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July 1, 2015

REIT Issuer:

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Notice Concerning Change in Lessees and Completion of Rebranding (the b suidobashi)

Japan Hotel REIT Investment (hereinafter called “JHR”) informs you that as announced in the “Notice Concerning Change in Lessees (Dormy Inn Suidobashi)” dated January 30, 2015, JHR has changed the name of the asset, the lessee, and the type of lease agreement as of today as follows. JHR also informs you that the renovation for rebranding has completed and the newly renovated property is available for operation from July 1, 2015.

1. Summary of changes

Date of change	July 1, 2015
New lessee	Ishin Suidobashi Operations K.K. (*1)
New name of the hotel	the b suidobashi
New lease agreement	July 1, 2015 through June 30, 2020 (5 years) Fixed rent (minimum guaranteed rent): JPY85,000,000.-/year Variable rent: linked to GOP (*2)

(*1) As announced in “Notice Concerning Change in Lessees (Dormy Inn Suidobashi)” dated January 30, 2015, it is agreed that the new hotel operating company established by the Ishin Hotels Group Co., Ltd. (“Ishin Hotels”) to operate the property will succeed the title as the lessee from Ishin Hotels. In accordance with the agreement, the title as the new lessee is succeeded to Ishin Suidobashi Operations K.K.

(*2) Whether the amount of variable rent is large or small, the rent scheme is set as a fixed rent portion to be the minimum guaranteed rent.

2. Summary of renovation

Renovation details	Along with the rebranding to “the b” hotels, the hotel has renovated a lobby, guest rooms, and external signage of the hotel. In the renovation work, by renewing deteriorated facilities, etc., the hotel as a whole intends to offer bright atmosphere and stylish space.
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Guest Room Double Room	Before Renovation 	After Renovation 
Guest Room Twin Room	Before Renovation 	After Renovation 
Lobby	Before Renovation 	After Renovation 

External Appearance	Before Renovation	After Renovation
		

Renovation area	Lobby on 1F, guest rooms and hallways on 2F-8F, and signage on an external wall
Total renovation costs	Approximately JPY60M
Date to start operation	July 1, 2015

3. Objective and reason for renovation

As announced in the “Notice Concerning Change in Lessees (Dormy Inn Suidobashi)” dated January 30, 2015, JHR rebranded the hotel to “the b” brand, aiming to achieve stability and upside potential upon the expiration of the lease agreement with the former lessee. Along with the rebranding, the hotel carried out the renovation work and renewed the deteriorated facilities, etc. The hotel has also created the concept of “the b” brand which is “comfortable and clean stylish space.”

Taking the opportunity of rebranding and renovation, the hotel will distinguish itself from its competitors and will aim to further increase its earnings capability.

4. Future prospect

The impact of rebranding is subtle and no revision is required for the operating forecast for the fiscal year December 2015 (January 1, 2015 through December 31, 2015).

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