

This English translation is provided for information purposes only. If any discrepancy is identified between this translation and the Japanese original, the Japanese original shall prevail.

January 9, 2015

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
Yukio Isa, Executive Director

Asset Management Company:

Japan Hotel REIT Advisors Co., Ltd.
Hisashi Furukawa, Representative Director and President

Contact:

Kazuyuki Udo
Director and Officer
Management & Planning Office
TEL: +81-3-6422-0530

Notice Concerning Acquisition and Lease of New Assets
(Five “the b” Hotels and “Hotel Francs”)

This is to inform you that Japan Hotel REIT Advisors Co., Ltd., the asset management company of Japan Hotel REIT Investment Corporation (hereinafter called “JHR”), has resolved to acquire and lease the properties below (hereinafter called the “New Assets”) today on behalf of JHR.

1. Summary of the New Assets (Five “the b” hotels (*1) and “Hotel Francs”)

Name of the New Asset	Asset type	Rent type	Purchase price (*2)	Scheduled acquisition date (*3)	Collateral
the b akasaka-mitsuke	Limited-service hotel	Fixed rent and variable rent	JPY6,250,000,000.-	January 30, 2015	unsecured
the b ikebukuro			JPY6,520,000,000.-		
the b ochanomizu			JPY2,320,000,000.-		
the b hachioji			JPY2,610,000,000.-		
the b hakata			JPY2,300,000,000.-		
Hotel Francs	Full-service hotel	Fixed rent	JPY3,105,460,000.-	March 31, 2015	unsecured
Total			JPY23,105,460,000.-		

(*1) Five “the b” hotels refer to the five hotels “the b akasaka-mitsuke,” “the b ikebukuro,” “the b ochanomizu,” “the b hachioji” and “the b hakata.”

(*2) The purchase price is the scheduled price on the purchase and sale agreement for acquisition of the New Assets. The purchase price does not include expenses for acquisition, fixed asset tax, city planning tax and consumption tax, etc.

(*3) Purchase and sale agreements for real estate beneficial interest in trust (hereinafter called the “PSA for beneficial interest in trust”) have been concluded with the sellers to acquire the New Assets on the scheduled acquisition dates above. For details of the PSA for beneficial interest in trust, see “9. Matters on forward commitment, etc.” below.

(*4) See “5. Summary of sellers” below for the sellers.

(*5) Of the acquisition funds, see “Notice Concerning New Loans and Prepayment of Loan” dated today for the new loan and “Notice Concerning Issuance of New Investment Units and Secondary Offering” dated today for the issuance of new investment units.

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR’s prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

2. Rationale for acquisition and lease

JHR intends to provide investors with attractive investment opportunities in hotels that accommodate both stability and upside potential. The asset management company of JHR decided to acquire the New Assets, as they are assets that benefit this policy for the following reasons.

(1) Acquisition in Tokyo and other markets with growth potential

The New Assets are four properties in Tokyo, centering on the Tokyo metropolitan area that is a “major strategic investment area” as before, and one property each in Chiba City’s Makuhari district and Fukuoka City’s Hakata Station district for a total of six properties. Each of the hotels has a market with not only stable business demand but also increasing domestic and inbound leisure demand, including inbound travelers, and boasts competitiveness in the aspect of highly-convenient location in close proximity to a train station.

(2) Accommodate both stability and upside potential

In the acquisition, simultaneous to pursuing upside potential by attracting domestic and inbound leisure demand as described above, the plan is to seek to further secure stability by changing the existing rent scheme at the same time as the acquisition.

For the five “the b” properties, the current lease contract of solely variable rent will be changed to a lease scheme that combines fixed rent and variable rent in an aim to secure stability while pursuing upside potential. In addition, for “Hotel Francs,” the plan is to conclude a fixed-term building lease contract with the right to request decrease in rent eliminated in view of making such the source of stability.

Furthermore, JHR has the tenant selection criteria of selecting hotel lessees based on a comprehensive assessment of their creditworthiness and capability of hotel operation. The lessees of the New Assets are deemed to meet the tenant selection criteria set forth by JHR.

3. Features of the New Assets

(1) Features of the New Assets

1) the b akasaka-mitsuke

- Located one minute on foot from Akasaka-mitsuke Station on the Tokyo Metro Marunouchi Line and Ginza Line within the Yamanote Line in Tokyo, making it a favorable location boasting highly-convenient access to such key centers as Tokyo, Shinjuku, Shibuya and Roppongi.
- Boasts high guest room competitiveness as there are 122 guest rooms, of which the main room type is the Superior Single room type that has simple yet modern interior as well as one of the largest floor space for this room type out of competitive hotels in the area
- The Akasaka area is an area with also many foreigners from Europe and the U.S. due to good access to not only the government and public office area but also the Shibuya district, which has many IT companies, and the Roppongi district, which has many foreign companies. With upcoming redevelopment plans scheduled and other factors also taken into consideration, the area can be expected to draw even greater attention.

2) the b ikebukuro

- Located a close three minutes on foot from JR Ikebukuro Station, which is the gateway to the northwestern part of Tokyo and is one of Tokyo’s major terminal stations, making it a location boasting highly-convenient access to Tokyo’s major terminal stations
- The 151 guest rooms out of the 175 guest rooms are guest rooms that can accommodate two or more persons and thus capable of flexibly responding to increase in domestic and inbound leisure demand. In addition,

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR’s prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

installation of shower booths to replace the narrow bathtubs has raised its rating in terms of functions from young domestic visitors and inbound visitors.

- The Ikebukuro area is one of Tokyo's major commercial districts, where there is a concentration of many listed companies' head offices and which has gained popularity among inbound visitors, and is also one of Tokyo's most popular tourist destinations among inbound visitors

3) the b ochanomizu

- Location boasting extremely excellent access as it is a close one minute on foot from Awajicho Station on the Tokyo Metro Marunouchi Line and four stations on four lines are within walking distance
- A small limited-service hotel that has 72 guest rooms and a lobby where the large glass surface creates a feeling of open space
- The Kanda area has a concentration of many listed companies and thus strong accommodation demand can be expected. In addition, good access to Akihabara, etc. lead to its high hub nature as a location for accommodation for not only business visitors but also domestic and inbound leisure visitors.

4) the b hachioji

- Located at the center of Hachioji City, which is western Tokyo's largest hub city, in a favorable location in front of and one minute on foot from Keio-hachioji Station on the Keio Line and also seven minutes on foot from JR Hachioji Station
- The Single and Twin room types, which are the main room types out of the 196 guest rooms, have large floor space for these room types out of competitive hotels and thus boasts competitiveness. In addition, the subdued feel of the interior provide safe feeling to female overnight visitors.
- In addition to deeply-rooted business demand due to the concentration of eight industrial parks and industrial districts, Hachioji City is starting to see inbound demand as a stopping point for travel in between the Tokyo and Fuji directions and future growth can be expected

5) the b hakata

- Location boasting excellent access four minutes on foot from the Chikushi Exit of JR Hakata Station and also highly-convenient access from Fukuoka Airport by either subway or taxi
- The 175 guest rooms are all guest rooms that can accommodate two or more persons, making it a guest room composition that can attract both business and leisure demand
- The surrounding environment of the JR Hakata Station vicinity area has a high concentration of office buildings and also a concentration of retail facilities. The area is one that enjoys the benefits of the trend of prior reservations of limited-service hotels in Fukuoka City.

6) Hotel Francs

- Favorable location three minutes on foot from JR Kaihinmakuhari Station and also accessible to Maihama Station, where there is Tokyo Disney Resort (TDR), in approximately seventeen minutes by train without any transfers. Location boasting highly-convenient access from Haneda Airport and Narita Airport as there are Limousine Bus operations.
- In addition to boasting high visibility and an external appearance with a high resort feel out of the hotels in the area, the 222 guest rooms are designed to produce a feeling of bright and open space
- Given the close proximity to the Makuhari New City Center's area of concentration of large office buildings and Makuhari Messe as well as good access to Haneda Airport, Narita Airport and TDR, increase in both business and leisure accommodation demand can be expected as a result of further expansion of LCC (low-cost carrier) and TDR's additional investment

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

4. Details of the New Assets and Lease

(1) the b akasaka-mitsuke

Property No.	36	Property name	the b akasaka-mitsuke		
1. Asset summary (*1)					
Asset category		Real estate beneficial interest in trust and movable assets attached to the hotel			
Acquisition date		January 30, 2015			
Purchase price		JPY6,250,000,000.-			
Appraisal value		JPY6,420,000,000.- (See Reference 1 for details.)			
2. Summary of real estate (or trusted real estate) (*2)					
Intended use of the property		Hotel / Limited-service hotel			
Ownership	Land	Ownership			
	Building	Ownership			
Land	Plot No.	3-2114-2, 3-2115 and 3-2118 Akasaka, Minato-ku, Tokyo			
	Address	3-21-7 Akasaka, Minato-ku, Tokyo			
	Acreage	625.46m ²			
	Zoning, etc.	Commercial district, fire prevention district, and parking place development zone			
	Building-to-land ratio	80%			
	Floor area ratio	500%			
Building	Structures and stories	Steel-framed building. Eight stories above ground.			
	Intended use	Hotel and parking			
	Completion	November 2002			
	Total floor space	2,867.04m ²			
	Designer	Irie Miyake Architects & Engineers (at time of new construction and extension)			
	Constructor	Shimizu Corporation (Tokyo branch) (new construction) and Fujimi Building Service Inc. (extension)			
	Institute that confirmed building	Minato Ward (new construction) and K.K. TSK Kenchiku Kakunin Anzen Center (extension)			
Present owner		Trustee: Mizuho Trust & Banking Co., Ltd. Beneficiary: Yosezaka TMK			
3. Traffic (*3)					
Approximately one minute on foot from Akasaka-mitsuke Station on the Tokyo Metro Ginza and Marunouchi Lines					
4. Lease status					
Total number of tenants		2			
Rentable area		2,867.04m ²			
Rented area		2,867.04m ²			
Annual contractual rent	Fixed rent	JPY102,000,000.-			
	Variable rent	With respect to the area leased by Ishin Akasaka Operations, K.K., rent linked to GOP will be paid.			
Deposit and guarantee money		Not disclosed (*4)			
Change in occupancy rate for the past five years based on area	January 2010 to December 2010	January 2011 to December 2011	January 2012 to December 2012	January 2013 to December 2013	January 2014 to December 2014
	100%	100%	100%	100%	100%
5. Related parties for hotel operation (*5)					
Hotel lessee		Ishin Akasaka Operations, K.K.			
Property manager		Jones Lang LaSalle K.K.			
6. Hotel website (*6)					
http://www.theb-hotels.com/the-b-akasaka-mitsuke/jp/					
7. Summary of the building inspection report					
Investigation company		Tokio Marine & Nichido Risk Consulting Co., Ltd.			
Investigation date		October 9, 2014			
Repair cost	Urgently required	JPY0.-			
	Required within one year	JPY0.-			
	Total amount for another 12 years	JPY155,830,000.-			
Earthquake PML value (*7)		3.2%			
8. Special remark (*8)					

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

None

- (*1) Asset summary
 - Asset category indicates category of real estate, etc. as specified asset
 - Purchase price is the price stated on the real estate purchase and sale agreement and does not include various expenses required to acquire the New Asset (e.g., broker's fee).
- (*2) Summary of real estate (or trusted real estate)
 - Structures and stories, intended use of the building and completion of the building are taken from the real estate registration statement. However, if erroneous information is identified by investigation, correct information is stated.
 - Zoning, etc. (use district, special use district, fire prevention district and quasi-fire prevention district) are stated based on Article 8, Clause 1-1, Clause 2, and Clause 5 of City Planning Act.
- (*3) Traffic
 - It is according to the information on the present operator's website.
- (*4) Deposit and guarantee money
 - Deposit and guarantee money are not disclosed, as tenant and hotel lessee do not agree with disclosure.
- (*5) Related parties for hotel operation
 - Hotel lessee indicates a lessee whose trustee has scheduled to lease to. Property manager indicates property manager to be contracted by trustee.
- (*6) Hotel website
 - It is the website address of the present operator.
- (*7) PML
 - PML (Probable Maximum Loss) is the anticipated damage ratio resulted from earthquake. Since no uniform definition has been made yet on PML, we used the following method. Probability and anticipated loss amount caused by a major earthquake that may occur once every 475 years are evaluated and statistically processed to identify the anticipated percentage of loss amount against the building replacement cost. It has been calculated based on site inspection, assessment of building condition, confirmation of the consistency with the design document, ground investigation, local factors and structural investigation. Indicated PML is the PML on valuation detail (Phase 2) of the investigation company.
- (*8) Special remark
 - In principal, the following items are stated: (1) Right or restriction on the property based on the right of the third party except for tenant of the building, (2) Important matters stipulated in the management rules, agreements or memoranda concluded with other co-owners of the strata-titled building and shared land, (3) Important restrictions stipulated by the administrative laws and regulations to the property.
- (*9) All amounts are rounded down to JPY1,000.

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.
--

(2) the b ikebukuro

Property No.	37	Property name	the b ikebukuro		
1. Asset summary (*1)					
Asset category		Real estate beneficial interest in trust and movable assets attached to the hotel			
Acquisition date		January 30, 2015			
Purchase price		JPY6,520,000,000.-			
Appraisal value		JPY6,770,000,000.- (See Reference 1 for details.)			
2. Summary of real estate (or trusted real estate) (*2)					
Intended use of the property		Hotel / Limited-service hotel			
Ownership	Land	Ownership			
	Building	Ownership (*3)			
Land	Plot No.	1-39-7, 1-39-16, 1-39-17, 1-39-18, 1-39-19, 1-39-22 and 1-39-23 Higashi-ikebukuro, Toshima-ku, Tokyo			
	Address	1-39-4 Higashi-ikebukuro, Toshima-ku, Tokyo			
	Acreage	718.71m ²			
	Zoning, etc.	Commercial district, fire prevention district, parking place development zone, and district planning area for Ikebukuro Station vicinity and major roads roadside areas			
	Building-to-land ratio	80%			
	Floor area ratio	800%			
Building	Structures and stories	Steel-reinforced concrete / Steel-framed building. Ten stories above ground with two stories below ground. (*4)			
	Intended use	Hotel and store			
	Completion	June 1982			
	Total floor space	5,650.01m ² (*5)			
	Designer	Kume Architects-Engineers (at time of new construction) and Kajima Corporation (first-class registered architect office) (at time of extension)			
	Constructor	Consortium of Kajima Corporation and Kida Kengyo K.K. (at time of new construction) and Kajima Corporation (at time of extension)			
	Institute that confirmed building	Toshima Ward			
Present owner		Trustee: Mitsubishi UFJ Trust and Banking Corporation Beneficiary: Inarizaka TMK			
3. Traffic (*6)					
Approximately three minutes on foot from Ikebukuro Station on the JR Yamanote Line, etc.					
4. Lease status					
Total number of tenants		4			
Rentable area		5,650.01m ²			
Rented area		5,650.01m ²			
Annual contractual rent	Fixed rent	JPY163,000,000.-			
	Variable rent	With respect to the area leased by Ishin Ikebukuro Operations K.K., rent linked to GOP will be paid.			
Deposit and guarantee money		Not disclosed (*7)			
Change in occupancy rate for the past five years based on area	January 2010 to December 2010	January 2011 to December 2011	January 2012 to December 2012	January 2013 to December 2013	January 2014 to December 2014
	100%	100%	100%	100%	100%
5. Related parties for hotel operation (*8)					
Hotel lessee		Ishin Ikebukuro Operations K.K.			
Property manager		Jones Lang LaSalle K.K.			
6. Hotel website (*9)					
http://www.theb-hotels.com/the-b-ikebukuro/jp/					
7. Summary of the building inspection report					
Investigation company		Tokio Marine & Nichido Risk Consulting Co., Ltd.			
Investigation date		October 9, 2014			
Repair cost	Urgently required	JPY0.-			
	Required within one year	JPY0.-			
	Total amount for another 12 years	JPY302,268,000.-			
Earthquake PML value (*10)		5.3%			
8. Special remark (*11)					
None					

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

- (*1) Asset summary
 - Asset category indicates category of real estate, etc. as specified asset
 - Purchase price is the price stated on the real estate purchase and sale agreement and does not include various expenses required to acquire the New Asset (e.g., broker's fee).
- (*2) Summary of real estate (or trusted real estate)
 - Structures and stories, intended use of the building and completion of the building are taken from the real estate registration statement. However, if erroneous information is identified by investigation, correct information is stated.
 - Zoning, etc. (use district, special use district, fire prevention district and quasi-fire prevention district) are stated based on Article 8, Clause 1-1, Clause 2, and Clause 5 of City Planning Act.
- (*3) Ownership
 - The building is a strata-titled building in terms of rights, but the trustee owns the entire exclusive-ownership portion of the building.
- (*4) Structures and stories
 - Includes accessory building (car park space) totaling 36.23 m²
- (*5) Total floor space
 - The total floor space includes an accessory building (car park) totaling 36.23 m²
- (*6) Traffic
 - It is according to the information on the present operator's website.
- (*7) Deposit and guarantee money
 - Deposit and guarantee money are not disclosed, as tenant and hotel lessee do not agree with disclosure.
- (*8) Related parties for hotel operation
 - Hotel lessee indicates a lessee whose trustee has scheduled to lease to. Property manager indicates property manager to be contracted by trustee.
- (*9) Hotel website
 - It is the website address of the present operator.
- (*10) PML
 - PML (Probable Maximum Loss) is the anticipated damage ratio resulted from earthquake. Since no uniform definition has been made yet on PML, we used the following method. Probability and anticipated loss amount caused by a major earthquake that may occur once every 475 years are evaluated and statistically processed to identify the anticipated percentage of loss amount against the building replacement cost. It has been calculated based on site inspection, assessment of building condition, confirmation of the consistency with the design document, ground investigation, local factors and structural investigation. Indicated PML is the PML on valuation detail (Phase 2) of the investigation company.
- (*11) Special remark
 - In principal, the following items are stated: (1) Right or restriction on the property based on the right of the third party except for tenant of the building, (2) Important matters stipulated in the management rules, agreements or memoranda concluded with other co-owners of the strata-titled building and shared land, (3) Important restrictions stipulated by the administrative laws and regulations to the property.
- (*12) All amounts are rounded down to JPY1,000.

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

(3) the b ochanomizu

Property No.	38	Property name	the b ochanomizu			
1. Asset summary (*1)						
Asset category		Real estate beneficial interest in trust and movable assets attached to the hotel				
Acquisition date		January 30, 2015				
Purchase price		JPY2,320,000,000.-				
Appraisal value		JPY2,470,000,000.- (See Reference 1 for details.)				
2. Summary of real estate (or trusted real estate) (*2)						
Intended use of the property		Hotel / Limited-service hotel				
Ownership	Land	Ownership				
	Building	Ownership				
Land	Plot No.	1-7-5, 1-7-6, and 1-7-8 Kanda-awajicho, Chiyoda-ku, Tokyo and 2 other				
	Address	1-7-5 Kanda-awajicho, Chiyoda-ku, Tokyo				
	Acreage	357.47m ²				
	Zoning, etc.	Commercial district, fire prevention district, parking place development zone, and district planning area for Kanda-awajicho vicinity (C district)				
	Building-to-land ratio	80%				
	Floor area ratio	500%				
Building	Structures and stories	Steel-reinforced concrete building. Nine stories above ground.				
	Intended use	Hotel				
	Completion	August 1999				
	Total floor space	1,742.23m ²				
	Designer	K.K. Jin Sekkei				
	Constructor	K.K. Shiraishi				
	Institute that confirmed building	Chiyoda Ward building official				
Present owner		Trustee: Mitsubishi UFJ Trust and Banking Corporation Beneficiary: Tenjinzaka TMK				
3. Traffic (*3)						
Approximately one minute on foot from Ogawamachi Station on the Toei Subway Shinjuku Line / Approximately one minute on foot from Awajicho Station on the Tokyo Metro Marunouchi Line / Approximately two minutes on foot from Shin-ochanomizu Station on the Tokyo Metro Chiyoda Line						
4. Lease status						
Total number of tenants		1				
Rentable area		1,742.23m ²				
Rented area		1,742.23m ²				
Annual contractual rent	Fixed rent	JPY69,000,000.-				
	Variable rent	Linked to GOP				
Deposit and guarantee money		Not disclosed (*4)				
Change in occupancy rate for the past five years based on area	January 2010 to December 2010	January 2011 to December 2011	January 2012 to December 2012	January 2013 to December 2013	January 2014 to December 2014	
	100%	100%	100%	100%	100%	
5. Related parties for hotel operation (*5)						
Hotel lessee		Ishin Ochanomizu Operations K.K.				
Property manager		Jones Lang LaSalle K.K.				
6. Hotel website (*6)						
http://www.theb-hotels.com/the-b-ochanomizu/jp/						
7. Summary of the building inspection report						
Investigation company		Tokio Marine & Nichido Risk Consulting Co., Ltd.				
Investigation date		October 9, 2014				
Repair cost	Urgently required	JPY0.-				
	Required within one year	JPY0.-				
	Total amount for another 12 years	JPY91,066,000.-				
Earthquake PML value (*7)		8.0%				
8. Special remark (*8)						
None						

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

- (*1) Asset summary
 - Asset category indicates category of real estate, etc. as specified asset
 - Purchase price is the price stated on the real estate purchase and sale agreement and does not include various expenses required to acquire the New Asset (e.g., broker's fee).
- (*2) Summary of real estate (or trusted real estate)
 - Structures and stories, intended use of the building and completion of the building are taken from the real estate registration statement. However, if erroneous information is identified by investigation, correct information is stated.
 - Zoning, etc. (use district, special use district, fire prevention district and quasi-fire prevention district) are stated based on Article 8, Clause 1-1, Clause 2, and Clause 5 of City Planning Act.
- (*3) Traffic
 - It is according to the information on the present operator's website.
- (*4) Deposit and guarantee money
 - Deposit and guarantee money are not disclosed, as tenant and hotel lessee do not agree with disclosure.
- (*5) Related parties for hotel operation
 - Hotel lessee indicates a lessee whose trustee has scheduled to lease to. Property manager indicates property manager to be contracted by trustee.
- (*6) Hotel website
 - It is the website address of the present operator.
- (*7) PML
 - PML (Probable Maximum Loss) is the anticipated damage ratio resulted from earthquake. Since no uniform definition has been made yet on PML, we used the following method. Probability and anticipated loss amount caused by a major earthquake that may occur once every 475 years are evaluated and statistically processed to identify the anticipated percentage of loss amount against the building replacement cost. It has been calculated based on site inspection, assessment of building condition, confirmation of the consistency with the design document, ground investigation, local factors and structural investigation. Indicated PML is the PML on valuation detail (Phase 2) of the investigation company.
- (*8) Special remark
 - In principal, the following items are stated: (1) Right or restriction on the property based on the right of the third party except for tenant of the building, (2) Important matters stipulated in the management rules, agreements or memoranda concluded with other co-owners of the strata-titled building and shared land, (3) Important restrictions stipulated by the administrative laws and regulations to the property.
- (*9) All amounts are rounded down to JPY1,000.

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

(4) the b hachioji

Property No.	39	Property name	the b hachioji			
1. Asset summary (*1)						
Asset category		Real estate beneficial interest in trust and movable assets attached to the hotel				
Acquisition date		January 30, 2015				
Purchase price		JPY2,610,000,000.-				
Appraisal value		JPY2,720,000,000.- (See Reference 1 for details.)				
2. Summary of real estate (or trusted real estate) (*2)						
Intended use of the property		Hotel / Limited-service hotel				
Ownership	Land	Ownership				
	Building	Ownership				
Land	Plot No.	4-447-1 Myojincho, Hachioji-shi, Tokyo				
	Address	4-6-12 Myojincho, Hachioji-shi, Tokyo				
	Acreage	1,227.29m ²				
	Zoning, etc.	Commercial district, fire prevention district, parking place development zone, and central urban environment development area				
	Building-to-land ratio	80%				
	Floor area ratio	600%				
Building	Structures and stories	Steel-reinforced concrete building. Twelve stories above ground with two stories below ground.				
	Intended use	Hotel				
	Completion	August 1986				
	Total floor space	7,847.65m ²				
	Designer	Livex (first-class registered architect office) (at time of new construction) and Aonuma Kenchiku Kobo Y.K. (first-class registered architect office) (at time of change of use)				
	Constructor	Sumitomo Construction Co., Ltd. (at time of new construction) and Takeda Kankyo Eisei K.K. (at time of change of use)				
	Institute that confirmed building	Hachioji City				
Present owner		Trustee: Mitsubishi UFJ Trust and Banking Corporation Beneficiary: Hijirizaka TMK				
3. Traffic (*3)						
Approximately one minute on foot from Keio-hachioji Station on the Keio Line and approximately seven minutes on foot from Hachioji Station on the JR Chuo Line						
4. Lease status						
Total number of tenants		13				
Rentable area		7,847.65m ²				
Rented area		7,847.65m ²				
Annual contractual rent	Fixed rent	JPY98,000,000.-				
	Variable rent	With respect to the area leased by Ishin Hachioji Operations, Y.K., rent linked to GOP will be paid.				
Deposit and guarantee money		Not disclosed (*4)				
Change in occupancy rate for the past five years based on area	January 2010 to December 2010	January 2011 to December 2011	January 2012 to December 2012	January 2013 to December 2013	January 2014 to December 2014	
	100%	100%	100%	100%	100%	
5. Related parties for hotel operation (*5)						
Hotel lessee		Ishin Hachioji Operations, Y.K.				
Property manager		Jones Lang LaSalle K.K.				
6. Hotel website (*6)						
http://www.theb-hotels.com/the-b-hachioji/jp/						
7. Summary of the building inspection report						
Investigation company		Tokio Marine & Nichido Risk Consulting Co., Ltd.				
Investigation date		October 9, 2014				
Repair cost	Urgently required	JPY0.-				
	Required within one year	JPY0.-				
	Total amount for another 12 years	JPY390,841,000.-				
Earthquake PML value (*7)		4.9%				
8. Special remark (*8)						
None						

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

- (*1) Asset summary
 - Asset category indicates category of real estate, etc. as specified asset
 - Purchase price is the price stated on the real estate purchase and sale agreement and does not include various expenses required to acquire the New Asset (e.g., broker's fee).
- (*2) Summary of real estate (or trusted real estate)
 - Structures and stories, intended use of the building and completion of the building are taken from the real estate registration statement. However, if erroneous information is identified by investigation, correct information is stated.
 - Zoning, etc. (use district, special use district, fire prevention district and quasi-fire prevention district) are stated based on Article 8, Clause 1-1, Clause 2, and Clause 5 of City Planning Act.
- (*3) Traffic
 - It is according to the information on the present operator's website.
- (*4) Deposit and guarantee money
 - Deposit and guarantee money are not disclosed, as tenant and hotel lessee do not agree with disclosure.
- (*5) Related parties for hotel operation
 - Hotel lessee indicates a lessee whose trustee has scheduled to lease to. Property manager indicates property manager to be contracted by trustee.
- (*6) Hotel website
 - It is the website address of the present operator.
- (*7) PML
 - PML (Probable Maximum Loss) is the anticipated damage ratio resulted from earthquake. Since no uniform definition has been made yet on PML, we used the following method. Probability and anticipated loss amount caused by a major earthquake that may occur once every 475 years are evaluated and statistically processed to identify the anticipated percentage of loss amount against the building replacement cost. It has been calculated based on site inspection, assessment of building condition, confirmation of the consistency with the design document, ground investigation, local factors and structural investigation. Indicated PML is the PML on valuation detail (Phase 2) of the investigation company.
- (*8) Special remark
 - In principal, the following items are stated: (1) Right or restriction on the property based on the right of the third party except for tenant of the building, (2) Important matters stipulated in the management rules, agreements or memoranda concluded with other co-owners of the strata-titled building and shared land, (3) Important restrictions stipulated by the administrative laws and regulations to the property.
- (*9) All amounts are rounded down to JPY1,000.

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

(5) the b hakata

Property No.	40	Property name	the b hakata			
1. Asset summary (*1)						
Asset category		Real estate beneficial interest in trust and movable assets attached to the hotel				
Acquisition date		January 30, 2015				
Purchase price		JPY2,300,000,000.-				
Appraisal value		JPY2,370,000,000.- (See Reference 1 for details.)				
2. Summary of real estate (or trusted real estate) (*2)						
Intended use of the property		Hotel / Limited-service hotel				
Ownership	Land	Ownership				
	Building	Ownership				
Land	Plot No.	1-29 and 1-34-1 Hakata-eki Minami, Hakata-ku, Fukuoka-shi				
	Address	1-3-9 Hakata-eki Minami, Hakata-ku, Fukuoka-shi				
	Acreage	719.46m ²				
	Zoning, etc.	Commercial district, fire prevention district, quasi-fire prevention district, and parking place development zone				
	Building-to-land ratio	80%				
	Floor area ratio	600%/500% (The subject land stretches across regions with different floor area ratio. The base floor area ratio that is a weighted average of each region's floor area ratio in proportion to the land acreage is approximately 561%.)				
Building	Structures and stories	Steel-reinforced concrete building. Eight stories above ground				
	Intended use	Hotel				
	Completion	September 1997				
	Total floor space	3,986.09m ²				
	Designer	K.K. Nakano Corporation				
	Constructor	K.K. Nakano Corporation (Kyushu branch)				
	Institute that confirmed building	Fukuoka City building official				
Present owner		Trustee: Mitsubishi UFJ Trust and Banking Corporation Beneficiary: Tenjinzaka TMK				
3. Traffic (*3)						
Approximately four minutes on foot from Hakata Station (JR Lines, Shinkansen and Subway)						
4. Lease status						
Total number of tenants		2				
Rentable area		3,986.09m ²				
Rented area		3,986.09m ²				
Annual contractual rent		Fixed rent	JPY82,000,000.-			
		Variable rent	With respect to the area leased by Ishin Hakata Operations K.K., rent linked to GOP will be paid.			
Deposit and guarantee money		Not disclosed (*4)				
Change in occupancy rate for the past five years based on area		January 2010 to December 2010	January 2011 to December 2011	January 2012 to December 2012	January 2013 to December 2013	January 2014 to December 2014
		100%	100%	100%	100%	100%
5. Related parties for hotel operation (*5)						
Hotel lessee		Ishin Hakata Operations K.K.				
Property manager		Jones Lang LaSalle K.K.				
6. Hotel website (*6)						
http://www.theb-hotels.com/the-b-hakata/jp/						
7. Summary of the building inspection report						
Investigation company		Tokio Marine & Nichido Risk Consulting Co., Ltd.				
Investigation date		October 10, 2014				
Repair cost	Urgently required	JPY0.-				
	Required within one year	JPY0.-				
	Total amount for another 12 years	JPY210,930,000.-				
Earthquake PML value (*7)		3.3%				
8. Special remark (*8)						
None						

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

- (*1) Asset summary
 - Asset category indicates category of real estate, etc. as specified asset.
 - Purchase price is the price stated on the real estate purchase and sale agreement and does not include various expenses required to acquire the New Asset (e.g., broker's fee).
- (*2) Summary of real estate (or trusted real estate)
 - Structures and stories, intended use of the building and completion of the building are taken from the real estate registration statement. However, if erroneous information is identified by investigation, correct information is stated.
 - Zoning, etc. (use district, special use district, fire prevention district and quasi-fire prevention district) are stated based on Article 8, Clause 1-1, Clause 2, and Clause 5 of City Planning Act.
- (*3) Traffic
 - It is according to the information on the present operator's website.
- (*4) Deposit and guarantee money
 - Deposit and guarantee money are not disclosed, as tenant and hotel lessee do not agree with disclosure.
- (*5) Related parties for hotel operation
 - Hotel lessee indicates a lessee whose trustee has scheduled to lease to. Property manager indicates property manager to be contracted by trustee.
- (*6) Hotel website
 - It is the website address of the present operator.
- (*7) PML
 - PML (Probable Maximum Loss) is the anticipated damage ratio resulted from earthquake. Since no uniform definition has been made yet on PML, we used the following method. Probability and anticipated loss amount caused by a major earthquake that may occur once every 475 years are evaluated and statistically processed to identify the anticipated percentage of loss amount against the building replacement cost. It has been calculated based on site inspection, assessment of building condition, confirmation of the consistency with the design document, ground investigation, local factors and structural investigation. Indicated PML is the PML on valuation detail (Phase 2) of the investigation company.
- (*8) Special remark
 - In principal, the following items are stated: (1) Right or restriction on the property based on the right of the third party except for tenant of the building, (2) Important matters stipulated in the management rules, agreements or memoranda concluded with other co-owners of the strata-titled building and shared land, (3) Important restrictions stipulated by the administrative laws and regulations to the property.
- (*9) All amounts are rounded down to JPY1,000.

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

(6) Hotel Francs

Property No.		41	Property name		Hotel Francs	
1. Asset summary (*1)						
Asset category			Real estate beneficial interest in trust			
Acquisition date			March 31, 2015			
Purchase price			JPY3,105,460,000.-			
Appraisal value			JPY3,500,000,000.- (See Reference 1 for details.)			
2. Summary of real estate (or trusted real estate) (*2)						
Intended use of the property			Hotel / Full-service hotel			
Ownership	Land		Ownership			
	Building		Ownership			
Land	Plot No.		2-10-2 Hibino, Mihama-ku, Chiba-shi, Chiba			
	Address		2-10-2 Hibino, Mihama-ku, Chiba-shi, Chiba			
	Acreage		4,828.00m ²			
	Zoning, etc.		City planning area and urbanization promotion area, commercial district, fire prevention district, and district planning area for Makuhari New City Center area			
	Building-to-land ratio		80%			
	Floor area ratio		400%			
Building	Structures and stories		Steel-reinforced concrete building. Thirteen stories above ground with one story below ground.			
	Intended use		Hotel			
	Completion		August 1991			
	Total floor space		19,213.39m ²			
	Designer		Kumagai Gumi Co., Ltd. (first-class registered architect office)			
	Constructor		Kumagai Gumi Co., Ltd. (Tokyo branch)			
	Institute that confirmed building		Chiba City			
Present owner			Trustee: Mitsubishi UFJ Trust and Banking Corporation Beneficiary: G.K. Tourism Japan No. 1			
3. Traffic (*3)						
Approximately three minutes on foot from Kaihinmakuhari Station on the JR Keiyo Line						
4. Lease status						
Total number of tenants		1(*4)				
Rentable area		19,213.39m ²				
Rented area		19,213.39m ²				
Annual contractual rent	Fixed rent		Not disclosed (*5)			
	Variable rent		—			
Deposit and guarantee money		Not disclosed (*5)				
Change in occupancy rate for the past five years based on area	January 2010 to December 2010		January 2011 to December 2011	January 2012 to December 2012	January 2013 to December 2013	January 2014 to December 2014
	100%		100%	100%	100%	100%
5. Related parties for hotel operation (*6)						
Hotel lessee		K.K. Bridal Produce				
Property manager		Jones Lang LaSalle K.K.				
6. Hotel website (*7)						
http://www.francs.co.jp/						
7. Summary of the building inspection report						
Investigation company			Tokio Marine & Nichido Risk Consulting Co., Ltd.			
Investigation date			July 15, 2014			
Repair cost	Urgently required		JPY0.-			
	Required within one year		JPY0.-			
	Total amount for another 12 years		JPY615,625,000.-			
Earthquake PML value (*8)			2.5%			
8. Special remark (*9)						
None						

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

- (*1) Asset summary
 - Asset category indicates category of real estate, etc. as specified asset
 - Purchase price is the price stated on the real estate purchase and sale agreement and does not include various expenses required to acquire the New Asset (e.g., broker's fee).
- (*2) Summary of real estate (or trusted real estate)
 - Structures and stories, intended use of the building and completion of the building are taken from the real estate registration statement. However, if erroneous information is identified by investigation, correct information is stated.
 - Zoning, etc. (use district, special use district, fire prevention district and quasi-fire prevention district) are stated based on Article 8, Clause 1-1, Clause 2, and Clause 5 of City Planning Act.
- (*3) Traffic
 - It is according to the information on the present operator's website.
- (*4) Total number of tenants
 - Total number of tenants is the number of tenants the trustee will have direct lease contract.
- (*5) Fixed rent and deposit and guarantee money
 - Fixed rent and deposit and guarantee money are not disclosed, as tenant and hotel lessee do not agree with disclosure.
- (*6) Related parties for hotel operation
 - Hotel lessee indicates a lessee JHR is scheduled to lease to. Property manager indicates property manager to be contracted by hotel lessee.
- (*7) Hotel website
 - It is the website address of the present operator.
- (*8) PML
 - PML (Probable Maximum Loss) is the anticipated damage ratio resulted from earthquake. Since no uniform definition has been made yet on PML, we used the following method. Probability and anticipated loss amount caused by a major earthquake that may occur once every 475 years are evaluated and statistically processed to identify the anticipated percentage of loss amount against the building replacement cost. It has been calculated based on site inspection, assessment of building condition, confirmation of the consistency with the design document, ground investigation, local factors and structural investigation. Indicated PML is the PML on valuation detail (Phase 2) of the investigation company.
- (*9) Special remark
 - In principal, the following items are stated: (1) Right or restriction on the property based on the right of the third party except for tenant of the building, (2) Important matters stipulated in the management rules, agreements or memoranda concluded with other co-owners of the strata-titled building and shared land, (3) Important restrictions stipulated by the administrative laws and regulations to the property.
- (*10) All amounts are rounded down to JPY1,000.

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

5. Summary of sellers

(1) the b akasaka-mitsuke

Name	Yosezaka TMK
Headquarters	#201, 3-22-10 Toranomom, Minato-ku, Tokyo
Representative	Kiyohiko Ide, Director
Specified capital	JPY100,000.-
Establishment	September 22, 2005
Major business	Transfer, management and disposition of assets according to the asset securitization plan pursuant to the Act on Securitization of Assets

(2) the b ikebukuro

Name	Inarizaka TMK
Headquarters	#201, 3-22-10 Toranomom, Minato-ku, Tokyo
Representative	Kiyohiko Ide, Director
Specified capital	JPY100,000.-
Establishment	September 7, 2007
Major business	Transfer, management and disposition of assets according to the asset securitization plan pursuant to the Act on Securitization of Assets

(3) the b ochanomizu and the b hakata

Name	Tenjinzaka TMK
Headquarters	#201, 3-22-10 Toranomom, Minato-ku, Tokyo
Representative	Kiyohiko Ide, Director
Specified capital	JPY100,000.-
Establishment	November 5, 2007
Major business	Transfer, management and disposition of assets according to the asset securitization plan pursuant to the Act on Securitization of Assets

(4) the b hachioji

Name	Hijirizaka TMK
Headquarters	#201, 3-22-10 Toranomom, Minato-ku, Tokyo
Representative	Kiyohiko Ide, Director
Specified capital	JPY100,000.-
Establishment	August 2, 2010
Major business	Transfer, management and disposition of assets according to the asset securitization plan pursuant to the Act on Securitization of Assets

(5) Hotel Francs

Name	G.K. Tourism Japan No. 1 (*)
Headquarters	c/o Tokyo Kyodo Accounting Office 3-1-1 Marunouchi, Chiyoda-ku, Tokyo
Representative	Representative partner: General Incorporated Association TS1 Executor of representative partner: Masakazu Hongo
Capital	JPY2,000.-
Establishment	March 31, 2014
Major business	1. Acquisition, possession, disposition, leasing and management of

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

	real estate 2. Acquisition, possession and disposition of real estate beneficial interest in trust 3. Incidental or related businesses for above
--	--

(*) G.K. Tourism Japan No. 1 is the business operator of a silent partnership in which JHR invests JPY595M (49.8% of the total amount of equity interest in silent partnership) and JHR exercised the preferential negotiation rights that were granted to JHR upon the investment in the acquisition of the concerned property. Please refer to “Notice Concerning Acquisition of Asset (Equity Interest in Silent Partnership)” dated October 29, 2014 for details of the concerned equity interest in silent partnership.

(6) Relationship between the sellers and JHR or its asset management company

Relationship between the sellers and JHR or its asset management company	
Capital relationship Human relationship Business relationship	JHR and its asset management company do not have any capital, human and business relationships that should be statutory reported with the sellers of five “the b” hotels. The affiliated parties and companies of JHR and its asset management company do not have any capital, human and business relationships that should be specifically reported with the affiliated parties and companies of the sellers of five “the b” hotels. JHR has equity interest in silent partnership in the amount of JPY595M (49.8% of the total amount of equity interest in silent partnership) in the seller of “Hotel Francs.”
Related parties	The sellers do not fall under the category of related parties of JHR and its asset management company. Affiliated parties and companies of the sellers do not fall under the category of related parties of JHR and its asset management company.

6. Status of previous owner

The previous owner does not have any special interest relationship with either JHR or its asset management company.

7. Summary of intermediary

Not applicable.

8. Transaction with interested party

Not applicable.

9. Matters on forward commitment, etc. (*)

(1) New Asset subject to forward commitment, etc.

Property name	Conclusion of purchase and sale agreement	Scheduled acquisition date
Hotel Francs	January 9, 2015	March 31, 2015

(*) “Forward commitment, etc.” is defined in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. by Financial Services Agency as “a postdated real estate transaction contract where there is an agreement to either make a financial settlement or close on a property sale after a period of one month or more following the conclusion of the contract, or any other similar contracts.”

(2) Impact on the finance condition of JHR if forward commitment, etc. cannot be implemented

In order to ensure acquisition of the New Assets, JHR today concluded the PSA for beneficial interest in trust with the sellers. The agreements stipulate that either party may cancel the agreement if the other party violates the obligations stipulated in the agreements and that the violating party shall pay a certain amount of penalty to the other party.

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR’s prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

However, the PSA for beneficial interest in trust for “Hotel Francs” contains a special condition which stipulates that completion of debt financing (Please refer to today’s press release “Notice Concerning New Loans and Prepayment of Loan.”) or fundraising by JHR for the acquisition of the New Assets is the condition precedent to the payment of the transaction amount. Accordingly, in the event that debt financing or fundraising by JHR for the payment of the transaction amount is not conducted, the PSA for beneficial interest in trust will be terminated without payment of cancellation penalty, etc.

Furthermore, while the PSA for beneficial interest in trust for the five “the b” hotels does not fall under the category of forward commitment, etc., the PSA for beneficial interest in trust for five “the b” hotels also contains a special condition which stipulates that the completion of debt financing (Please refer to today’s press release “Notice Concerning New Loans and Prepayment of Loans.”) or fundraising by JHR for the acquisition of the New Assets is the condition precedent to the payment of the transaction amount.

10. Settlement method

JHR plans to pay the settlement amounts by using new loan, funds to be procured through issuance of new investment units and cash on hand, etc.

11. Schedule until settlement date

(1) Five “the b” hotels

Resolution for the acquisition	January 9, 2015
Conclusion of purchase and sale agreement	January 9, 2015
Settlement and transfer	January 30, 2015 (scheduled)

(2) Hotel Francs

Resolution for the acquisition	January 9, 2015
Conclusion of purchase and sale agreement	January 9, 2015
Settlement and transfer	March 31, 2015 (scheduled)

12. Future prospects

With respect to the operating forecast after the acquisition of the New Assets, please refer to “Notice Concerning Revision of Operating Forecast and Forecast of Dividend for the Fiscal Year Ended December 2014 (15th Period), and Operating Forecast and Forecast of Dividend for the Fiscal Year Ending December 2015 (16th Period)” dated today.

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

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR’s prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

<Attachment 1> Market summary

(1) the b akasaka-mitsuke

Market summary

The Property is a limited-service hotel located in Minato Ward, Tokyo that opened after rebranding as “the b” in 2014. Located one minute on foot from Akasaka-mitsuke Station on the Tokyo Metro Marunouchi Line and Ginza Line within the Yamanote Line in Tokyo with highly-convenient access to such key centers as Tokyo, Shimbashi and Shinjuku, the location is extremely convenient in terms of access for business visitors. The close proximity to also Roppongi and Shibuya makes it highly convenient for also domestic and inbound leisure overnight visitors. The Property has 122 guest rooms, of which the main room type is the Superior Single room type that has one of the largest floor space for this room type out of competitive hotels in the area. This, combined with the simple yet modern interior as a result of refurbishment, leads to high guest room competitiveness. In addition, Single rooms are equipped with a desk of a sufficient size for business guests, which is the main type of guests on weekdays, and all guest rooms are equipped with trouser press and air purifier and internet access is available free of charge. The Akasaka area, where the Property is located, is one of the central Tokyo areas lined with many office buildings and convenient for access to also the government and public office area. With also good access to the Shibuya district, which has many IT companies, and the Roppongi district, which has many foreign companies, the area has many foreigners from not only Asia but also Europe and the U.S. With an upcoming Grand Prince Hotel redevelopment plan scheduled and other factors also taken into consideration, the area can be expected to draw even greater attention. In addition, from Akasaka-mitsuke Station to Akasaka Station are many retail buildings, centering on eating and drinking establishments, forming a highly-bustling area and thus the number of inbound visitors is forecast to remain strong. Located in Akasaka-mitsuke that is highly convenient for both business and leisure, the Property, too, can be expected to increasingly capture inbound accommodation demand.

Map around the New Asset



Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

(2) the b ikebukuro

Market summary

The Property is a limited-service hotel located in Toshima Ward, Tokyo that opened after rebranding as “the b” in 2009. The Property is located three minutes on foot from JR Ikebukuro Station in a favorable location facing Meiji-dori. Ikebukuro is one of Tokyo’s major terminal stations, boasting the next largest number of railway passengers (total of JR and private railways) after Shinjuku and Shibuya, and is the gateway to the northwestern part of Tokyo, but there are not many hotels located a close three minutes on foot from JR Ikebukuro Station. In addition, Tokyo Metro opening the Fukutoshin Line to add to the Marunouchi Line and Yurakucho Line has made access in the Shibuya and Yokohama directions extremely convenient. The highly-convenient access to Tokyo’s major terminal stations suggests that Ikebukuro is an area that is prone to enjoy the benefits of accommodation demand in Tokyo and sensitive to increase in demand. The 151 guest rooms out of the Property’s 175 guest rooms are guest rooms that can accommodate two or more persons and thus capable of flexibly responding to increase in leisure demand (domestic and inbound visitors), which is projected to increase in the future. In addition, the removal of the narrow bathtub in prefabricated bathroom units and installation of shower booths equipped with a multifunctional showerhead as standard equipment upon the refurbishment in most of the guest rooms in 2009 are thought to have raised its rating in terms of functions from young domestic visitors and inbound visitors. Ikebukuro, where the Property is located, has also Rikkyo University and many other educational facilities nearby and, in addition to Sunshine and other large office complexes, there is a concentration of the head offices of many listed companies of business types ranging widely from wholesale to retail and service businesses. Moreover, lined with electronics retail stores and many other retail facilities and eating and drinking establishments as one of Tokyo’s major commercial districts, the area has gained popularity among not only domestic visitors but also inbound visitors. With Ikebukuro exhibiting another aspect as one of Tokyo’s most popular tourist destinations among inbound visitors, the Property, too, can be expected to increasingly capture inbound accommodation demand.

Map around the New Asset



Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR’s prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

(3) the b ochanomizu

Market summary

The Property is a limited-service hotel located in Chiyoda Ward, Tokyo that opened after rebranding as “the b” in 2008. While the location boasts extremely excellent access as it is a close one minute on foot from Awajicho Station on the Tokyo Metro Marunouchi Line and four stations on four lines are within walking distance, the Property is blessed with a relatively tranquil environment as there is a road separating it from the busy Yasukuni-dori. The Property is a small limited-service hotel that has 72 guest rooms and a lobby where the large glass surface creates a feeling of open space. The Kanda area, which is the trade area of the Property, has a concentration of information and communications business, service business and many other listed companies and thus strong accommodation demand can be expected. In addition, as “WATERRAS,” “sola city” and other complexes that opened one after another from two years ago within walking distance of the Property also have office areas, accommodation demand from corporate tenants can continue to be expected. In addition, the Property being also close to Tokyo Dome and Akihabara, Okachimachi and other shopping streets and entertainment facilities and having also good access to Kanda and other *shitamachi* (traditional shopping, entertainment and residential districts) of Tokyo and Otemachi /Marunouchi lead to its high hub nature as a location for accommodation for not only business visitors but also domestic and inbound leisure visitors and thus the Property can be expected to increasingly capture inbound accommodation demand.

Map around the New Asset



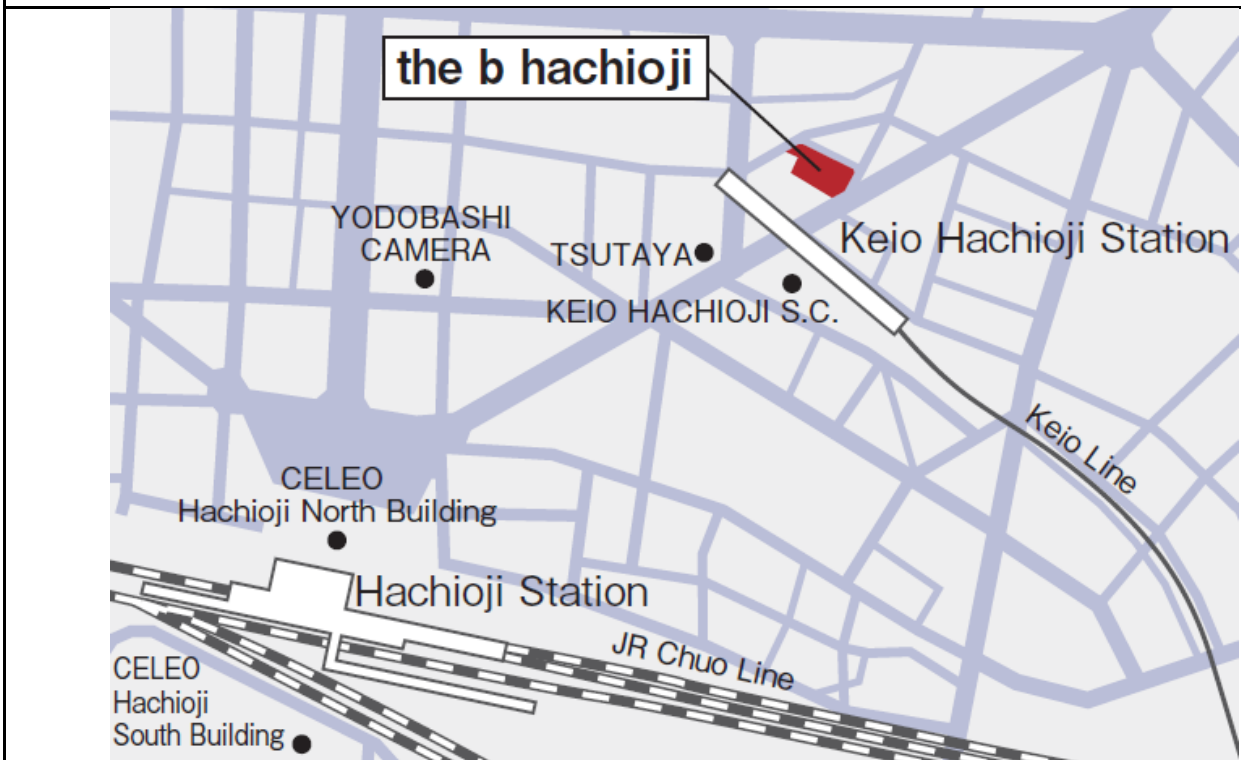
Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

(4) the b hachioji

Market summary

The Property is a limited-service hotel located in Hachioji City, Tokyo that opened after rebranding as “the b” in 2013. The Property is located at the center of Hachioji City, which is western Tokyo’s largest hub city, in a favorable location in front of and one minute on foot from Keio-hachioji Station on the Keio Line and also seven minutes on foot from JR Hachioji Station. The Property underwent refurbishment work, etc. upon rebranding, which involved turning the external appearance, lobby, public space and guest rooms into a sophisticated design as “the b,” and this has led to its better impression and increase in corporate demand, such as for corporate training. Of 196 guest rooms, the Single and Twin room types, which are the main room types, have relatively large guest room floor space for these room types out of competitive hotels in Hachioji City and thus boasts competitiveness. In addition, the hallways on guest room floors have an interior design with a subdued feel to make the space one that female overnight visitors can use with a sense of security. Hachioji City, where the Property is located, is supported by deeply-rooted business demand due to the concentration of industries, centering on precision, mechanical and electronic equipment related companies, as there are eight industrial parks and industrial districts. In addition, with 22 universities and colleges having educational bases, including universities with main campuses, Hachioji City is also an educational city with over 100,000 students. Since the property has small and large halls, the property is capable to accommodate meeting demand for gatherings, etc. from the local community. In addition to a concentration of educational institutions and medical institutions, Hachioji City is also western Tokyo’s hub for road traffic and the opening of the Ken-O Expressway has further increased its hub nature. In addition, the increased recognition of Mount Takao as a leisure spot have led to media coverage of also the surrounding areas and so increase in leisure demand can be expected. Moreover, although currently an area with low inbound use, Hachioji City is starting to see inbound demand as a stopping point for travel in between the Tokyo and Fuji directions as the halfway point for accommodation on weekdays and thus future growth in inbound visitors can be expected. For these reasons, future increase in business accommodation demand by attracting new companies in the area and increase in accommodation needs of inbound visitors traveling to several parts of Japan can be expected.

Map around the New Asset



Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR’s prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

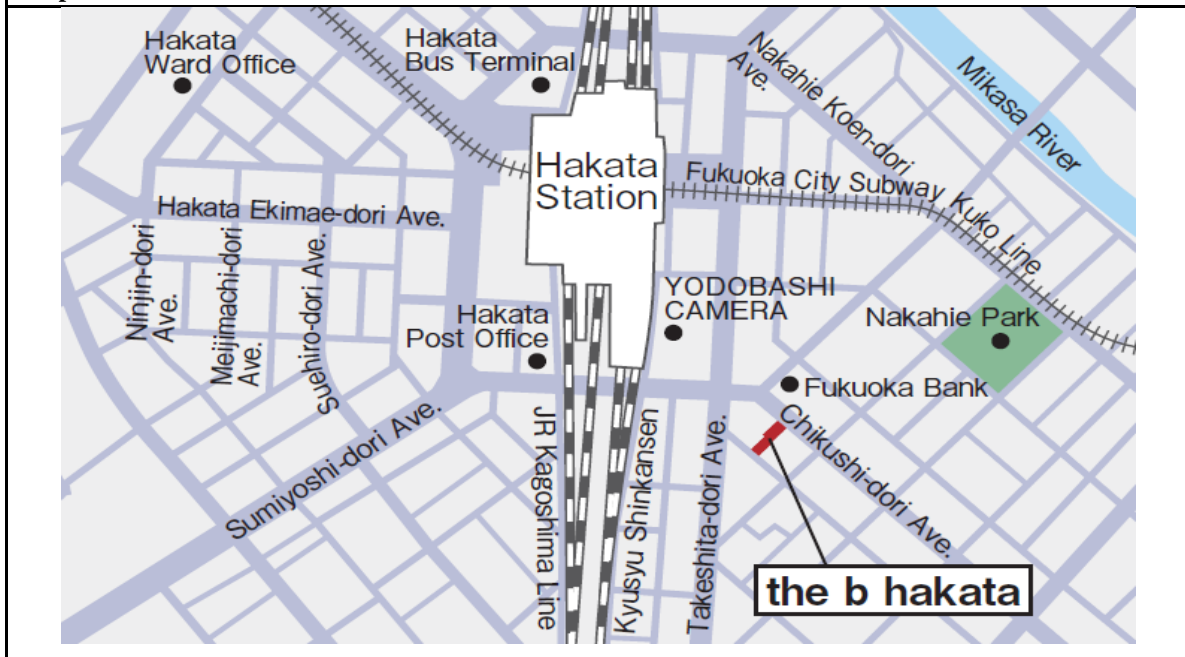
(5) the b hakata

Market summary

The Property is a limited-service hotel located in Hakata Ward, Fukuoka City, Fukuoka Prefecture that opened after rebranding as “the b” in 2008. While advantageous in terms of location as it is four minutes on foot from the Chikushi Exit of JR Hakata Station, the Property is located at an adequate distance from the station vicinity’s bustle and concentration of buildings. In addition to highly-convenient access from Fukuoka Airport by either subway or taxi, electronics retail stores in nearby locations make it very convenient for inbound visitors from Asia who are keen shoppers. The Property has 175 guest rooms and the glass entrance leads to a lobby of an adequate size and marble flooring to produce a different impression from a simple business hotel. All guest rooms can accommodate two or more persons, making the facilities one that can attract both business and leisure demand. The dark brown color scheme for the reception counter is used also for the guest-use elevators and elevator halls and the consistent use of the logo mark and consideration to lighting combined produce a subdued feel throughout the hotel and a sense of security that it is operated by professionals. The surrounding environment of the area where the Property is located has a high concentration of office buildings, of which the tenants include the branches of The Bank of Fukuoka, Ltd. and The Bank of Saga Ltd. and the Fukuoka branches of listed companies, and also a concentration of mainly roadside retail facilities, centering on eating and drinking establishments, convenience stores and other retail businesses. Additionally, as reservations of limited-service hotels in Fukuoka City tend to be for the JR Hakata Station vicinity area, followed by the Nakasu area and then the Tenjin area in that order, the Property, which is in the JR Hakata Station vicinity area, is thought to enjoy the benefits of the trend of the order of reservations. Moreover, domestic and inbound accommodation demand from business visitors from the Kanto region, tourists from the southern parts of Kyushu (Kagoshima and Kumamoto), inbound visitors from Asia, MICE(*) visitors, etc. is forecast to continue maintaining an increasing trend in a market report prepared by KPMG FAS.

(*) MICE is an acronym for Meetings held by companies, etc., Incentive travels conducted by companies, etc., Conventions (international) held by international organizations/groups, academic meetings, etc., and Exhibitions/Events.

Map around the New Asset



Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

6) Hotel Francs

Market summary

The Property is a full-service hotel located in Chiba City, Chiba Prefecture constructed 23 years ago. The Property boasts excellent access as it is three minutes on foot from JR Kaihinmakuhari Station, approximately five minutes by car from the Higashi-Kanto Expressway's Wangan Narashino Interchange and there are Limousine Bus operations from Haneda Airport and Narita Airport. In addition, there are Makuhari Messe and Mitsui Outlet Park Makuhari within walking distance, as well as the Makuhari New City Center that is an area of concentration of large office buildings and other facilities and areas that would lead to accommodation demand in close proximity. Additionally, accessible to Maihama Station, where there is TDR, in approximately seventeen minutes by train without any transfers, the location can be said to be one where both business and leisure demand can be expected. The Property is a building with a characteristic chalk external appearance resembling the streets of Western Europe boasting high visibility against the clean streets resulting from readjustment. Combined with the adjacent independent chapel, the overall appearance successfully produces the highest resort feel out of the hotels in the area. In addition, the largest characteristic of the 222 guest rooms is that all rooms have a large window providing natural lighting to produce a feeling of bright and open space. The guest rooms on the sea side have a commanding view of Tokyo Bay beyond the Prefectural Makuhari Seaside Park, while a technopolis night view of the Makuhari New City Center can be enjoyed from the guest rooms on the city side. With increase in the number of inbound visitors from Asia expected to continue due in part to relaxation of visa requirements, increase in domestic and inbound accommodation demand can be expected for the Makuhari district that is easily accessible from Narita Airport by Limousine Bus, backed by greater attractiveness as a result of LCC's further expansion and TDR's additional investment.

Map around the New Asset



Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

<Attachment 2> Exterior appearance and interior of the New Assets

(1) the b akasaka-mitsuke

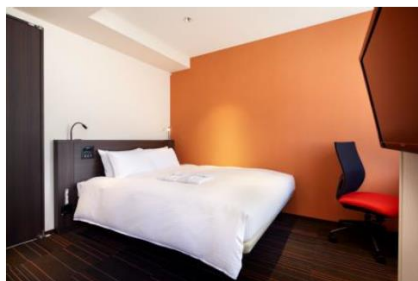
Exterior Appearance



Lobby



Superior Double Room



(2) the b ikebukuro

Exterior Appearance



Lobby

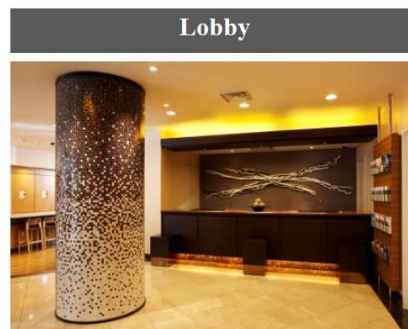
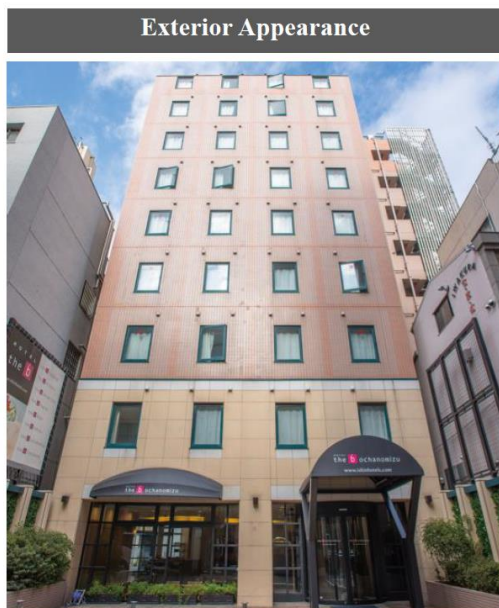


Deluxe Twin Room

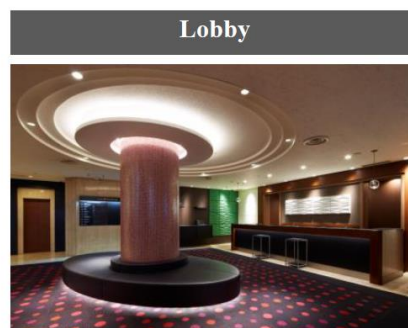
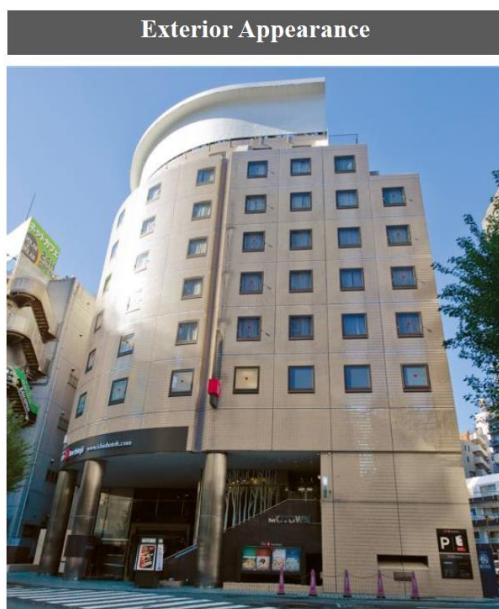


Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

(3) the b ochanomizu



(4) the b hachioji



Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

(5) the b hakata

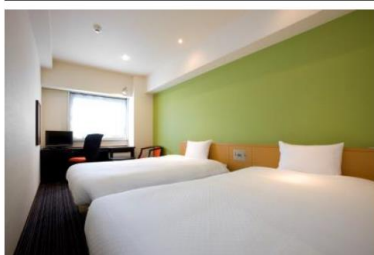
Exterior Appearance



Lobby



Deluxe Twin Room



(6) Hotel Francs

Exterior Appearance



Banquet Room



Stylish Twin Room



Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

(Reference 1) Appraisal report summary

(1) the b akasaka-mitsuke

Property name	The b akasaka-mitsuke	
Appraisal value	JPY6,420,000,000.-	
Name of appraiser	Japan Real Estate Institute	
Date of appraisal	November 1, 2014	

Item	Details	Summary, etc.
Indicated value by income approach	JPY6,420,000,000.-	
Value by direct capitalization method	JPY6,540,000,000.-	
Operating income	JPY321,507,000.-	
Potential gross income	JPY321,507,000.-	
Fixed rent, etc.	JPY136,384,000.-	Assessed the subject hotel's gross operating profit (GOP) in stable occupancy phase and recorded rent income based on this
Variable rent	JPY185,123,000.-	
Other income	JPY0.-	
Vacancy loss, etc.	JPY0.-	
Operating expenses	JPY20,070,000.-	
Maintenance and management expenses	JPY0.-	
Utilities cost	JPY0.-	
Repair cost	JPY3,896,000.-	Assessed by taking into consideration such factors as the level of expenses of similar real estate and the annual average amount of repair/renewal cost in engineering reports
Property management fee	JPY1,200,000.-	Assessed by taking into consideration such factors as the fee rate of similar real estate and factors specific to the subject real estate
Tenant leasing cost, etc.	JPY0.-	
Tax and public dues	JPY14,801,000.-	Assessed by reference to the standard taxation amount for fiscal 2014 for land, and by taking into consideration the change in the standard taxation amount due to extension for the building, etc.
Casualty insurance premium	JPY173,000.-	Assessed by taking into consideration such factors as the estimated amount of insurance premium of the subject real estate and insurance premium of similar buildings
Other expenses	JPY0.-	
Net operating income	JPY301,437,000.-	
Gain on management of deposits	JPY600,000.-	Assessed at investment return of 2.0%
Capital expenditures	JPY9,090,000.-	Assessed by factoring in such factors as the level of capital expenditures of similar real estate, building age and the annual average amount of repair/renewal cost in engineering reports
FF&E reserve	JPY4,968,000.-	Assessed by reference to such factors as repair/renewal plans in addition to the level of FF&E reserve of similar real estate
Net cash flow	JPY287,979,000.-	
Cap rate	4.4%	Assessed by factoring in the market cap rate, etc. of similar real estate
Value by DCF method	JPY6,300,000,000.-	
Discount rate	4.2%	Assessed by factoring in the investment cap rate, etc. of similar real estate
Terminal cap rate	4.6%	Assessed by factoring in the market cap rate, etc. of similar real estate
Indicated value by cost approach	JPY3,830,000,000.-	
Land ratio	90.2%	
Building ratio	9.8%	Including movable assets

Other matters noted in appraisal by appraiser	Determined the appraisal value by employing the indicated value by income approach based on the judgment that the indicated value by income approach that authentically recreates the pricing process from income aspects is more credible and by taking note of the indicated value by cost approach as reference.
---	---

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

(2) the b ikebukuro

Property name	the b ikebukuro
---------------	-----------------

Appraisal value	JPY6,770,000,000.-
Name of appraiser	Japan Real Estate Institute
Date of appraisal	November 1, 2014

Item	Details	Summary, etc.
Indicated value by income approach	JPY6,770,000,000.-	
Value by direct capitalization method	JPY6,840,000,000.-	
Operating income	JPY382,845,000.-	
Potential gross income	JPY390,838,000.-	
Fixed rent, etc.	JPY235,058,000.-	Assessed the subject hotel's gross operating profit (GOP) in stable occupancy phase and recorded rent income based on this
Variable rent	JPY146,000,000.-	
Other income	JPY9,780,000.-	
Vacancy loss, etc.	-JPY7,993,000.-	
Operating expenses	JPY31,129,000.-	
Maintenance and management expenses	JPY0.-	
Utilities cost	JPY0.-	
Repair cost	JPY7,557,000.-	Assessed by taking into consideration such factors as the level of expenses of similar real estate and the annual average amount of repair/renewal cost in engineering reports
Property management fee	JPY1,200,000.-	Assessed by taking into consideration such factors as the fee rate of similar real estate and factors specific to the subject real estate
Tenant leasing cost, etc.	JPY631,000.-	
Tax and public dues	JPY21,378,000.-	Assessed based on standard taxation amount for fiscal 2014
Casualty insurance premium	JPY363,000.-	
Other expenses	JPY0.-	
Net operating income	JPY351,716,000.-	
Gain on management of deposits	JPY718,000.-	Assessed at investment return of 2.0%
Capital expenditures	JPY17,632,000.-	Assessed by factoring in such factors as the level of capital expenditures of similar real estate, building age and the annual average amount of repair/renewal cost in engineering reports
FF&E reserve	JPY6,667,000.-	Assessed by reference to such factors as repair/renewal plans in addition to the level of FF&E reserve of similar real estate
Net cash flow	JPY328,135,000.-	
Cap rate	4.8%	Assessed by factoring in the market cap rate, etc. of similar real estate
Value by DCF method	JPY6,690,000,000.-	
Discount rate	4.5%	Assessed by factoring in the investment cap rate, etc. of similar real estate
Terminal cap rate	4.9%	Assessed by factoring in the market cap rate, etc. of similar real estate
Indicated value by cost approach	JPY4,300,000,000.-	
Land ratio	92.0%	
Building ratio	8.0%	Including movable assets

Other matters noted in appraisal by appraiser	Determined the appraisal value by employing the indicated value by income approach based on the judgment that the indicated value by income approach that authentically recreates the pricing process from income aspects is more credible and by taking note of the indicated value by cost approach as reference.
---	---

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

(3) the b ochanomizu

Property name	the b ochanomizu
Appraisal value	JPY2,470,000,000.-
Name of appraiser	Japan Real Estate Institute
Date of appraisal	November 1, 2014

Item	Details	Summary, etc.
Indicated value by income approach	JPY2,470,000,000.-	
Value by direct capitalization method	JPY2,510,000,000.-	
Operating income	JPY131,234,000.-	
Potential gross income	JPY131,234,000.-	
Fixed rent, etc.	JPY69,000,000.-	Assessed the subject hotel's gross operating profit (GOP) in stable occupancy phase and recorded rent income based on this
Variable rent	JPY62,234,000.-	
Other income	JPY0.-	
Vacancy loss, etc.	JPY0.-	
Operating expenses	JPY9,933,000.-	
Maintenance and management expenses	JPY0.-	
Utilities cost	JPY0.-	
Repair cost	JPY2,277,000.-	Assessed by taking into consideration such factors as the level of expenses of similar real estate and the annual average amount of repair/renewal cost in engineering reports
Property management fee	JPY1,200,000.-	Assessed by taking into consideration such factors as the fee rate of similar real estate and factors specific to the subject real estate
Tenant leasing cost, etc.	JPY0.-	
Tax and public dues	JPY6,353,000.-	Assessed based on standard taxation amount for fiscal 2014
Casualty insurance premium	JPY103,000.-	
Other expenses	JPY0.-	
Net operating income	JPY121,301,000.-	
Gain on management of deposits	JPY0.-	
Capital expenditures	JPY5,312,000.-	Assessed by factoring in such factors as the level of capital expenditures of similar real estate, building age and the annual average amount of repair/renewal cost in engineering reports
FF&E reserve	JPY2,868,000.-	Assessed by reference to such factors as repair/renewal plans in addition to the level of FF&E reserve of similar real estate
Net cash flow	JPY113,121,000.-	
Cap rate	4.5%	Assessed by factoring in the market cap rate, etc. of similar real estate
Value by DCF method	JPY2,430,000,000.-	
Discount rate	4.3%	Assessed by factoring in the investment cap rate, etc. of similar real estate
Terminal cap rate	4.7%	Assessed by factoring in the market cap rate, etc. of similar real estate
Indicated value by cost approach	JPY1,130,000,000.-	
Land ratio	80.6%	
Building ratio	19.4%	Including movable assets

Other matters noted in appraisal by appraiser	Determined the appraisal value by employing the indicated value by income approach based on the judgment that the indicated value by income approach that authentically recreates the pricing process from income aspects is more credible and by taking note of the indicated value by cost approach as reference.
---	---

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

(4) the b hachioji

Property name	the b hachioji
Appraisal value	JPY2,720,000,000.-
Name of appraiser	Japan Real Estate Institute
Date of appraisal	November 1, 2014

Item	Details	Summary, etc.
Indicated value by income approach	JPY2,720,000,000.-	
Value by direct capitalization method	JPY2,750,000,000.-	
Operating income	JPY224,326,000.-	
Potential gross income	JPY226,980,000.-	
Fixed rent, etc.	JPY122,454,000.-	Assessed the subject hotel's gross operating profit (GOP) in stable occupancy phase and recorded rent income based on this
Variable rent	JPY94,926,000.-	
Other income	JPY9,600,000.-	
Vacancy loss, etc.	-JPY2,654,000.-	
Operating expenses	JPY34,764,000.-	
Maintenance and management expenses	JPY0.-	
Utilities cost	JPY0.-	
Repair cost	JPY9,771,000.-	Assessed by taking into consideration such factors as the level of expenses of similar real estate and the annual average amount of repair/renewal cost in engineering reports
Property management fee	JPY1,200,000.-	Assessed by taking into consideration such factors as the fee rate of similar real estate and factors specific to the subject real estate
Tenant leasing cost, etc.	JPY262,000.-	Assessed the annual average amount assessed on the basis of the assumed turnover period of leasing of the store and office portion and parking portion
Tax and public dues	JPY23,080,000.-	Assessed based on standard taxation amount for fiscal 2014
Casualty insurance premium	JPY451,000.-	Assessed by taking into consideration such factors as the estimated amount of insurance premium of the subject real estate and insurance premium of similar buildings
Other expenses	JPY0.-	
Net operating income	JPY189,562,000.-	
Gain on management of deposits	JPY217,000.-	Assessed at investment return of 2.0%
Capital expenditures	JPY22,799,000.-	Assessed by factoring in such factors as the level of capital expenditures of similar real estate, building age and the annual average amount of repair/renewal cost in engineering reports
FF&E reserve	JPY7,460,000.-	Assessed by reference to such factors as repair/renewal plans in addition to the level of FF&E reserve of similar real estate
Net cash flow	JPY159,520,000.-	
Cap rate	5.8%	Assessed by factoring in the market cap rate, etc. of similar real estate
Value by DCF method	JPY2,680,000,000.-	
Discount rate	5.6%	Assessed by factoring in the investment cap rate, etc. of similar real estate
Terminal cap rate	6.0%	Assessed by factoring in the market cap rate, etc. of similar real estate
Indicated value by cost approach	JPY2,050,000,000.-	
Land ratio	76.3%	
Building ratio	23.7%	Including movable assets

Other matters noted in appraisal by appraiser

Determined the appraisal value by employing the indicated value by income approach based on the judgment that the indicated value by income approach that authentically recreates the pricing process from income aspects is more credible and by taking note of the indicated value by cost approach as reference.

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

(5) the b hakata

Property name	the b hakata
---------------	--------------

Appraisal value	JPY2,370,000,000.-
Name of appraiser	Japan Real Estate Institute
Date of appraisal	November 1, 2014

Item	Details	Summary, etc.
Indicated value by income approach	JPY2,370,000,000.-	
Value by direct capitalization method	JPY2,400,000,000.-	
Operating income		
Potential gross income	JPY160,396,000.-	
Fixed rent, etc.	JPY85,445,000.-	Assessed the subject hotel's gross operating profit (GOP) in stable occupancy phase and recorded rent income based on this
Variable rent	JPY75,020,000.-	
Other income	JPY0.-	
Vacancy loss, etc.	-JPY69,000.-	
Operating expenses	JPY17,448,000.-	
Maintenance and management expenses	JPY0.-	
Utilities cost	JPY0.-	
Repair cost	JPY5,273,000.-	Assessed by taking into consideration such factors as the level of expenses of similar real estate and the annual average amount of repair/renewal cost in engineering reports
Property management fee	JPY1,200,000.-	Assessed by taking into consideration such factors as the fee rate of similar real estate and factors specific to the subject real estate
Tenant leasing cost, etc.	JPY28,000.-	
Tax and public dues	JPY9,524,000.-	Assessed based on standard taxation amount for fiscal 2014
Casualty insurance premium	JPY223,000.-	Assessed by taking into consideration such factors as the estimated amount of insurance premium of the subject real estate and insurance premium of similar buildings
Other expenses	JPY1,200,000.-	
Net operating income	JPY142,948,000.-	
Gain on management of deposits	JPY56,000.-	Assessed at investment return of 2.0%
Capital expenditures	JPY12,305,000.-	Assessed by factoring in such factors as the level of capital expenditures of similar real estate, building age and the annual average amount of repair/renewal cost in engineering reports
FF&E reserve	JPY5,845,000.-	Assessed by reference to such factors as repair/renewal plans in addition to the level of FF&E reserve of similar real estate
Net cash flow	JPY124,854,000.-	
Cap rate	5.2%	Assessed by factoring in the market cap rate, etc. of similar real estate
Value by DCF method	JPY2,340,000,000.-	
Discount rate	5.0%	Assessed by factoring in the investment cap rate, etc. of similar real estate
Terminal cap rate	5.4%	Assessed by factoring in the market cap rate, etc. of similar real estate
Indicated value by cost approach	JPY1,390,000,000.-	
Land ratio	71.4%	
Building ratio	28.6%	Including movable assets

Other matters noted in appraisal by appraiser	Determined the appraisal value by employing the indicated value by income approach based on the judgment that the indicated value by income approach that authentically recreates the pricing process from income aspects is more credible and by taking note of the indicated value by cost approach as reference.
---	---

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

(6) Hotel Francs

Property name	Hotel Francs
---------------	--------------

Appraisal value	JPY3,500,000,000.-
Name of appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Date of appraisal	December 1, 2014

Item	Details	Summary, etc.
Indicated value by income approach	JPY3,500,000,000.-	
Value by direct capitalization method	JPY3,420,000,000.-	
Operating income	JPY300,000,000.-	
Potential gross income	JPY300,000,000.-	
Fixed rent, etc.	JPY300,000,000.-	Assessed by factoring in such factors as the medium-to long-term competitiveness
Variable rent	JPY0.-	
Other income	JPY0.-	
Vacancy loss, etc.	JPY0.-	
Operating expenses	JPY84,072,000.-	
Maintenance and management expenses	JPY0.-	
Utilities cost	JPY0.-	
Repair cost	JPY15,390,000.-	Assessed based on the level of repair cost of similar real estate and the annual average amount of repair/renewal cost in engineering reports
Property management fee	JPY1,800,000.-	Assessed based on the level of property management fee of similar real estate and actual amount
Tenant leasing cost, etc.	JPY0.-	
Tax and public dues	JPY65,788,000.-	Assessed by reference to the actual amount for fiscal 2014
Casualty insurance premium	JPY1,092,000.-	Assessed based on the level of insurance premium of similar real estate and actual amount
Other expenses	JPY0.-	—
Net operating income	JPY215,927,000.-	—
Gain on management of deposits	JPY3,000,000.-	Assessed at investment return of 2.0%
Capital expenditures	JPY37,595,000.-	Assessed based on the level of renewal cost of similar real estate and the annual average amount of repair/renewal cost in engineering reports
FF&E reserve	JPY0.-	
Net cash flow	JPY181,332,000.-	
Cap rate	5.3%	Assessed by taking the cap rate of similar real estate as the basis and by taking into consideration the factors specific to the subject real estate
Value by DCF method	JPY3,530,000,000.-	
Discount rate	5.1%	Assessed by factoring in the investment cap rate, etc. of similar real estate
Terminal cap rate	5.5%	Assessed by factoring in the market cap rate, etc. of similar real estate
Indicated value by cost approach	JPY4,130,000,000.-	
Land ratio	61.0%	
Building ratio	39.0%	

Other matters noted in appraisal by appraiser	Determined the appraisal value by taking the indicated value by income approach as the standard based on the judgment that the indicated value by income approach that adequately reflects income-generating potential and investment profitability is more credible and by taking the indicated value by cost approach as reference.
---	---

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

(Reference 2) The portfolio list after acquisition of the New Assets

No.	Hotel	Type	Grade	No. of guest rooms (*1)	Area (*2)	Completion	Acquisition price (plan) (JPY1M) (*3)	Investment ratio (*4)
1	Kobe Meriken Park Oriental Hotel	Full-service	Upper-middle	319	Kansai	July 1995	10,900	5.5%
2	Oriental Hotel tokyo bay	Full-service	Mid-price	503	Kanto (excluding Tokyo)	May 1995	19,900	10.1%
3	Namba Oriental Hotel	Limited-service	Mid-price	257	Kansai	March 1996	15,000	7.6%
4	Hotel Nikko Aivila	Resort	Luxury	396	Okinawa	April 1994	18,900	9.6%
5	Oriental Hotel Hiroshima	Full-service	Upper-middle	227	Other	September 1993 (Extended in September 2006)	4,100	2.1%
6	ibis Tokyo Shinjuku	Limited-service	Mid-price	206	Tokyo	September 1980	7,243	3.7%
8	The Beach Tower Okinawa	Resort	Mid-price	280	Okinawa	March 2004 (Extended in June 2005 and May 2006)	7,610	3.9%
9	Hakone Setsugetsuka	Resort	Mid-price	158	Kanto (excluding Tokyo)	October 2006	4,070	2.1%
10	Dormy Inn Kumamoto	Limited-service	Mid-price	294	Other	January 2008	2,334	1.2%
12	Dormy Inn Suidobashi	Limited-service	Economy	99	Tokyo	August 1986 (Extended in September 1989)	1,120	0.6%
13	Dormy Inn EXPRESS Asakusa	Limited-service	Economy	77	Tokyo	March 1997	999	0.5%
14	Hakata Nakasu Washington Hotel Plaza	Limited-service	Mid-price	247	Other	March 1995	2,130	1.1%
15	Nara Washington Hotel Plaza	Limited-service	Mid-price	204	Kansai	March 2000	2,050	1.0%
16	R&B Hotel Ueno-Hirokoji	Limited-service	Economy	187	Tokyo	April 2002	1,720	0.9%
17	R&B Hotel Higashi-Nihombashi	Limited-service	Economy	202	Tokyo	March 1998	1,534	0.8%
18	Comfort Hotel Tokyo Higashi-Nihombashi	Limited-service	Economy	259	Tokyo	January 2008	3,746	1.9%
19	Comfort Hotel Shin Yamaguchi	Limited-service	Economy	139	Other	August 2007	866	0.4%
21	Daiwa Roynet Hotel Akita	Limited-service	Economy	221	Other	June 2006	1,760	0.9%
22	Smile Hotel Nihombashi-Mitsukoshimae	Limited-service	Economy	164	Tokyo	March 1997	2,108	1.1%
23	Hotel Sunroute Niigata	Limited-service	Mid-price	231	Other	August 1992	2,105	1.1%
24	Toyoko Inn Hakataguchi Ekimae	Limited-service	Economy	257	Other	September 2001	1,652	0.8%
25	Hotel Vista Kamata Tokyo	Limited-service	Economy	106	Tokyo	January 1992	1,512	0.8%
26	Chisan Inn Kamata	Limited-service	Economy	70	Tokyo	April 2003	823	0.4%
29	Hotel Keihan Universal City	Resort	Mid-price	330	Kansai	June 2001	6,000	3.1%
30	Hotel Sunroute Shimbashi	Limited-service	Mid-price	220	Tokyo	March 2008	4,800	2.4%
31	Hilton Tokyo Bay	Resort	Luxury	818	Kanto (excluding Tokyo)	June 1988	26,050	13.3%
32	ibis Styles Kyoto Station	Limited-service	Mid-price	215	Kansai	March 2009	6,600	3.4%
33	ibis Styles Sapporo	Limited-service	Mid-price	278	Hokkaido	July 2010	6,797	3.5%
34	Mercure Hotel Sapporo	Limited-service	Mid-price	285	Hokkaido	April 2009	6,000	3.1%
35	Mercure Hotel Okinawa Naha	Limited-service	Mid-price	260	Okinawa	August 2009	3,000	1.5%
36	the b akasaka-mitsuke	Limited-service	Mid-price	122	Tokyo	November 2002	6,250	3.2%
37	the b ikebukuro	Limited-service	Mid-price	175	Tokyo	June 1982	6,520	3.3%
38	the b ochanomizu	Limited-service	Mid-price	72	Tokyo	August 1999	2,320	1.2%
39	the b hachioji	Limited-service	Mid-price	196	Tokyo	August 1986	2,610	1.3%
40	the b hakata	Limited-service	Mid-price	175	Other	September 1997	2,300	1.2%
41	Hotel Francs	Full-service	Mid-price	222	Kanto (excluding Tokyo)	August 1991	3,105	1.6%
	Total	—	—	8,471	—	—	196,534	100.0%

(*1) Number of rooms available to sell as of today (rooms occupied by the hotel for a long term is excluded.).

(*2) Tokyo means Tokyo metropolitan area. Kanto (excluding Tokyo) means Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi prefectures. Kansai means Kyoto, Osaka, Shiga, Hyogo, Nara and Wakayama prefectures. Okinawa means Okinawa prefecture.

(*3) The purchase prices stated on the purchase and sale agreement for beneficial interest in trust or real estate purchase and sale agreement are indicated (consumption tax, local consumption tax and the acquisition expense such as broker's fee are not included.). The acceptance prices are indicated for the assets that have been accepted through the merger. The purchase price (plan) is indicated for the New Assets.

(*4) The percentage of each purchase price (plan) to the total of purchase price (plan) is indicated and the numbers are rounded off to one decimal place.

(*5) Numbers for the assets transferred (No. 7, No. 11, No. 20, No. 27 and No. 28) are missing numbers.

Note: This document is intended to serve as a press release to make available the information on acquisition and lease of new assets of JHR. This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to read JHR's prospectus for issuance of new investment units and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.