Lenders	Balance (as of the end of December 2025)		Balance (as of the end of June 2026)		Variance
	Balance	%	Balance	%	
Sumitomo Mitsui Banking Corporation	60,833	22.6%	77,733	23.3%	16,900
Mizuho Bank, Ltd.	43,896	16.3%	55,970	16.7%	12,074
Sumitomo Mitsui Trust Bank, Limited	27,535	10.2%	37,535	11.2%	10,000
MUFG Bank, Ltd.	17,300	6.4%	29,100	8.7%	11,800
SBI Shinsei Bank, Ltd.	20,358	7.6%	25,358	7.6%	5,000
Resona Bank, Limited	17,182	6.4%	21,182	6.3%	4,000
Development Bank of Japan Inc.	10,755	4.0%	14,755	4.4%	4,000
Aozora Bank, Ltd.	5,952	2.2%	5,952	1.8%	–
Fukuoka Bank, Ltd.	4,936	1.8%	4,936	1.5%	–
The Chiba Bank, Ltd.	3,532	1.3%	4,832	1.4%	1,300
The Tokyo Star Bank, Limited	4,060	1.5%	4,060	1.2%	–
Daiwa Next Bank, Ltd.	2,000	0.7%	4,000	1.2%	2,000
Kansai Mirai Bank, Limited	2,600	1.0%	3,500	1.0%	900
The Nishi-Nippon City Bank, Ltd.	3,400	1.3%	3,400	1.0%	–
The Minato Bank, Ltd.	2,400	0.9%	2,400	0.7%	–
Hiroshima Bank, Ltd.	1,854	0.7%	1,800	0.5%	(54)
The Nomura Trust and Banking Co., Ltd.	1,500	0.6%	1,500	0.4%	–
Sompo Japan Insurance Inc.	1,000	0.4%	1,000	0.3%	–
The Bank of Okinawa, Ltd.	1,000	0.4%	1,000	0.3%	–
Rakuten Bank, Ltd.	1,000	0.4%	1,000	0.3%	–
The Shizuoka Bank, Ltd.	788	0.3%	788	0.2%	–
Bank of The Ryukyus, Limited	500	0.2%	500	0.1%	–
The Higo Bank, Ltd.	500	0.2%	500	0.1%	–
The Senshu Ikeda Bank, Ltd.	500	0.2%	500	0.1%	–
The Hokuriku Bank, Ltd.	300	0.1%	300	0.1%	–
Total of Bank Loans	**235,681**	**87.5%**	**303,601**	**90.8%**	67,920
Total of Investment Corporation Bonds	**33,700**	**12.5%**	**30,700**	**9.2%**	**(3,000)**
Total of Interest-bearing Debt	**269,381**	**100.0%**	**334,301**	**100.0%**	**64,920**

(As of August 3, 2026)

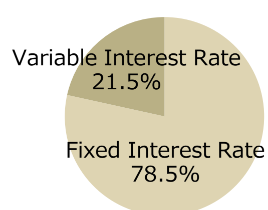
<Bank Loans/ Interest-bearing Debt>



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



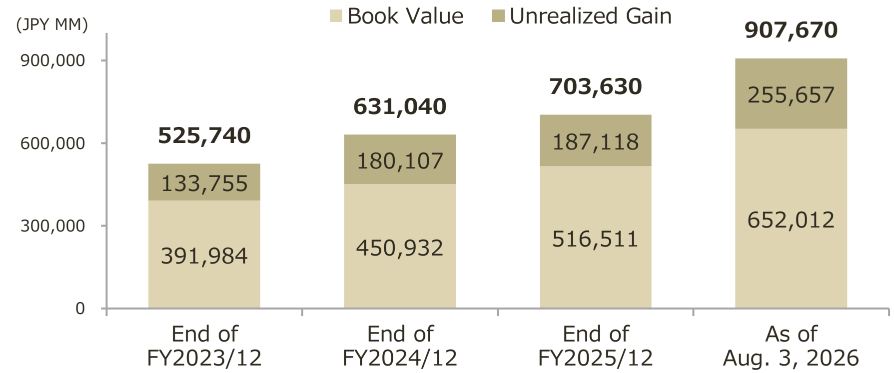
<Fixed/Variable>



Status of Credit Rating

Japan Credit Rating Agency, Ltd. (JCR)		Rating and Investment Information, Inc. (R&I)	
AA– (Stable)	One-notch upgrade Changed on May 13, 2026	**A+ (Stable)**	One-notch upgrade Changed on May 1, 2026

Changes in Appraisal Value (Unrealized Gain)



	End of FY2023/12	End of FY2024/12	End of FY2025/12	As of Aug. 3, 2026
Net Asset Value (NAV) per unit(*2)	**78,661**	**87,000**	**89,157**	**95,334(*3)**
Ratio of Unrealized Gain	34.1%	39.9%	36.2%	39.2%
No. of Properties	47	51	51	52

Policy for Use of Negative Goodwill and Amount to Be Used

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

FY12/2026 Planned Use of Negative Goodwill

50-year amortization amount	:	JPY262MM
Loss on retirement of noncurrent assets	:	JPY54MM
Total amount	**:**	**JPY316MM**
Estimated balance after the end of December 2026	**:**	**JPY6,173MM**

(*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.

Ⅵ. ESG

1. ESG Initiatives

(as of the end of June 2026)

GRESB(*1) Real Estate Assessment

Green Star
Acquired for 8 consecutive years

In 2025, acquired in GRESB Rating
3-star

Green Building Certification

No. of Certified Properties	% of Total Floor Area
18 properties	**60.7**%

Green Finance

Total Green Finance	% of Green Finance
JPY**40.0**Bn	**12.0**%

DBJ Green Building Certification Program(*2) 12 properties

Newly added

OKINAWA HARBORVIEW HOTEL

DBJ Green Building 2026

Southern Beach Hotel & Resort OKINAWA

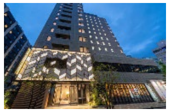
DBJ Green Building 2026

Hilton Tokyo Bay

Hilton Fukuoka Sea Hawk

Oriental Hotel Okinawa Resort & Spa

Hotel Oriental Express Fukuoka Tenjin



MIMARU Tokyo Shinjuku West

Kobe Meriken Park Oriental Hotel

Oriental Hotel Tokyo Bay

Hilton Tokyo Narita Airport

International Garden Hotel Narita

Hotel Nikko Nara

CASBEE(*3) 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(*4) Evaluation 3 properties

Hotel Nikko Alivila

Mercure Okinawa Naha

UAN kanazawa

Environmental Targets

30% reduction of GHG emissions per floor area(*5) in our portfolio by 2050 (GHG emissions intensity) compared to FY2017(*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) 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).
(*3) 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.
(*4) 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.
(*5) Properties owned by JHR are managed by hotel lessees, etc. GHG emissions of JHR fall under Scope 3, Category 13, Leased Assets (Downstream).
(*6) The GHG emissions (GHG emissions intensity) for FY2017 (Baseline fiscal year, April 2017–March 2018) is 0.135 (t-CO_2/㎡).

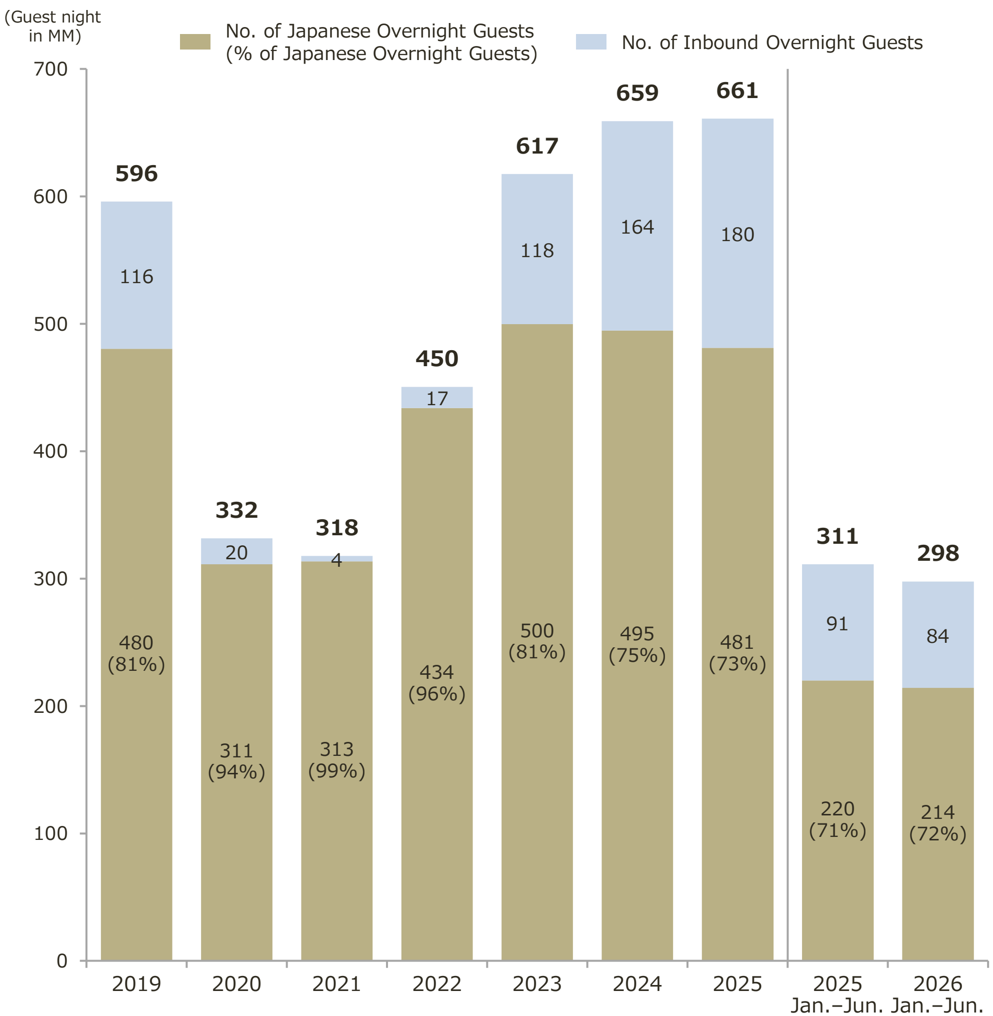
Ⅶ. Market Environment

1. Status of Accommodation Demand

JAPAN HOTEL REIT

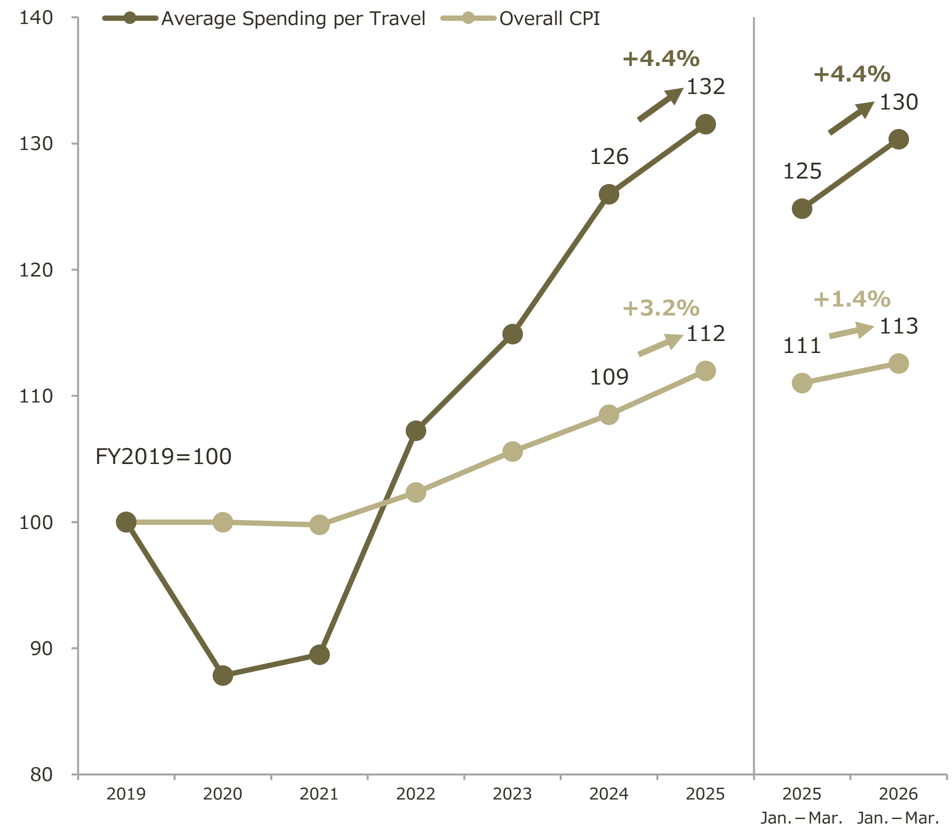
◆ Travel spending growth outpaced inflation, offsetting lower domestic overnight stays

Changes in Number of Overnight Guests(*1)



Source: "Overnight Travel Statistics Survey" by Japan Tourism Agency

Average Spending per Domestic Overnight Stay(*2) vs CPI



	2019	2020	2021	2022	2023	2024	2025	2025 Jan.－Mar.	2026 Jan.－Mar.
Total travel spending (JPY Tn)	17.1	7.7	6.9	13.7	17.7	20.3	21.7	4.5	4.8
Spending per travel (JPY)	55,054	48,361	49,270	59,042	63,253	69,362	72,412	68,732	71,753

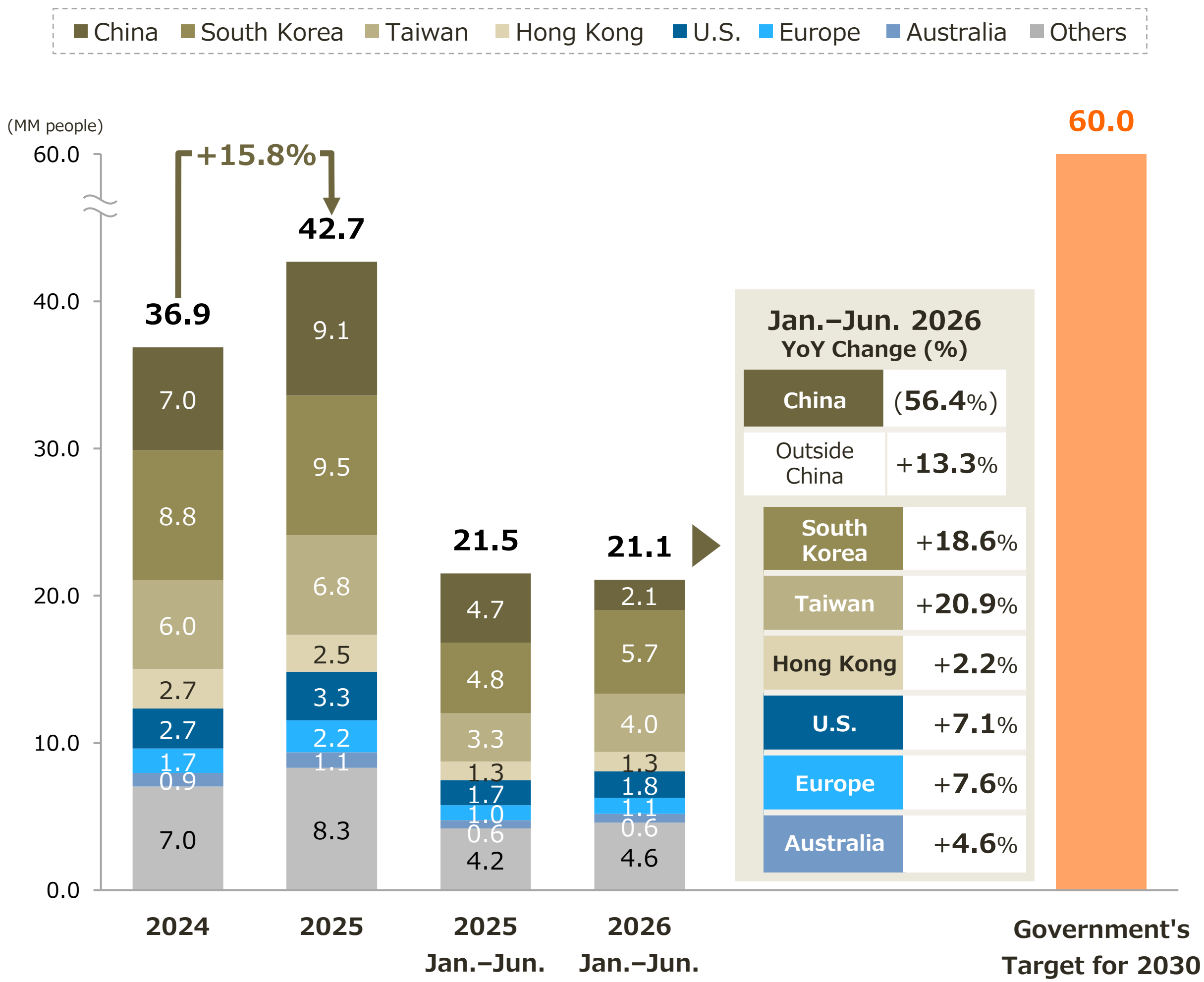
Source: Japan Tourism Agency, "Travel and Tourism Consumption Trend Survey," Statistics Bureau of Japan, "Consumer Price Index (CPI)"

(*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 2019 to 2025 are final, those for January to May 2026 are second preliminary figures, and those for June 2026 are first preliminary figures.
(*2) The figures from 2019 to 2025 are final, those for January 2026 to May 2026 are second preliminary figures.

2. Status of Inbound Visitors

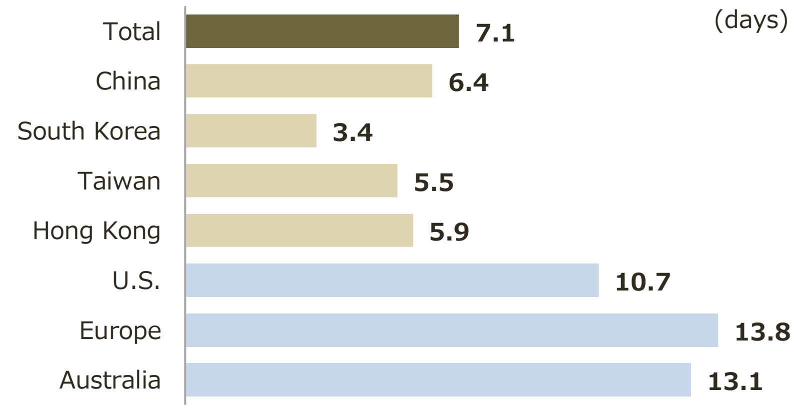
- Inbound arrivals from China declined in 1H 2026, while arrivals from other markets grew 13.3% YoY
- Even without a recovery in Chinese demand, inbound arrivals are expected to resume growth in 2027, led by non-China markets

Number of Inbound Visitors(*1)



Source: Prepared by JHRA based on the data from Japan National Tourism Organization (JNTO), "Inbound Visitors Statistics" and from Prime Minister's Office, "Vision for a Tourism-Oriented Country to Support the Future of Japan".

Average Length of Stay by Country/Region (2025)(*2)



Source: The data from MLIT, "Inbound Consumption Trends Survey"

Inbound Arrivals Simulation
(Assuming no recovery in Chinese demand)

Key Assumptions

China: Assumed to remain at the 2026 level (-56.4% YoY)

Outside China markets: Based on 1H 2026 actual growth (+13.3% YoY), assuming annual growth of 10% thereafter

(MM people)

	2026 Estimate (vs 2025)	2027 Estimate (vs 2025)	2030 Estimate (vs 2025)
China	4.0 (-56.4%)	4.0 (-56.4%)	4.0 (-56.4%)
Outside China	36.9 (+10.0%)	40.6 (+21.0%)	54.1 (+61.1%)
Total	**40.9 (-4.1%)**	**44.6 (+4.5%)**	**58.1 (+36.0%)**

(*1) The number of inbound visitors is rounded off to the nearest thousand. Figures 2024 are verified statistics. Figures for January 2025 to April 2026 are provisional. Figures for May 2026 and June 2025 are estimates.
(*2) The average length of stay by inbound visitors by country/region (2025) is based on finalized 2025 data. "Accommodation spending" refers to the total accommodation expenditure of inbounds during their stay in Japan.

3. Status of New Supply of Hotels

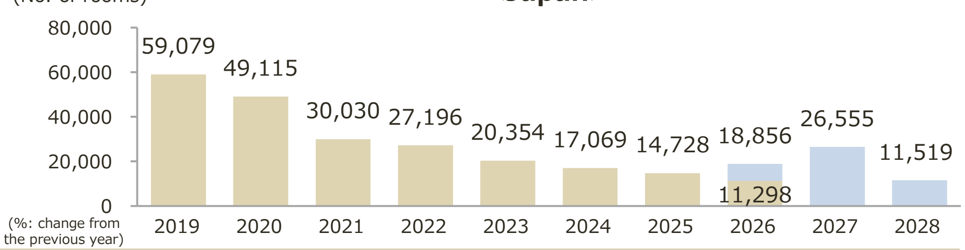
◆ Limited new openings are expected, with supply levels projected to remain below past averages

Supply of Rooms in Hotels/Ryokans in Japan

As of the end of July 2026

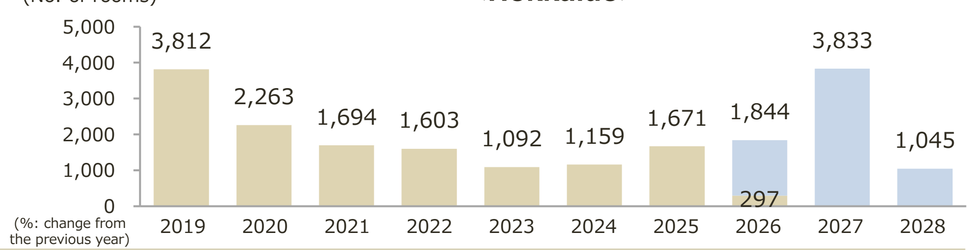
Opened　Scheduled to open

<Japan>



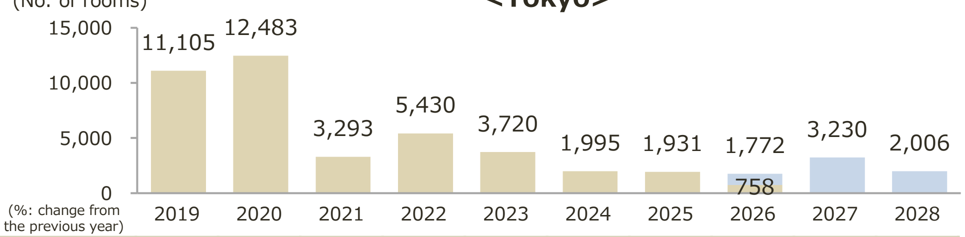
(%: change from the previous year)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Ratio of New Supply	+3.6%	+2.9%	+1.7%	+1.5%	+1.1%	+0.9%	+0.8%	+1.0%	+1.4%	+0.6%

<Hokkaido>



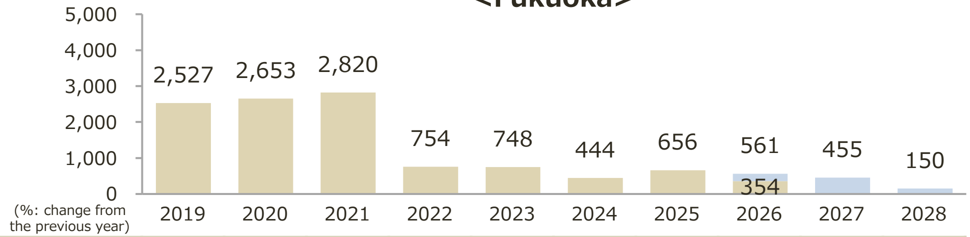
(%: change from the previous year)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Ratio of New Supply	+3.4%	+1.9%	+1.4%	+1.3%	+0.9%	+0.9%	+1.3%	+1.5%	+3.0%	+0.8%

<Tokyo>



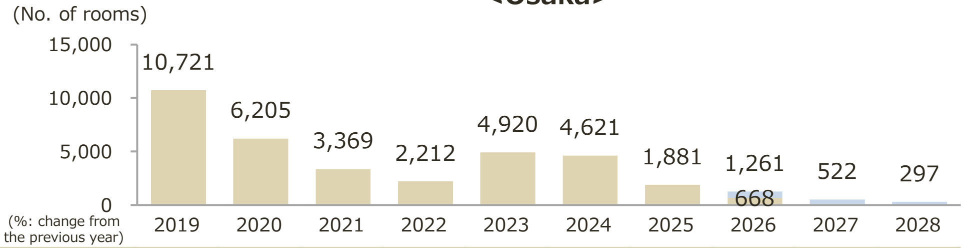
(%: change from the previous year)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Ratio of New Supply	+6.5%	+6.8%	+1.7%	+2.7%	+1.8%	+1.0%	+0.9%	+0.8%	+1.5%	+0.9%

<Fukuoka>



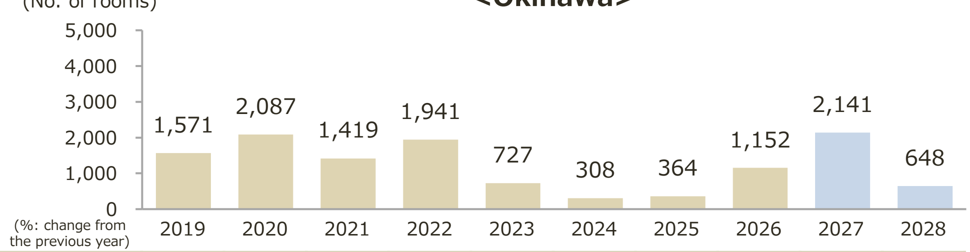
(%: change from the previous year)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Ratio of New Supply	+4.6%	+4.6%	+4.7%	+1.2%	+1.2%	+0.7%	+1.0%	+0.9%	+0.7%	+0.2%

<Osaka>



(%: change from the previous year)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Ratio of New Supply	+11.6%	+6.0%	+3.1%	+2.0%	+4.3%	+3.8%	+1.5%	+1.0%	+0.4%	+0.2%

<Okinawa>



(%: change from the previous year)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Ratio of New Supply	+3.6%	+4.6%	+3.0%	+4.0%	+1.4%	+0.6%	+0.7%	+2.2%	+4.0%	+1.2%

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.

FAQ

FAQ (1)

JAPAN HOTEL REIT

Highlights

Q1. Can the hotel market continue to grow despite the sharp decline in Chinese inbound demand?

A. While Chinese inbound demand has softened, demand from other countries continues to grow. Combined with limited hotel supply in Japan and growing global travel demand, we believe supply-demand conditions will tighten further. The hotel market is expected to sustain long-term growth even without a recovery in Chinese demand.

Q2. Japanese domestic overnight stays are declining YoY. How do you view the impact on the hotel revenue?

A. Although domestic travel volume is gradually declining due in part to demographic trends, spending per traveler and room rates continue to rise. This shift from volume to rate growth is supporting hotel revenue.

Q3. Is the forecast for 2H 2026 conservative?

A. We believe the forecast is reasonable. While strong inbound demand outside China is likely to remain strong, downside risks such as natural disasters are also incorporated.

Q4. Why is the full-year RevPAR forecast lower than the previous forecast?

A. The impact of weaker Chinese demand has been particularly pronounced in Osaka. We therefore revised our 2H forecast based on the assumption of little to no recovery in Chinese demand.

External Growth

Q1. What is JHR's policy on asset acquisition?

A. JHR does not limit investments to specific regions or large-scale assets and will pursue acquisitions that enhance portfolio quality based on leisure demand capture, competitiveness and growth potential.

Q2. What is JHR's policy on asset disposition?

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.

Asset Replacement

Q1. What enabled the sale of The Beach Tower Okinawa at nearly 3x its appraisal value?

A. The sale price reflected not only current rent levels, but also future rent growth potential, Okinawa's growth outlook and the asset's scarcity.

Q2. How will the gain on sale from The Beach Tower Okinawa be utilized?

A. Of the approx. JPY24.0 billion gain on sale, a portion was used to fund the acquisition of Candeo Hotels Osaka Namba, and approx. JPY6.0 billion will be distributed to unitholders. The remainder will be retained for future growth investments, including acquisitions and major renovations.

Q3. Why did JHR acquire Candeo Hotels Osaka Namba despite its fixed-rent lease structure?

A. In addition to stable cash flows from fixed rent, the asset offers a higher post-depreciation NOI than The Beach Tower Okinawa and upside from future demand growth, including the Osaka IR development. The acquisition enhances both portfolio stability and growth potential as part of JHR's capital recycling strategy.

FAQ (2)

JAPAN HOTEL REIT

Internal Growth

Q1. Which markets are expected to be strong or weak in 2026?

A. Okinawa and Kyushu are expected to post RevPAR growth of 9-10% YoY. Osaka is projected to decline 12.5% YoY due to weaker Chinese demand and the post-Expo impact, but remain 6% above 2024 levels.

Q2. What is the inbound revenue mix in the portfolio?

A. The inbound revenue ratio for the 29 Hotels with Variable Rent, etc. was 46% in 2025, and is expected to be 47% in the full year 2026.

Q3. How much impact from weaker Chinese demand is assumed?

A. Chinese demand is forecast to decline 60% YoY, while other inbound markets are anticipated to grow 16%. Total inbound and rooms revenue are projected to increase 5% and 4.5%, respectively.

Q4. What is the outlook for the F&B department in 2026?

A. F&B revenue for the 29 Hotels with Variable Rent, etc. is expected to increase 3.7%. Banquet and restaurant revenue are projected to grow approx. 3% and 9%, respectively, while wedding revenue is expected to decline, with profitability remaining broadly flat.

Q5. What is the impact of rising labor and utility costs?

A. Labor costs are expected to remain stable through workforce optimization, while utility costs are expected to increase by approx. 4% YoY. Cost increases are expected to be offset by revenue growth.

Q6. CAPEX exceeds depreciation. Will this trend continue, and how will it 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 and asset sales, as appropriate.

Internal Growth

Q7. 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,we believe construction costs can be effectively managed despite inflationary environment.

Q8. What is the DPU impact of rent revisions?

A. Based on 2025 hotel performance, the DPU impact from rent revisions at five properties in 2026 is estimated at approx. JPY140 on an annualized basis.

Finance

Q1. Has the leverage policy changed?

A. No change. We maintain an appraisal-based LTV ceiling of 40% and aim to expand financial flexibility through active asset management.

Q2. What is the borrowing capacity at a 40% appraisal-based LTV?

A. Borrowing capacity is approx. JPY80 billion.

Q3. 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 projected to be around 2.0% by the end of December 2026.

Market

Q1. Why has JHR's RevPAR increased despite a YoY decline in domestic overnight stays in Japan in 2026?

A. JHR's portfolio has strong exposure to domestic and inbound leisure demand, along with potential ADR upside. Together with active asset management, this has supported RevPAR growth.

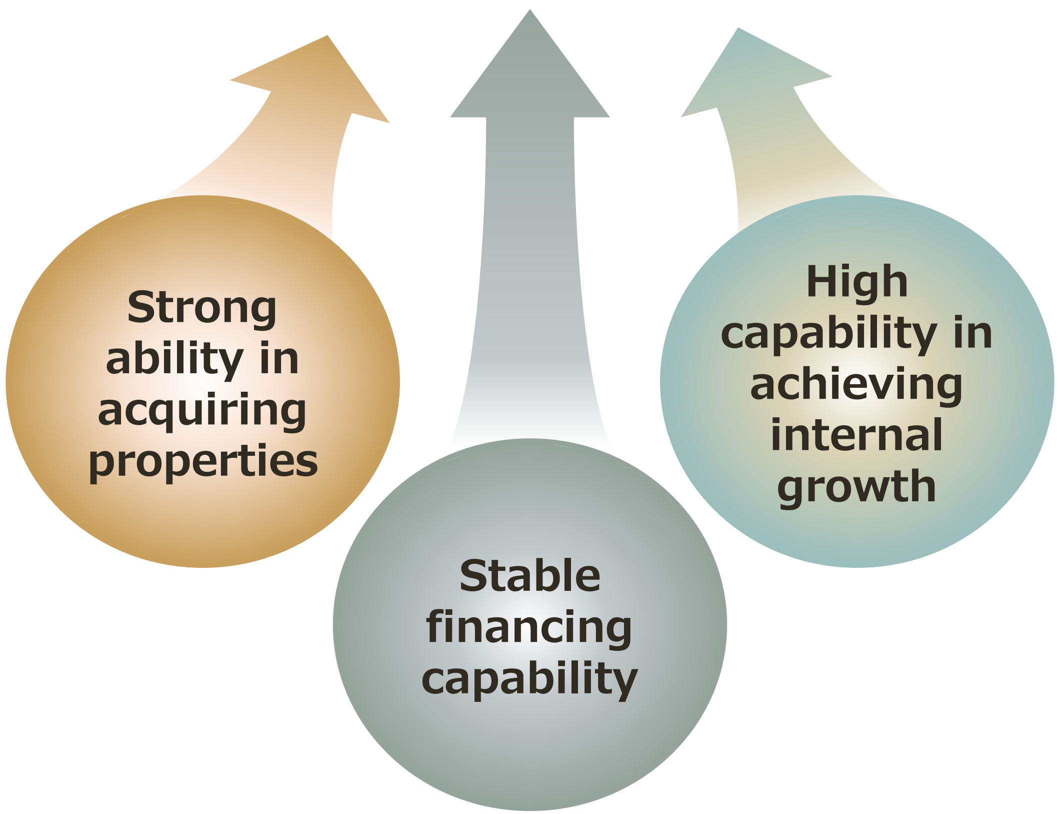
Appendix 1

JHR's Policies and Strategy

1. JHR's Investment Targets

JAPAN HOTEL REIT

Aim to increase dividends 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

JAPAN HOTEL REIT

◆ 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**

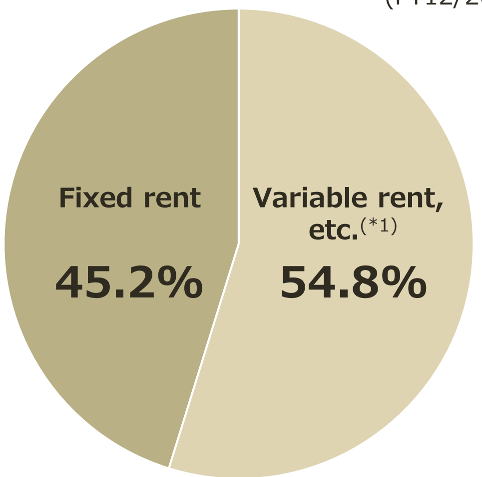
Active Asset Management Strategies

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

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

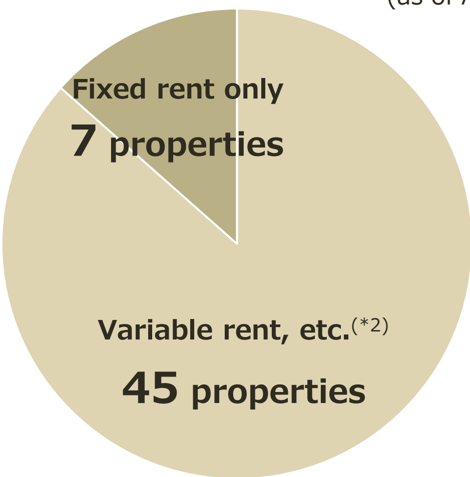
Proportion of Rental Income

(FY12/2026 forecast)



Proportion of Rent Structures

(as of August 3, 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 Midterm Financial Report for FY12/2026 dated August 26, 2026.

3. External Growth Strategy

JAPAN HOTEL REIT

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.
- In the hotel transaction market, both foreign funds and domestic investors, including J-REITs, continue to actively pursue hotel investment opportunities. Supported by expectations for further growth in the hotel sector and proactive lending stance of financial institutions toward hotel assets, hotel transaction activity is expected to remain strong.
- 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 active 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 increasing visitors from Asia (outside China), 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

5. Financial Strategy

JAPAN HOTEL REIT

External Environment

Trend of Financing Environment and Interest Rates

- J-REIT public offerings in 1H 2026 increased year-on-year in both number and total amount. The TSE REIT index declined by around 10% since the beginning of the year amid rising interest rate concerns.
- Supported by strong inbound demand and continued growth expectations in hotel performance, financial institutions maintain a constructive financing 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

Active Asset Management

Hotels

Increase in Hotel Sales

1 Increase sales by improvement of hotel operation, etc.

- Aim to increase hotel sales through improvement of hotel operation by measures including revenue management, changes in hotel operator, rebranding, renovation and upgrades
- Stimulate and acquire leisure demand by enhancing the unique attractiveness of each hotel and highly competitive products

<Examples>
- Initiatives by the HMJ Group to improve sales
- Rebranding and Renovation

Reduction in Operating Costs of Hotels

2 Review of costs by Restructuring

- Review the various costs and improve the revenue structure
- Aim to maximize GOP through efficient management

<Examples>
- Restructuring by the HMJ Group

Improve GOP

REIT

Increase in Real Estate Operating Revenue

3 Revision in rent structure, etc.

- Aim to increase the rent that JHR receives by raising the rent burden ratio at the time of rebranding and other measures

<Examples>
- Changing rent structure through Rebranding
- Introducing variable rent at the time of lease contract revision

Reduction in Real Estate Operating Costs

Reduction of costs for property management costs, trust fees, management contract fees, ground rent, etc.

Improve NOI

Maximize DPU

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

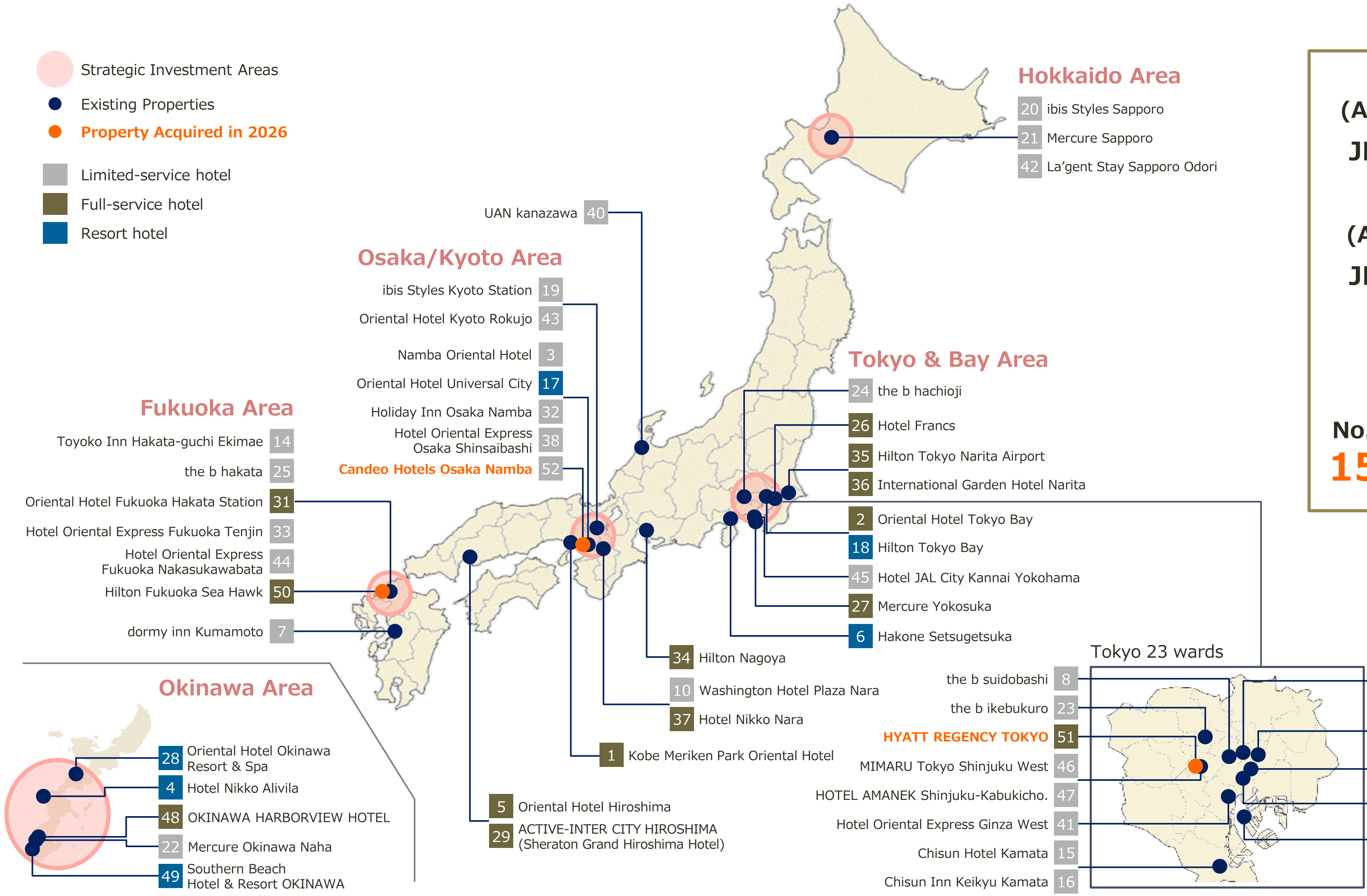
(as of August 3, 2026)

Total Assets (Acquisition Price)
JPY648.1Bn

Total Assets (Appraisal Value)
JPY907.6Bn

No. of Hotels
52 Hotels

No. of Guest Rooms
15,058 Rooms



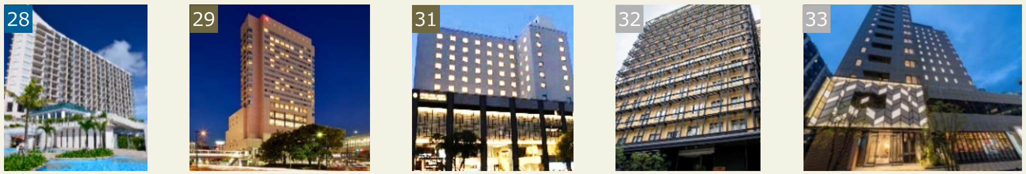
2. List of Portfolio

Limited-service hotel · Full-service hotel · Resort hotel (as of August 3, 2026)

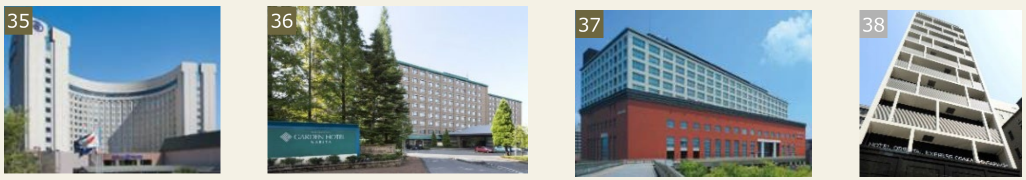
The 29 Hotels with Variable Rent, etc.

HMJ Group

1 Kobe Meriken Park Oriental Hotel
2 Oriental Hotel Tokyo Bay
3 Namba Oriental Hotel
4 Hotel Nikko Alivila
5 Oriental Hotel Hiroshima
17 Oriental Hotel Universal City



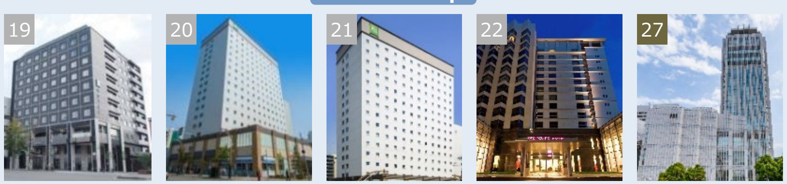
28 Oriental Hotel Okinawa Resort & Spa
29 ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel)
31 Oriental Hotel Fukuoka Hakata Station
32 Holiday Inn Osaka Namba
33 Hotel Oriental Express Fukuoka Tenjin



35 Hilton Tokyo Narita Airport
36 International Garden Hotel Narita
37 Hotel Nikko Nara
38 Hotel Oriental Express Osaka Shinsaibashi

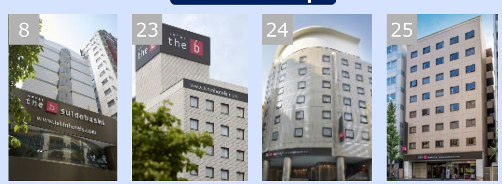
43 Oriental Hotel Kyoto Rokujo
44 Hotel Oriental Express Fukuoka Nakasukawabata
45 Hotel JAL City Kannai Yokohama
49 Southern Beach Hotel & Resort OKINAWA
50 Hilton Fukuoka Sea Hawk

Accor Group



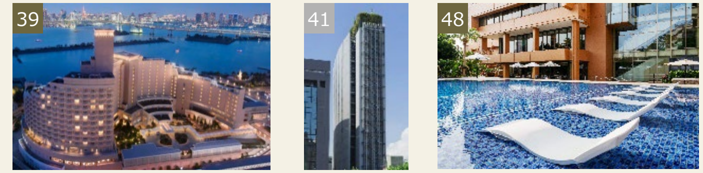
19 ibis Styles Kyoto Station
20 ibis Styles Sapporo
21 Mercure Sapporo
22 Mercure Okinawa Naha
27 Mercure Yokosuka

Ishin Group



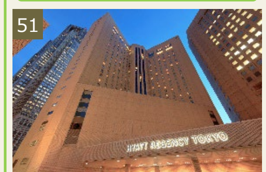
8 the b suidobashi
23 the b ikebukuro
24 the b hachioji
25 the b hakata

Large-scale Renovation Ongoing

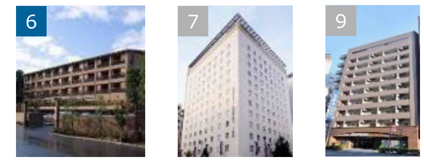


39 Hilton Tokyo Odaiba
41 Hotel Oriental Express Ginza West
48 OKINAWA HARBORVIEW HOTEL

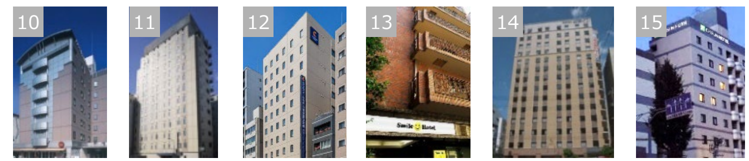
Acquisition in 2026



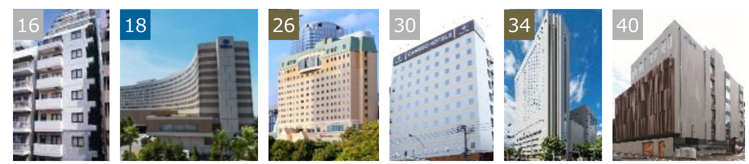
51 HYATT REGENCY TOKYO



6 Hakone Setsugetsuka
7 dormy inn Kumamoto
9 dormy inn EXPRESS Asakusa



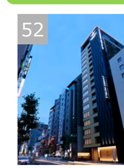
10 Washington Hotel Plaza Nara
11 Washington R&B Hotel Ueno-hirokoji
12 Comfort Hotel Tokyo Higashi Nihombashi
13 Smile Hotel Nihombashi Mitsukoshimae
14 Toyoko Inn Hakata-guchi Ekimae
15 Chisun Hotel Kamata



16 Chisun Inn Keikyu Kamata
18 Hilton Tokyo Bay
26 Hotel Francs
30 CANDEO HOTELS Ueno Koen
34 Hilton Nagoya
40 UAN kanazawa

42 La'gent Stay Sapporo Odori
46 MIMARU Tokyo Shinjuku West
47 HOTEL AMANEK Shinjuku-Kabukicho.

Acquisition in 2026



52 Candeo Hotels Osaka Namba

3. Rent Structure

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

(FY12/2026 Forecast)

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) (%)		JPY1,618MM (3.2%)	JPY4,186MM (8.4%)	JPY38,756MM (77.6%)	JPY2,853MM (5.7%)	JPY2,532MM (5.1%)	JPY49,949MM (100.0%)
(breakdown)	Fixed Rent(*3) (%)	JPY1,618MM (3.2%)	JPY2,741MM (5.5%)	JPY17,918MM (35.9%)	JPY127MM (0.3%)	JPY169MM (0.3%)	JPY22,574MM (45.2%)
	Variable Rent (%)	–	JPY1,445MM (2.9%)	JPY20,838MM (41.7%)	JPY2,726MM (5.5%)	JPY2,363MM (4.7%)	JPY27,374MM (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	4	32	5	4	52
Acquisition Price (%)		JPY31,516MM (4.9%)	JPY33,954MM (5.2%)	JPY530,979MM (81.9%)	JPY29,255MM (4.5%)	JPY22,397MM (3.5%)	JPY648,101MM (100.0%)
Hotels		Hakone Setsugetsuka(*5) dormy inn EXPRESS Asakusa Washington Hotel Plaza Nara Washington R&B Hotel Ueno-hirokoji Toyoko Inn Hakata-guchi Ekimae CANDEO HOTELS Ueno Koen Candeo Hotels Osaka Namba	Hilton Tokyo Bay Smile Hotel Nihombashi Mitsukoshimae Comfort Hotel Tokyo Higashi Nihombashi UAN kanazawa	HMJ Group (24 Hotels)(*6) Ishin Group (4 Hotels) dormy inn Kumamoto Hotel Francs MIMARU Tokyo Shinjuku West HOTEL AMANEK Shinjuku-Kabukicho.	Hilton Nagoya Mercure Yokosuka Chisun Hotel Kamata Chisun Inn Keikyu 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 August 26, 2026.
(*2) Based on the revenue forecast for FY12/2026, which was announced in the Midterm Financial Report dated August 26, 2026. This includes the real estate operating revenue from The Beach Tower Okinawa, which was sold in July 2026.
(*3) The fixed amount of real estate operating revenue does not include other income.
(*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 Hakone Setsugetsuka is as follows: until October 31, 2026, fixed rent only. On and after November 1, 2026, a combination of fixed and variable rent will apply.
(*6) 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 has been applied.

4. Property List (1/2)

JAPAN HOTEL REIT

(as of the end of June 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 26th Period (as of December 31, 2025) Appraisal Value (JPY MM)	Appraisal Value 26th Period (as of December 31, 2025) CAP Rate	Appraisal Value 27th Period (as of June 30, 2026) Appraisal Value (JPY MM)	Appraisal Value 27th Period (as of June 30, 2026) CAP Rate	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 (forecast) (*8)
1	Kobe Meriken Park Oriental Hotel	Full-service	Upper-middle	323	Hyogo	31.0	10,900	9,600	14,600	4.8%	15,800	4.8%	1.7%	533,325	410,346	245,465	9.7%
2	Oriental Hotel Tokyo Bay	Full-service	Upper-middle	511	Chiba	31.2	19,900	18,103	35,100	4.3%	40,900	4.3%	3.1%	1,173,613	1,105,884	860,217	12.0%
3	Namba Oriental Hotel	Limited-service	Mid-price	267	Osaka	30.3	15,000	15,376	33,700	4.1%	33,700	4.1%	2.3%	725,386	664,971	575,823	9.4%
4	Hotel Nikko Alivila	Resort	Luxury	397	Okinawa	32.2	18,900	17,921	29,200	4.7%	29,800	4.7%	2.9%	520,689	438,626	300,146	9.3%
5	Oriental Hotel Hiroshima	Full-service	Upper-middle	227	Hiroshima	32.8	4,100	3,966	4,290	4.9%	4,290	4.9%	0.6%	132,735	109,387	69,474	7.2%
6	Hakone Setsugetsuka	Resort	Mid-price	158	Kanagawa	19.7	4,070	3,383	5,630	4.6%	9,110	5.2%	0.6%	147,469	134,741	84,815	6.6%
7	dormy inn Kumamoto	Limited-service	Mid-price	291	Kumamoto	18.4	2,334	2,102	5,570	5.4%	6,320	5.4%	0.4%	114,713	102,673	74,914	11.9%
8	the b suidobashi	Limited-service	Mid-price	99	Tokyo	39.8	1,120	1,142	2,530	4.0%	2,890	4.0%	0.2%	90,355	84,659	71,123	15.8%
9	dormy inn EXPRESS Asakusa	Limited-service	Economy	75	Tokyo	29.3	999	916	1,300	3.8%	1,290	3.8%	0.2%	32,537	27,507	20,669	5.5%
10	Washington Hotel Plaza Nara	Limited-service	Mid-price	203	Nara	26.3	2,050	1,694	2,450	4.8%	2,420	4.8%	0.3%	75,000	66,000	49,000	6.5%
11	Washington R&B Hotel Ueno-hirokoji	Limited-service	Economy	176	Tokyo	24.2	1,720	1,776	1,880	3.9%	1,800	3.9%	0.3%	48,645	40,304	30,830	4.7%
12	Comfort Hotel Tokyo Higashi Nihombashi	Limited-service	Economy	259	Tokyo	18.4	3,746	3,435	5,910	4.1%	6,670	4.1%	0.6%	261,395	244,453	222,347	9.7%
13	Smile Hotel Nihombashi Mitsukoshimae	Limited-service	Economy	164	Tokyo	29.3	2,108	1,994	3,170	3.9%	3,220	3.9%	0.3%	120,668	111,839	100,447	8.1%
14	Toyoko Inn Hakata-guchi Ekimae	Limited-service	Economy	256	Fukuoka	24.8	1,652	1,302	2,780	4.4%	2,730	4.4%	0.3%	70,519	62,366	53,451	7.5%
15	Chisun Hotel Kamata	Limited-service	Economy	105	Tokyo	34.4	1,512	1,457	2,130	4.6%	2,360	4.6%	0.2%	96,349	88,812	73,321	11.1%
16	Chisun Inn Keikyu Kamata	Limited-service	Economy	70	Tokyo	23.2	823	763	1,460	4.4%	1,600	4.4%	0.1%	52,032	48,276	42,281	11.2%
17	Oriental Hotel Universal City	Resort	Upper-middle	330	Osaka	25.0	6,753	7,160	22,300	4.7%	25,600	4.7%	1.0%	565,547	534,278	458,604	20.5%
18	Hilton Tokyo Bay	Resort	Luxury	828	Chiba	38.0	26,050	26,158	42,800	4.1%	47,900	4.1%	4.0%	990,009	847,128	732,338	9.0%
19	ibis Styles Kyoto Station	Limited-service	Mid-price	215	Kyoto	17.2	6,600	6,504	10,000	4.2%	10,200	4.2%	1.0%	234,486	204,165	188,552	6.7%
20	ibis Styles Sapporo	Limited-service	Mid-price	278	Hokkaido	15.9	6,797	6,173	11,300	4.7%	11,300	4.7%	1.0%	284,387	226,085	185,057	8.2%
21	Mercure Sapporo	Limited-service	Mid-price	285	Hokkaido	17.2	6,000	5,511	12,400	4.6%	13,400	4.6%	0.9%	459,097	344,284	296,537	13.2%
22	Mercure Okinawa Naha	Limited-service	Mid-price	260	Okinawa	16.9	3,000	2,696	7,440	4.6%	7,440	4.6%	0.5%	239,498	194,118	159,938	13.4%
23	the b ikebukuro	Limited-service	Mid-price	175	Tokyo	44.0	6,520	6,653	7,990	4.0%	8,600	4.0%	1.0%	217,936	202,760	183,479	6.5%
24	the b hachioji	Limited-service	Mid-price	196	Tokyo	39.9	2,610	2,644	2,740	5.0%	2,740	5.0%	0.4%	113,472	101,136	83,168	7.7%
25	the b hakata	Limited-service	Mid-price	175	Fukuoka	28.8	2,300	2,306	6,180	4.2%	6,180	4.2%	0.4%	189,222	180,899	169,039	16.6%
26	Hotel Francs	Full-service	Mid-price	222	Chiba	34.9	3,105	3,258	6,690	4.7%	6,690	4.7%	0.5%	209,068	178,010	144,448	12.2%
27	Mercure Yokosuka	Full-service	Upper-middle	160	Kanagawa	32.7	1,650	1,765	3,640	4.6%	3,710	4.6%	0.3%	250,387	194,159	169,575	21.9%
28	Oriental Hotel Okinawa Resort & Spa	Resort	Upper-middle	361	Okinawa	21.4	14,950	16,416	19,700	4.8%	21,500	4.8%	2.3%	588,651	541,645	288,409	13.5%
29	ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel)	Full-service	Luxury	238	Hiroshima	15.8	17,320	16,774	20,600	4.5%	23,100	4.5%	2.7%	983,514	733,962	606,610	8.7%
30	CANDEO HOTELS Ueno Koen	Limited-service	Mid-price	268	Tokyo	16.5	6,705	6,488	7,420	3.9%	7,270	3.9%	1.0%	174,985	160,980	136,725	4.8%

4. Property List (2/2)

JAPAN HOTEL REIT

(as of the end of June 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: 26th Period (as of December 31, 2025)		Appraisal Value: 27th Period (as of June 30, 2026)		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 (forecast) (*8)
									Appraisal Value (JPY MM)	CAP Rate	Appraisal Value (JPY MM)	CAP Rate					
31	Oriental Hotel Fukuoka Hakata Station	Full-service	Upper-middle	221	Fukuoka	41.0	7,197	7,687	16,000	4.6%	18,300	4.6%	1.1%	1,108,481	985,102	800,014	28.2%
32	Holiday Inn Osaka Namba	Limited-service	Mid-price	314	Osaka	17.9	27,000	26,374	27,300	4.3%	27,300	4.3%	4.2%	588,830	562,774	496,067	4.4%
33	Hotel Oriental Express Fukuoka Tenjin	Limited-service	Mid-price	263	Fukuoka	27.2	5,248	5,697	7,820	4.6%	8,600	4.6%	0.8%	547,991	484,262	450,210	18.9%
34	Hilton Nagoya	Full-service	Luxury	460	Aichi	37.3	15,250	15,327	15,500	4.1%	15,800	4.1%	2.4%	796,660	460,293	360,591	6.5%
35	Hilton Tokyo Narita Airport	Full-service	Upper-middle	548	Chiba	32.9	13,175	13,097	13,200	4.4%	13,200	4.4%	2.0%	472,667	434,838	307,671	6.2%
36	International Garden Hotel Narita	Full-service	Mid-price	463	Chiba	30.1	9,125	8,708	9,650	4.7%	9,650	4.7%	1.4%	277,859	256,076	172,959	5.7%
37	Hotel Nikko Nara	Full-service	Upper-middle	330	Nara	28.3	10,373	9,960	10,000	4.7%	10,200	4.7%	1.6%	308,229	283,736	198,754	6.0%
38	Hotel Oriental Express Osaka Shinsaibashi	Limited-service	Mid-price	124	Osaka	8.4	2,738	2,751	2,900	4.5%	3,000	4.5%	0.4%	71,895	64,126	56,009	4.9%
39	Hilton Tokyo Odaiba	Full-service	Upper-middle	453	Tokyo	30.5	62,400	64,635	72,700	3.7%	74,900	3.7%	9.6%	799,800	618,422	439,476	2.0%
40	UAN kanazawa	Limited-service	Upper-middle	47	Ishikawa	8.8	2,050	2,013	2,340	4.5%	2,340	4.5%	0.3%	64,392	58,958	48,766	6.0%
41	Hotel Oriental Express Ginza West	Limited-service	Mid-price	220	Tokyo	18.3	8,400	8,489	10,300	3.7%	11,800	3.7%	1.3%	404,571	371,383	356,996	9.9%
42	La'gent Stay Sapporo Odori	Limited-service	Mid-price	219	Hokkaido	10.0	10,020	10,912	11,800	4.2%	13,000	4.2%	1.5%	441,364	417,818	345,444	7.6%
43	Oriental Hotel Kyoto Rokujo	Limited-service	Mid-price	166	Kyoto	6.8	4,446	4,533	6,650	4.1%	7,000	4.1%	0.7%	185,328	174,528	155,133	9.3%
44	Hotel Oriental Express Fukuoka Nakasukawabata	Limited-service	Mid-price	183	Fukuoka	5.2	4,460	4,601	6,280	4.1%	6,760	4.1%	0.7%	283,075	271,487	257,935	12.7%
45	Hotel JAL City Kannai Yokohama	Limited-service	Mid-price	170	Kanagawa	19.6	4,000	4,001	4,590	4.0%	4,690	4.0%	0.6%	88,698	78,519	61,715	5.1%
46	MIMARU Tokyo Shinjuku West	Limited-service	Upper-middle	76	Tokyo	6.4	9,645	9,968	14,200	3.6%	15,200	3.6%	1.5%	330,472	312,184	298,153	6.0%
47	HOTEL AMANEK Shinjuku-Kabukicho.	Limited-service	Mid-price	169	Tokyo	3.3	8,845	9,142	12,900	3.7%	13,400	3.7%	1.4%	293,718	280,584	268,368	6.1%
48	OKINAWA HARBORVIEW HOTEL	Full-service	Upper-middle	352	Okinawa	51.2	21,562	26,862	24,200	4.6%	24,200	4.5%	3.3%	525,000	501,048	225,817	5.6%
49	Southern Beach Hotel & Resort OKINAWA	Resort	Mid-price	448	Okinawa	17.2	16,200	16,117	20,300	4.8%	20,300	4.8%	2.5%	294,139	259,173	144,609	5.8%
50	Hilton Fukuoka Sea Hawk	Full-service	Upper-middle	1,052	Fukuoka	31.3	64,350	64,376	71,700	4.3%	76,600	4.3%	9.9%	2,269,870	2,157,556	1,820,410	6.7%
51	HYATT REGENCY TOKYO	Full-service	Upper-middle	712	Tokyo	45.9	126,000	126,986	–	–	156,000	3.6%	19.4%	2,463,470	2,420,256	2,171,011	5.0%
52	Candeo Hotels Osaka Namba(*9)	Limited-service	Mid-price	496	Osaka	9.1	14,320	–	–	–	14,900	3.1%	2.2%	–	–	–	3.4%
	Total or Average	–	–	**15,058**	–	**30.4**	**648,101**	**637,692**	**693,230**	–	**907,670**	–	**100.0%**	**22,568,140**	**20,070,198**	**16,282,838**	–

(*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 the end of June 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 June 2026.
(*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 6 months from January to June 2026. Since the lessee did not agree to disclose numbers in units of JPY1,000 for No. 10, the amounts are rounded down to the nearest JPY million. In addition, the total figures include actual results from The Beach Tower Okinawa, which was sold in July 2026.
(*8) NOI yield (forecast) is calculated by dividing the NOI (forecast) for the full year FY12/2026 by each acquisition price. The figures for No. 51 and No. 52 are based on annualized forecast NOI.
(*9) Candeo Hotels Osaka Namba was acquired on August 3, 2026. The appraisal value and the CAP rate at the end of June 2026 represent those at time of acquisition.
(*10) The Beach Tower Okinawa was sold on July 31, 2026. The figures for The Beach Tower Okinawa are not included in total or average figures.

5. Summary of Lease Contracts (1/3)

JAPAN HOTEL REIT

(as of the end of June 2026)

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.		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 Alivila				Okura Nikko Hotel Management Co., Ltd.								
6	Hakone Setsugetsuka(*4)	Fixed-lease	Fixed	Kyoritsu Maintenance Co., Ltd.		20	Oct. 2026	JPY294MM/year	The same rent will be applied until expiration of the contract.	Nov. 2026 (plan)	Increased in fixed rent + Introduced variable rent (plan)	To expire (Oct.)	–
			Fixed + Variable			1.7	May 2028	JPY294MM/year + when Hotel GOP exceeds JPY400MM, the excess x 50% is paid	–				
7	dormy inn Kumamoto(*4)	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	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					
8	dormy inn EXPRESS Asakusa	Ordinary Lease	Fixed			3	Mar. 2029	JPY63MM/year	Rent can be modified through mutual agreement every 3 years.	Apr. 2026	Same	–	–
9	Washington Hotel Plaza Nara	Ordinary Lease	Fixed	Washington Hotel K.K.		3	Mar. 2029	JPY131MM/year	Rent can be modified through mutual agreement.	Mar. 2026	Same	–	–
10	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%)	–	–
11	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)	–	–
12	Smile Hotel Nihombashi Mitsukoshimae	Ordinary Lease	Fixed + Revenue sharing	THE KAMOGAWA GRAND HOTEL, LTD.		3	Mar. 2029	JPY134MM/year + Revenue-sharing rent	Rent can be modified through mutual agreement.	Mar. 2026	Same	–	–
13	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%)	–	–
14	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	–	–
15	Chisun Inn Keikyu Kamata(*4)	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.)	–
						2	Dec. 2028			Jan. 2027 (plan)			
16	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	–	–
17	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)	–	–

5. Summary of Lease Contracts (2/3)

JAPAN HOTEL REIT

(as of the end of June 2026)

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
18	ibis Styles Kyoto Station	–	Management contract	–	AAPC Japan K.K.	17	Dec. 2029	Amount equivalent to Hotel GOP	–	Jan. 2025	Renewed (Increased)	–	–
19	ibis Styles Sapporo	–	Management contract			15	Dec. 2029	Amount equivalent to Hotel GOP	–	Jan. 2025	Renewed (Increased)	–	–
20	Mercure Sapporo	–	Management contract			15	Sep. 2029	Amount equivalent to Hotel GOP	–	Oct. 2024	Renewed (Increased)	–	–
21	Mercure Okinawa Naha	–	Management contract			15	Apr. 2029	Amount equivalent to Hotel GOP	–	Apr. 2024	Renewed (Increased)	–	–
22	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)	–	–
23	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)	–	–
24	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)	–	–
25	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)	–	–
26	the b suidobashi(*4)	Fixed-lease	Fixed + Variable			7	Dec. 2026	[until December 31, 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.)	–
						2	Dec. 2028	[on and after January 1, 2027] JPY75MM/year + Linked to Hotel AGOP		Jan. 2027 (plan)	Change in fixed rent (To be Increased)		
27	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	–	–
28	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	–	–
29	ACTIVE-INTER CITY HIROSHIMA(*4) (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.)	–
						10	Dec. 2036			Jan. 2027 (plan)	Same		
30	CANDEO HOTELS Ueno Koen	Fixed-lease	Fixed	Candeo Hospitality Management, Inc.		20	Feb. 2030	Nondisclosure(*6)	Rent can be modified through mutual agreement every 3 years.	Jul. 2016	Nondisclosure(*6)	–	–
31	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	–	–
32	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	–	–
33	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	–	–
34	Hilton Nagoya	Ordinary Lease	Variable	Nagoya Hilton Co., Ltd.	Hilton International Company	41	Dec. 2029	Nondisclosure(*6)	Rent can be modified through mutual agreement.	–	–	–	–
35	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	–	–
36	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	–	To expire (Jun.)

5. Summary of Lease Contracts (3/3)

JAPAN HOTEL REIT

(as of the end of June 2026)

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
37	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	–	–
38	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	–	–
39	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	–	–
40	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.	–	–	–	–
41	Hotel Oriental Express Ginza West(*7)	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.	–	–	–	–
			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	Change in lessee		
42	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.)
43	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.	–	–	–	–
44	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.	–	–	–	–
45	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.	–	–	–	–
46	MIMARU Tokyo Shinjuku West	Fixed-lease	Fixed + Variable	Cosmos Initia Co., Ltd.		20	Feb. 2040	Fixed rent (Nondisclosure(*6)) + 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.)
47	HOTEL AMANEK Shinjuku-Kabukicho.	Fixed-lease	Fixed + Variable	AMANEK Corporation		20	Mar. 2043	Fixed rent (Nondisclosure(*6)) + Variable rent (Linked to Hotel GOP)	Rent can be modified through mutual agreement every 5 years.	–	–	–	–
48	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.	–	–	–	–
49	Southern Beach Hotel & Resort OKINAWA	Fixed-lease	Fixed + Variable	Okinawa Itoman Operations Co., Ltd. (*)		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	–	–
50	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	–	–	–	–
51	HYATT REGENCY TOKYO(*8)	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.	–	–	–	–
52	Candeo Hotels Osaka Namba(*8)	Fixed-lease	Fixed	Candeo Hospitality Management, Inc.		30.1	Jun. 2047	Nondisclosure(*6)	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) dormy inn Kumamoto renewed its lease contract as of April 1, 2026 and Hakone Setsugetsuka is scheduled to renew its lease contract as of November 2026. Also, Chisun Inn Keikyu Kamata, the b suidobashi and ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel) are scheduled to renew the lease contracts in January 2027.
(*5) 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.
(*6) The detailed content of the contract is not disclosed as consent on disclosure has not been obtained from the lessee.
(*7) Hotel Oriental Express Ginza West was rebranded from Sotetsu Fresa Inn Shimbashi-Karasumoriguchi effective April 1, 2026.
(*8) Since the properties were acquired in March and August 2026, respectively, the summary of the lease contracts at acquisition is shown.
(*9) The Beach Tower Okinawa was sold on July 31, 2026.

6. Balance Sheet

JAPAN HOTEL REIT

(JPY MM)

(as of)	FY12/2025 End of Fiscal Year December 31, 2025	FY12/2026 End of Midterm June 30, 2026	Variance
ASSETS			
Current Assets	**50,994**	**33,317**	**(17,677)**
Cash and Deposits(*1)	41,981	26,501	(15,479)
Operating Accounts Receivables	7,970	5,378	(2,592)
Others	1,043	1,437	394
Noncurrent Assets	**525,524**	**655,105**	**129,580**
Net Property and Equipment	484,905	612,462	127,556
Buildings in Trust(*2)	150,285	157,579	7,293
Land in Trust	330,376	450,652	120,275
Others(*3)	4,243	4,230	(12)
Intangible Assets	31,612	31,547	(64)
Other Assets	9,006	11,095	2,089
Leasehold and Security Deposits	152	152	(0)
Others	8,854	10,943	2,089
Deferred Assets	**164**	**347**	**183**
TOTAL ASSETS	**576,683**	**688,770**	**112,086**

(as of)	FY12/2025 End of Fiscal Year December 31, 2025	FY12/2026 End of Midterm June 30, 2026	Variance
LIABILITIES			
Current Liabilities	**42,908**	**55,084**	**12,176**
Operating Accounts Payable	4,010	1,200	(2,809)
Current Portion of Investment Corporation Bond	13,100	10,100	(3,000)
Current Portion of Long-term Loans Payable	22,780	40,400	17,620
Accounts Payable	1,946	1,770	(176)
Advances Received	857	840	(16)
Others	213	772	558
Long-term Liabilities	**240,660**	**291,435**	**50,774**
Investment Corporation Bonds	20,600	20,600	–
Long-term Loans Payable	212,901	263,201	50,300
Tenant Leasehold and Security Deposits	5,202	5,032	(169)
Others	1,957	2,601	643
TOTAL LIABILITIES	**283,568**	**346,519**	**62,950**
NET ASSETS			
Unitholders' Capital	232,708	294,511	61,803
Capital Surplus	21,746	21,746	–
Reserve for Temporary Difference Adjustment	6,959	6,490	(468)
Reserve for Special Advanced Depreciation	1,174	2,992	1,818
Unappropriated Retained Earnings	27,147	11,791	(15,355)
Others	3,377	4,717	1,339
TOTAL NET ASSETS	**293,114**	**342,250**	**49,136**
TOTAL LIABILITIES AND NET ASSETS	**576,683**	**688,770**	**112,086**

(*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.

Appendix 3

Investors Composition and Investment Unit Price

1. Major Unitholders and Classifications of Unitholders

Top 10 Major Unitholders

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**

As of the end of June 2026

Rank	Name	No. of Units	%(*)
1	The Master Trust Bank of Japan, Ltd. (Trust)	1,097,747	18.59
2	Custody Bank of Japan, Ltd. (Trust)	1,069,332	18.11
3	The Nomura Trust and Banking Co., Ltd. (Investment Trust)	308,611	5.22
4	BNYM AS AGT/CLTS 10 PERCENT	123,430	2.09
5	STATE STREET BANK AND TRUST COMPANY 505001	107,476	1.82
6	GOVERNMENT OF NORWAY	94,004	1.59
7	JP MORGAN CHASE BANK 385781	82,755	1.40
8	Meiji Yasuda Life Insurance Company	81,387	1.37
9	GOVERNMENT OF NORWAY-CFD	65,400	1.10
10	STATE STREET BANK AND TRUST COMPANY 505103	60,337	1.02
	Total	**3,090,479**	**52.34**

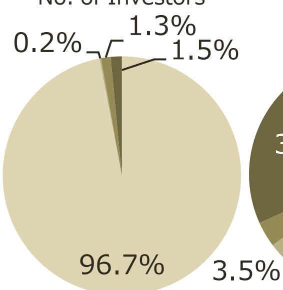
(*) Ownership ratio shows the total units held by each investor to the total units issued as of respective date (rounded down to two decimal places).

Classifications of Unitholders

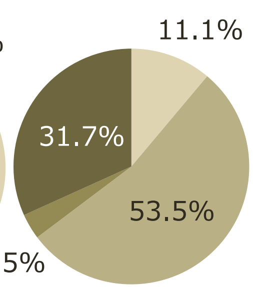
As of the end of December 2025

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**

No. of Investors



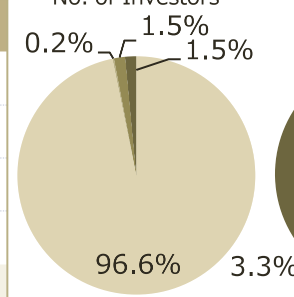
No. of Units



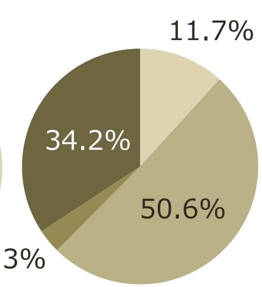
As of the end of June 2026

Owners	No. of Investors	No. of Units
Individuals & Others	45,276	693,909
Financial Institutions (Incl. Securities Firms)	124	2,990,227
Other Domestic Firms	740	196,528
Foreign Firms & Individuals	711	2,023,342
Total	**46,851**	**5,904,006**

No. of Investors



No. of Units



Individuals & Others | Financial Institutions (Incl. Securities Firms) | Other Domestic Firms | Foreign Firms & Individuals

(*) 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

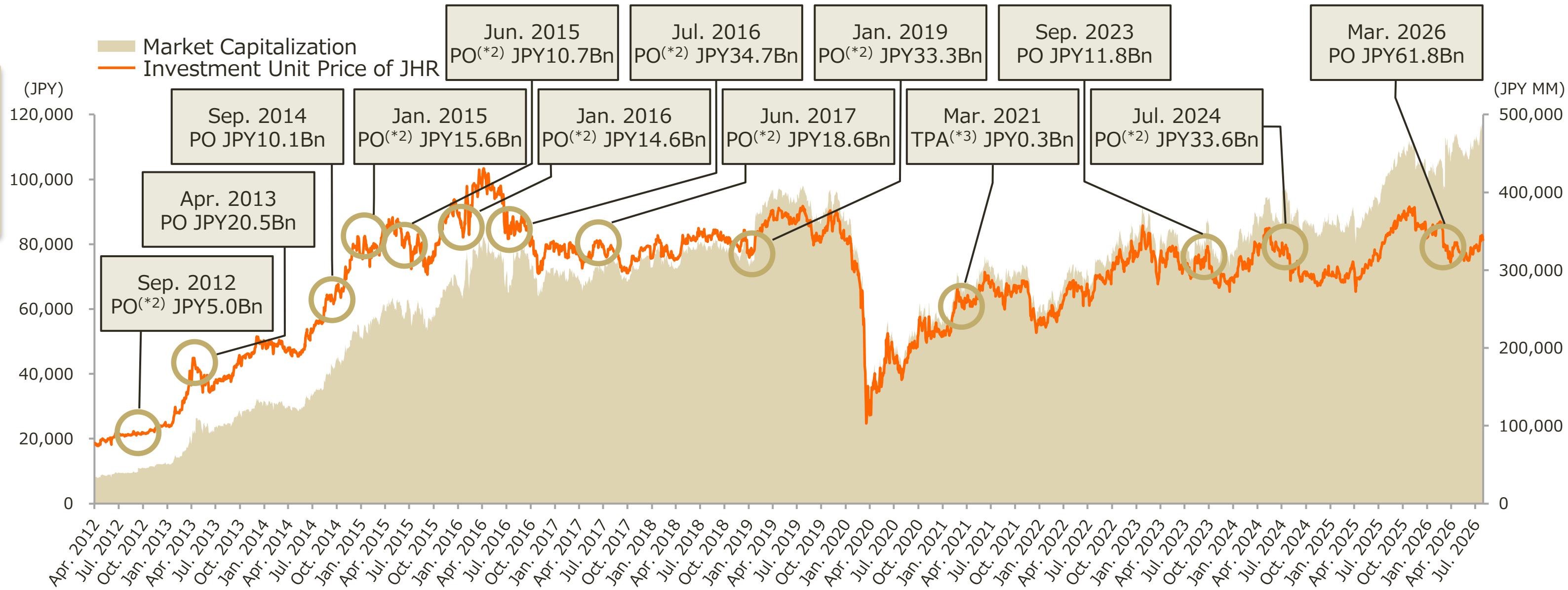
Changes in the investment unit price and market capitalization (Based on the closing price)

Price of the investment unit:
JPY81,400
Total market capitalization:
JPY480.5Bn
(based on the closing price of July 31, 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, 2026.

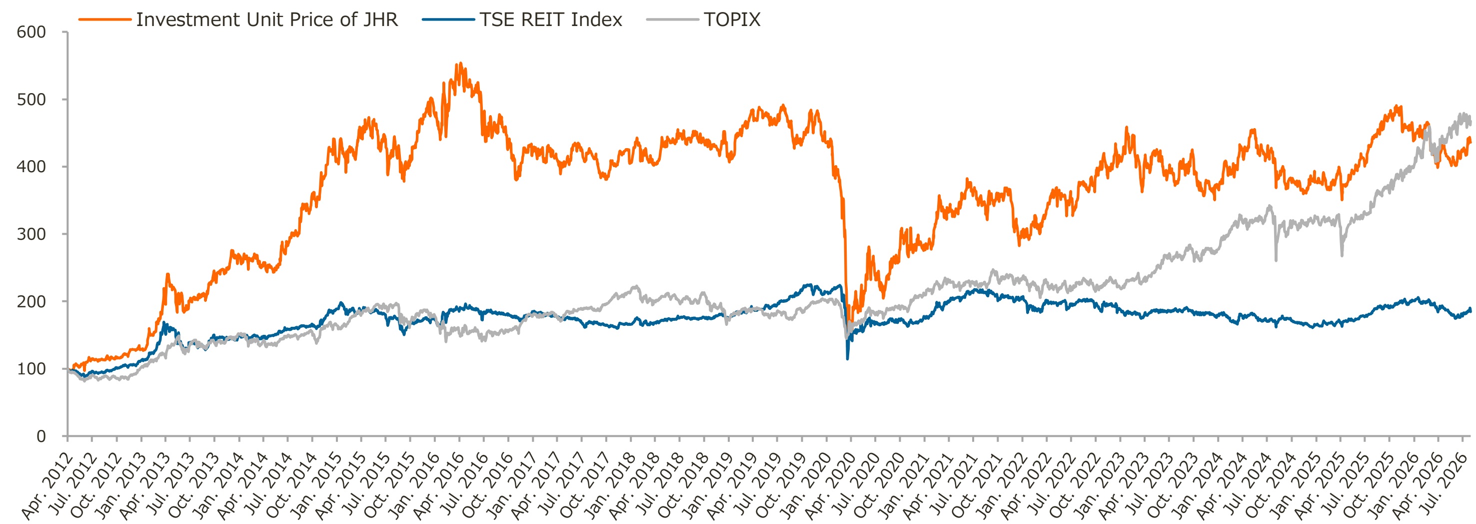
(*2) Including OA

(*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

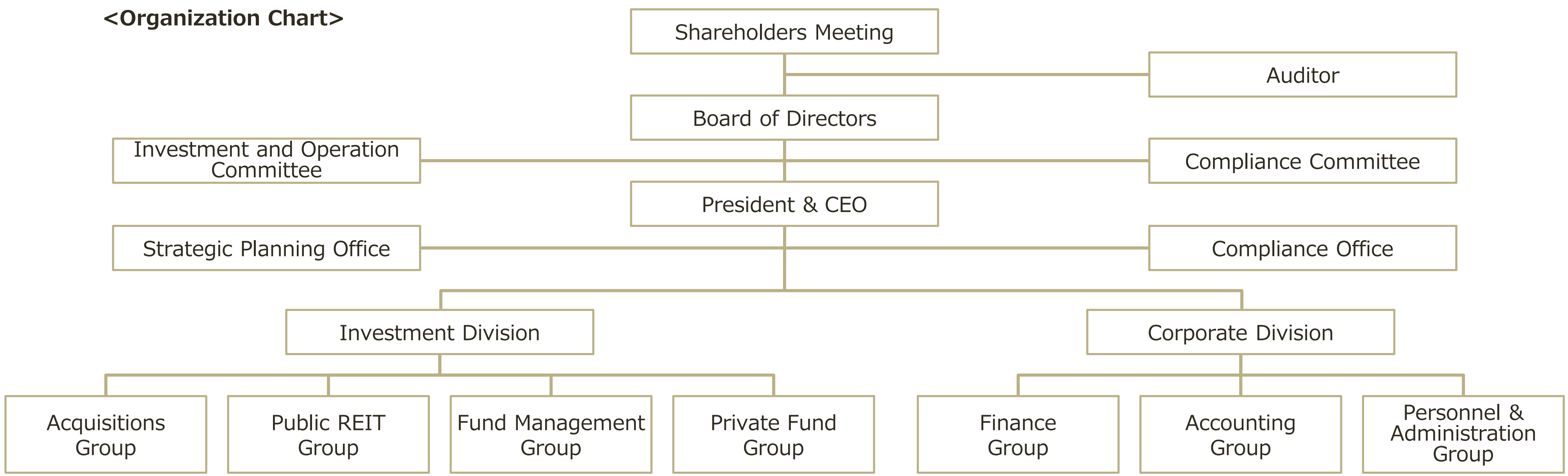
Summary of the Asset Management Company

1. Summary of the Asset Management Company

(as of August 26, 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 Investment Management Association of Japan

<Organization Chart>



2. Features and Governance of the Asset Management Company (1)

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

2. Features and Governance of the Asset Management Company (2)

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

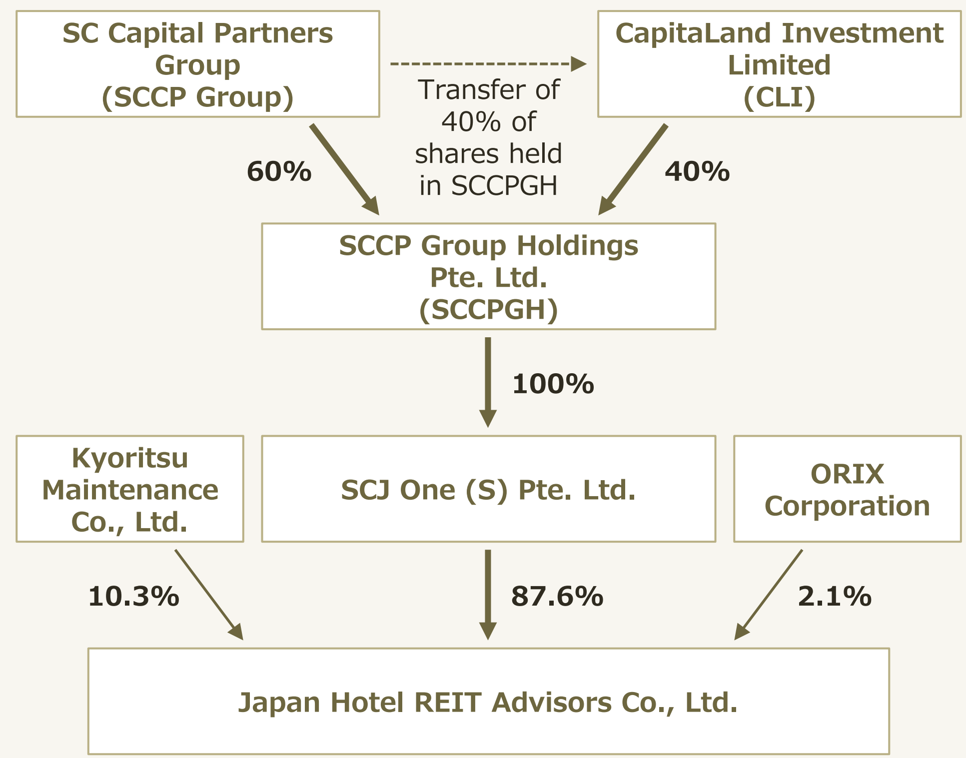
◆ CapitaLand Investment Limited (CLI) Sponsorship Participation

- 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 3 years and another 30% in 5 years**)(*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

<Shareholding Structure of JHRA>



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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Japan Hotel REIT Advisors Co., Ltd.
Financial Instruments Trading Company
Director-General of Kanto Local Finance Bureau No. 334
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Memo