JAPAN HOTEL REIT

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Notice Concerning Revision of Operating Forecast and Forecast of Dividend for Fiscal Year Ending December 2015 (16th Period)

Japan Hotel REIT Investment Corporation (hereinafter called "JHR") informs you of its revision of the operating forecast and forecast of dividend for the fiscal year ending December 2015 (January 1, 2015 through December 31, 2015) which was announced in the "Notice Concerning Revision of Operating Forecast and Forecast of Dividend for Fiscal Year Ending December 2015 (16th Period)" dated July 17, 2015 and the midterm operating forecast for the fiscal year ending December 2015 (January 1, 2015 through December 31, 2015) which was announced in the "Notice Concerning Revision of Operating Forecast and Forecast of Dividend for Fiscal Year Ending December 2015 (16th Period) dated June 4, 2015 as follows.

1. Revision of the operating forecast and forecast of dividend for the fiscal year ending December 2015 (January 1, 2015 through December 31, 2015)

	Operating revenue	Operating income	Ordinary income	Net income	Dividend per unit (Excess of earnings exclusive)	Dividend per unit resulting from excess of earnings
Previous forecast (A)	JPY1M 16,050	JPY1M 9,375	JPY1M 7,539	JPY1M 7,539	JPY 2,402	JPY 0
Revised forecast (B)	JPY1M 16,655	JPY1M 10,029	JPY1M 8,319	JPY1M 8,318	JPY 2,650	JPY 0
Variance (C) = (B) − (A)	JPY1M 604	JPY1M 654	JPY1M 780	JPY1M 779	JPY 248	JPY 0
Variance (D) = (C) / (A)	% 3.8	% 7.0	% 10.3	% 10.3	% 10.3	% 0

2. Operating status of the midterm for the fiscal year ending December 2015 (January 1, 2015 through December 31, 2015)

	Operating revenue	Operating income	Ordinary income	Net income	Dividend per unit (Excess of earnings exclusive)	Dividend per unit resulting from excess of earnings
Previous forecast (A)	JPY1M 6,824	JPY1M 3,709	JPY1M 2,870	JPY1M 2,870	JPY —	JPY —
Revised actual (B)	JPY1M 7,242	JPY1M 4,257	JPY1M 3,472	JPY1M 3,472	JPY —	JPY —
Variance (C) = (B) − (A)	JPY1M 417	JPY1M 547	JPY1M 602	JPY1M 601	JPY —	JPY —
Variance (D) = (C) / (A)	% 6.1	% 14.8	% 21.0	% 21.0	% —	% —

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(Reference) Forecast of net income per unit for the full year: JPY2,718
(Calculated based on the forecast period-average number of investment units of 3,060,647 units.)

(*1) Dividend per unit is calculated based on the number of investment units issued: 3,144,227

(*2) Reserve for dividends (JPY13M) is planned to be appropriated.

(*3) For assumptions of operating forecast and forecast of dividend, please see <Reference Information> Assumptions of the operating forecast for the full fiscal year ending December 2015 (16th Period)."

(*4) Amounts are rounded down to the nearest JPY1M, and percentage figures are rounded off to one decimal place.

3. Rationale for the revision of operating forecast and forecast of dividend

Major factors for the variance of operating forecast and forecast of dividend for the full fiscal year ending December 2015 and the midterm for the fiscal year ending December 2015 are as follows.

(1) Full fiscal year ending December 2015 (January 1, 2015 through December 31, 2015)

(1) Increase in variable rent
Due to the increase in rooms department sales resulting from strong domestic and inbound leisure demand, we have forecasted an increase in variable rent and income from management contracts from rise in GOP(*1) of HMJ's five hotels(*2) to be JPY311M, Accor's six hotels(*3) to be JPY168M, and six "the b" hotels(*4) to be JPY36M. Also, due to the other increases such as upside sharing, JPY82M, operation revenue is forecasted to increase by JPY604M compared with the previous forecast.

For hotel sales and hotel GOP for HMJ's five hotels, Accor's six hotels, and five "the b" hotels, please see "<Reference Information> Assumptions of the operating forecast for the full fiscal year ending December 2015 (16th Period)," <Reference Materials 2> Sales and GOP of HMJ'S five hotels, <Reference Materials 3> Sales and GOP of Accor's six hotels, and <Reference Materials 4> Sales and GOP of five "the b" hotels

(2) Decrease in operating expenses and financial costs, etc.
Operating expenses are forecasted to decrease by JPY49M, and non-operating expenses, etc. are forecasted to decrease by JPY125M.

(*1) GOP is Gross Operating Profit, which is the remaining amount calculated by deducting operating expenses from total sales. Operating expenses are expenses such as personnel cost and general and administrative expenses, incurred directly from hotel operation.

(*2) HMJ's five hotels are five hotels, namely, Kobe Meriken Park Oriental Hotel, Oriental Hotel tokyo bay, Namba Oriental Hotel, Hotel Nikko Alivila, and Oriental Hotel Hiroshima.

(*3) Accor's six hotels represent the six hotels comprising Accor's five hotels, namely, ibis Tokyo Shinjuku, ibis Styles Kyoto Station, ibis Styles Sapporo, Mercure Sapporo, and Mercure Okinawa Naha, plus Mercure Yokosuka that JHR acquired on April 2, 2015.

(*4) Six "the b" hotels represent the five "the b" hotels, namely, the b akasaka-mitsuke, the b ikebukuro, the b ochanomizu, the b hachioji, and the b hakata, plus the b suidobashi which was rebranded on July 1, 2015.

(2) Midterm for the fiscal year ending December 2015 (January 1, 2015 through December 31, 2015)

(1) Increase in variable rent, etc.
Due to the increase in rooms department sales resulting from strong domestic and inbound demand, an increase in variable rent and income from management contracts from rise in GOP was JPY256M for HMJ's five hotels, JPY96M for Accor's six hotels, and JPY18M for five "the b" hotels. Also, due to other increases such as upside sharing, JPY52M, operating revenue increased by JPY417M compared with the previous forecast.

(2) Decrease in operating expenses and financing costs
Operating expenses decreased by JPY130M, and non-operating expenses, etc. decreased by JPY54M.

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4. Highlights of operating forecast and forecast of dividend

The following table provides the operating forecast for the fiscal year ending December 2015 (16th period), factors for variances from the operating forecast announced in the press release "Notice Concerning Revision of Operating Forecast and Forecast of Dividend for Fiscal Year Ending December 2015 (16th Period)" dated July 17, 2015.

(Unit: JPY1M)

		15th Period	16th Period		(Reference)	Variance from Forecast Previous Time		
		Actual	Forecast Previous Time (A)	Forecast This Time (B)	Forecast This Time Annualized (*1)	(B)-(A)	Variance	
Properties	No. of properties	30	38	38	38	0	0.0%	
	Acquisition price	173,429	213,134	213,134	213,134	0	0.0%	
Profit and loss	Operating revenue	12,760	16,050	16,655	17,220	604	3.8%	
	Fixed rent	Composition 71.1% 9,066	Composition 64.5% 10,347	Composition 62.2% 10,352	Composition 62.5% 10,764	0 5	0.0%	
	Variable rent	28.9% 3,693	35.5% 5,703	37.8% 6,303	37.5% 6,455	599	10.5%	(1) HMJ 5 hotels--increase in variable rent by JPY311M (2) Accor's 6 hotels--increase in income from management contracts, etc. by JPY168M (3) six "the b" hotels--increase in variable rent by JPY36M (4) Other increases from upside sharing, etc. by JPY82M
	NOI (*2)	11,002 *6.3%*	13,736 *6.4%*	14,343 *6.7%*	14,646 *6.9%*	607 *0.3%*	4.4% *4.4%*	
	NOI after depreciation (*2)	8,597 *5.0%*	10,860 *5.1%*	11,467 *5.4%*	11,642 *5.5%*	607 *0.3%*	5.6% *5.6%*	
	Operating income	7,545	9,375	10,029	10,162	654	7.0%	
	Net income	5,774	7,539	8,318	8,457	779	10.3%	
Dividend	Use of negative goodwill	240	13	13	13	0	0.0%	
	Total dividends	6,015	7,552	8,332	8,467	779	10.3%	
	No. of units issued	2,791,281	3,144,227	3,144,227	3,144,227	0	0.0%	(Reference) Comparing with the previous fiscal period (15th period), the dividend per unit of forecast this time increased by 23%.
	Dividend per unit (JPY)	2,155	2,402	2,650	2,693	248	10.3%	

(*1) For the assumptions of the latest annualized forecast, please refer to "<Reference Materials 1> Assumptions of the forecast of the annualized effect" below.

(*2) Each is calculated using the following formula.
NOI (Net Operating Income) = Real estate operating revenue - Real estate operating costs + Depreciation + Loss on retirement of noncurrent assets
NOI yield = NOI ÷ Acquisition price
NOI after depreciation = Real estate operating revenue - Real estate operating costs
NOI yield after depreciation = NOI after depreciation ÷ Acquisition price

[Note]
The above is the operating forecast as of today, and actual dividend per unit may fluctuate. This forecast does not guarantee the amount of dividend shown above.

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

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＜Reference Information＞Assumptions of the operating forecast for the full fiscal year ending December 2015 (16th Period)

Item	Assumptions
Calculation Period	・Full year of fiscal year ending December 2015 (16th period): January 1, 2015 through December 31, 2015 (365 days)
Investment Assets	・The total 37 properties owned by JHR as of June 30, 2015, plus one property, Okinawa Marriott Resort & Spa, acquired on July 10, 2015, to total 38 properties is assumed. ・In addition, it is assumed that there will be no change in assets (acquisition or disposition, etc.) other than the above through the end of the fiscal year ending December 2015 (16th period). The actual number may fluctuate, though, depending on the changes in asset that may take place.
Operating Revenue	・Operating revenue is calculated based on the effective lease contracts, etc. as of today and considering hotel competitiveness and market environment, etc. ・Rents of the main hotels are calculated based on the following assumptions. (1) HMJ's five hotels The assumptions of the fixed rent and variable rent for the HMJ's five hotels are as follows. Annual rent (JPY5,990M) = Fixed rent (JPY3,221M/year) + Variable rent (See below for calculation) Variable rent = [(a) Total GOP of HMJ's five hotels - (b) GOP base amount (*1)] x 81.5%

HMJ's five hotels for the fiscal year ending December 2015 (16th period) (Unit: JPY1M)

	Total GOP of HMJ's five hotels (a)	GOP base amount (b)	Variable rent ((a)-(b)) x 81.5%
Midterm	2,572	1,675	730
Full year	6,748	3,351	2,769

(*1) It is assumed that there will be no change in the GOP base amount throughout the contract period of the lease contracts.

(*2) Please see "<Reference Materials 2> Sales and GOP of HMJ's five hotels" below for the comparison of sales and GOP, etc. of HMJ's five hotels below.

(2) Okinawa Marriott Resort & Spa

The fixed rent and variable rent of Okinawa Marriott Resort & Spa are calculated as follows.

Rent for fiscal year ending December 2015 (16th period) (*) (JPY670M) = Fixed rent (JPY261M) + Variable rent

Variable rent = [(a) GOP of the hotel - (b) GOP base amount] x 90.0%

(Unit: JPY1M)

	GOP of the hotel (a)	GOP base amount (b)	Variable rent ((a)-(b)) x 90.0%
Fiscal year ending December 2015 (16th Period)	818	365	408

(*) The rent for the fiscal year ending December 2015 (16th period) shows the figure estimated to incur during the 175 days from July 10, 2015 through December 31, 2015. Furthermore, it is assumed that the annual GOP base amount after January 1, 2016 will be JPY700M and the annual fixed rent will be JPY550M.

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Item	Assumptions

Operating Revenue

(3) Accor's six hotels

Income from management contract and variable rent of Accor's six hotels (Unit: JPY1M)

	ibis Tokyo Shinjuku	ibis Styles Kyoto Station	ibis Styles Sapporo	Mercure Sapporo	Mercure Okinawa Naha	Mercure Yokosuka	Total
Midterm	243	180	202	167	152	41	989
Full year	468	416	507	453	316	95	2,257

(*1) Please see <Reference Materials 3> Sales and GOP of Accor's six hotels below for the comparison of sales and GOP, etc. of Accor's six hotels.

(*2) It is assumed that the respective hotel's GOP amount is posted as income from management contract and the management contract fees to be paid by JHR is posted as an operating expenses item. In cases where certain revenue from non-hotel tenant(s) is included in the respective hotel's GOP, income from management contract is posted by subtracting such amount equivalent to tenant revenue from GOP. The concerned amount equivalent to revenue from non-hotel tenant(s) is posted as fixed rent, etc.

(*3) Mercure Sapporo includes variable rent from non-hotel tenant(s).

(4) Six "the b" hotels

Fixed rent and variable rent of six "the b" hotels (midterm) (Unit: JPY1M)

	the b suidobashi	the b akasaka-mitsuke	the b ikebukuro	the b ochanomizu	the b hachioji	the b hakata	Total
Fixed (*2)	42	57	91	29	50	36	307
Variable	-	58	53	20	33	27	193
Total	42	115	145	49	84	63	500

Fixed rent and variable rent of six "the b" hotels (full year) (Unit: JPY1M)

	the b suidobashi	the b akasaka-mitsuke	the b ikebukuro	the b ochanomizu	the b hachioji	the b hakata	Total
Fixed (*2)	84	125	199	63	112	77	663
Variable	5	142	116	45	72	60	443
Total	90	268	316	109	184	138	1,107

(*1) "The b suidobashi was rebranded from Dormy Inn Suidobashi and the rent scheme was changed to variable rent on July 1, 2015. Fixed rent before rebranding is shown in the midterm table.

(*2) Fixed rent includes rent from non-hotel tenant(s).

(*3) Please see <Reference Materials 4> Sales and GOP of five "the b" hotels below for the comparison of sales and GOP, etc. of six "the b" hotels.

(5) Other hotels that have adopted variable rent

Variable rent of other hotels that have adopted variable rent (Unit: JPY1M)

	Smile Hotel Nihombashi-Mitsukoshimae	Hotel Vista Kamata Tokyo	Chisan Inn Kamata	Hotel Keihan Universal City	Hotel Sunroute Shimbashi	Hilton Tokyo Bay	Total
Midterm	16	6	33	(*)	64	(*)	356
Full year	16	16	66	(*)	64	(*)	423

(*) No information is shown since tenants that concluded lease agreements did not agree to disclose rent income, etc.

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<table>
<tr><th>Item</th><th>Assumptions</th></tr>
<tr><td>Operating Revenue</td><td>

・The following is the breakdown of variable rent and income from management contract.

<Breakdown of variable rent for the fiscal year ending December 2015 (16th period)> (Unit: JPY1M)

<table>
<tr><th></th><th>HMJ's five hotels</th><th>Okinawa Marriott Resort & Spa</th><th>Accor's six hotels</th><th>Six "the b" hotels</th><th>Other variable rent</th><th>Total</th></tr>
<tr><td>Midterm</td><td>730</td><td>－</td><td>989</td><td>193</td><td>356</td><td>2,269</td></tr>
<tr><td>Full year</td><td>2,769</td><td>408</td><td>2,257</td><td>443</td><td>423</td><td>6,303</td></tr>
</table>

</td></tr>
<tr><td>Operating Expenses</td><td>

・Among real estate leasing expenses, which is the major operating expenses, expenses other than depreciation are calculated based on past actual data, and variable factors are reflected in the calculation. Operating expenses of the five "the b" hotels, Hotel Francs, Mercure Yokosuka, and Okinawa Marriott Resort & Spa (hereinafter called "Acquired Assets") are based on past actual data as provided by previous owners, etc., and variable factors are reflected in the calculation.

・It is assumed that JPY946M will be posted as expenses for fixed asset taxes, city planning tax, and other taxes and public dues.

・In general, fixed asset tax and city planning tax, etc. of acquired assets are settled with the previous owner at the time of acquisition, calculated on a pro rata basis of the holding period. For JHR, the settlement amount is included in the acquisition price, and it will not be posted as expenses for the calculation period of acquisition. Therefore, the fixed asset tax, city planning tax, and other taxes and public dues for the Acquired Assets will not be posted as expenses for the fiscal year ending December 2015 (16th period). The annual fixed asset tax and city planning tax, etc. for the five "the b" hotels and Hotel Francs acquired in the 16th period are estimated to be JPY147M, while the annual fixed asset tax and city planning tax, etc. for Mercure Yokosuka and Okinawa Marriott Resort & Spa are estimated to be JPY108M. Moreover, the fixed asset tax and city planning tax, etc. to be recorded as expenses for the fiscal year ending December 2015 (16th period) for the three properties (ibis Styles Sapporo, Mercure Sapporo and Mercure Okinawa Naha) acquired in the fiscal year ended December 2014 (15th period) are assumed to be JPY81M (for nine months).

・Depreciation is calculated by a straight-line method and is estimated to be JPY2,862M. This calculation includes the acquisition price of the Acquired Assets and incidental costs as well as planned capital expenditures (JPY1,780M) for the fiscal year ending December 2015 (16th period).

・Repair expenses for buildings are posted as expenses. Repair expenses necessary for each operating period are estimated. Please bear in mind that the repair expenses of each operating period may differ materially from the forecast amount for various reasons, such as 1. Emergency repair expenses may be necessary due to damage, etc. to buildings from unexpected causes, 2. The amount of repair expenses generally tends to fluctuate over time, and 3. Repair expenses are not required on a regular basis.

</td></tr>
<tr><td>Non-Operating Expenses</td><td>

・JPY1,720M is expected for interest expense, arrangement fee and amortization for the following (1) handling fees, (2) derivative instrument (interest rate caps), etc.

・Expenses for the issuance of new investment units in January 2015 and the issuance of new investment units by way of third-party allotment in February 2015 are estimated to be JPY33M. Expenses for the issuance of new investment units in June 2015 and the issuance of new investment units by way of third-party allotment in July 2015 are estimated to be JPY33M.

・Expenses for additional issuance of investment units and secondary offering are amortized over a period of three years by the straight-line method.

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</table>

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Item	Assumptions
Interest-Bearing Debt	・It is assumed that the balance of interest-bearing debt (sum of loans and investment corporation bonds) was JPY91,485M as of June 30, 2015, JPY97,961M as of July 31, 2015 after the purchase of Okinawa Marriott Resort & Spa, and JPY97,772M as of December 31, 2015. ・Loans for acquiring Okinawa Marriott Resort & Spa are JPY6,500M. ・It is assumed to refinance loans in the amount of JPY5,016M with maturity due in September 2015 and loans in the amount of JPY1,592M with maturity due in November 2015. ・Other than above, interest-bearing debt totaling JPY212M is scheduled for contractual repayment in the latter half of the year, and it is assumed to be repaid by using JHR's cash on hand.
Issuance of Investment Units	・The total number of investment units issued as of today (3,144,227 units) is assumed. ・It is assumed that there will be no additional issuance of investment units through to the end of the fiscal year ending December 2015 (16th period).
Dividend per Unit	・It is assumed that the whole amount of net income excluding the amount posted as a loss on retirement of noncurrent assets is distributed. ・Dividend per unit for the fiscal year ending December 2015 (16th period) is calculated based on the following assumptions. Net income: JPY8,318M Balance carried forward: JPY1M Use of negative goodwill (Loss on retirement of noncurrent assets)(*): JPY13M Distributable amount: JPY8,332M Total number of investment units issued: 3,144,227 units Dividend per unit: JPY2,650 (*) Amount posted as a loss on retirement of noncurrent assets will be appropriated by reserve for dividends (negative goodwill) and expects to have little impact on dividend per unit. Regarding the issuance of new investment units during the fiscal year, dividend per unit will generally be reduced due to the increase in the number of investment units. But dividend for the fiscal year ending December 2015 (16th period) after acquiring Acquired Assets is projected to increase compared with the previously forecasted dividend per unit due to the impact of revenue increase from the purchase of the Acquired Assets. Therefore, JHR does not plan to appropriate the reserve for dividends (negative goodwill) for dividends for the fiscal year ending December 2015 (16th period) for the adjustment to dilution by the increase of investment units. ・Dividend per unit may fluctuate by various causes, such as transfer of asset, transfer of hotel lessee(s), etc., fluctuation of rental income resulting from change of business environment, etc. surrounding hotel lessee(s), etc. and unexpected repairs, etc. ・The balance of reserve for dividends (negative goodwill) after the appropriation for dividends for the fiscal year ending December 2015 (16th period) is as follows. Balance of reserve for dividends (negative goodwill) at end of fiscal year ended December 2014: JPY14,168M Use of negative goodwill (Loss on retirement of noncurrent assets): -JPY4M Use of negative goodwill (Financial costs in accordance with early repayment): -JPY71M Use of negative goodwill (Adjustment for dilution in 15th period): -JPY164M Balance of reserve for dividends at end of fiscal year ending December: JPY13,928M

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Item	Assumptions
Acquired Assets	・The operating forecast of the five "the b" hotels acquired on January 30, 2015, Hotel Francs acquired on March 31, 2015, Mercure Yokosuka acquired on April 2, 2015, and Okinawa Marriott Resort & Spa acquired on July 10, 2015 is estimated as follows.

<the b akasaka-mitsuke> (JPY1M)

	Fiscal year ending December 2015	Annualized (*3)
Operating revenue	268	289
NOI (*1)	262	266
NOI yield (%)(*2)	-	4.3
Operating income	208	211

<the b ikebukuro> (JPY1M)

	Fiscal year ending December 2015	Annualized (*3)
Operating revenue	318	341
NOI (*1)	309	309
NOI yield (%)(*2)	-	4.7
Operating income	243	243

<the b ochanomizu> (JPY1M)

	Fiscal year ending December 2015	Annualized (*3)
Operating revenue	109	116
NOI (*1)	106	106
NOI yield (%)(*2)	-	4.6
Operating income	80	80

<the b hachioji> (JPY1M)

	Fiscal year ending December 2015	Annualized (*3)
Operating revenue	193	203
NOI (*1)	178	163
NOI yield (%)(*2)	-	6.3
Operating income	135	120

<the b hakata> (JPY1M)

	Fiscal year ending December 2015	Annualized (*3)
Operating revenue	138	147
NOI (*1)	133	131
NOI yield (%)(*2)	-	5.7
Operating income	99	97

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<table>
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<tr><td>Acquired Assets</td><td>

<Hotel Francs> (JPY1M)

	Fiscal year ending December 2015	Annualized (*3)
Operating revenue	229	303
NOI (*1)	226	233
NOI yield (%)(*2)	-	7.5
Operating income	165	161

<Mercure Yokosuka> (JPY1M)

	Fiscal year ending December 2015	Annualized (*3)
Operating revenue	136	225
NOI (*1)	77	120
NOI yield (%)(*2)	-	7.3
Operating income	40	71

<Okinawa Marriott Resort & Spa> (JPY1M)

	Fiscal year ending December 2015	Annualized (*3)
Operating revenue	670	1,000
NOI (*1)	654	918
NOI yield (%)(*2)	-	6.1
Operating income	506	626

(*1) NOI = Real estate operating revenue – real estate operating costs + depreciation + loss on retirement of noncurrent assets

(*2) NOI yield = NOI /Acquisition price

(*3) For assumptions of calculating the annualized figures, please refer to <Reference Materials 1> Assumptions of the forecast of the annualized effect" below.

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<tr><td>Dividend per Unit Resulting from Excess of Earnings</td><td>・It is assumed that the excess of earnings (dividend per unit resulting from excess of earnings) will not be distributed.</td></tr>
<tr><td>Others</td><td>・It is assumed that no revision in law, tax law, accounting standard, regulations of the listing, regulations of The Investment Trusts Association, Japan, etc. that may impact the forecasts above will not be made.
・It is assumed that unexpected major incident will not occur in the general economy, real estate market, hotel business environment, etc.
・The numerical values are rounded down to the nearest JPY1M in the assumptions above.</td></tr>
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<Reference Materials 1> Assumptions of the forecast of the annualized effect

(1) The operating revenue and operating expenses of the properties excluding Acquired Assets remain unchanged from the "Assumptions of the operating forecast for the full fiscal year ending December 2015 (16th Period)" above.

(2) The fixed and variable rents for Okinawa Marriott Resort & Spa are calculated as follows:
Annual rent (JPY1,000M) = Fixed rent (JPY550M) + Variable rent
Variable rent = [(1) GOP of the hotel – (2) GOP base amount] x 90.0%

(JPY1M)

	GOP of the hotel (1)	GOP base amount (2)	Variable rent ((1)-(2))×90.0%
Full year	1,200	700	450

(3) The variable rent for Mercure Yokosuka is assumed to be JPY184M.

(4) The figures for the Acquired Assets are the forecasted annual figures calculated based on the information provided by the sellers, etc. For the revenue and other figures for the relevant period, please refer to the "Acquired Assets" of "Assumptions of the operating forecast for the full fiscal year ending December 2015 (16th Period)."

(5) For the fixed asset tax, city planning tax, and other taxes and public dues for the relevant period (for twelve months), it is assumed that JPY82M will be recorded as expenses for the five "the b" hotels, JPY65M for Hotel Francs, JPY39M for Mercure Yokosuka, and JPY68M for Okinawa Marriott Resort & Spa.

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<Reference Materials 2> Sales and GOP of HMJ's five hotels

(1) Hotel sales (by hotel)

(Unit: JPY1M)

Sales of HMJ's five hotels		Fiscal year ending December 2014		Fiscal year ending December 2015			
		Actual	Comparison with previous period	Forecast last time	First half: actual Second half: forecast Full year: forecast	Comparison with the forecast last time	Comparison with previous period
Kobe Meriken Park Oriental Hotel	1st half of the year	2,424	0.4%	2,459	2,424	-1.5%	-0.0%
	2nd half of the year	2,798	0.1%	2,965	2,972	0.2%	6.2%
	Full year	5,222	0.2%	5,425	5,395	-0.5%	3.3%
Oriental Hotel tokyo bay	1st half of the year	3,366	4.9%	3,305	3,395	2.7%	0.9%
	2nd half of the year	3,844	-3.3%	3,931	3,936	0.1%	2.4%
	Full year	7,210	0.4%	7,236	7,331	1.3%	1.7%
Namba Oriental Hotel	1st half of the year	998	6.8%	1,039	1,189	14.4%	19.1%
	2nd half of the year	1,151	10.9%	1,166	1,264	8.3%	9.8%
	Full year	2,149	9.0%	2,205	2,452	11.2%	14.1%
Hotel Nikko Alivila	1st half of the year	2,190	-0.1%	2,316	2,377	2.7%	8.6%
	2nd half of the year	3,301	3.7%	3,426	3,454	0.8%	4.6%
	Full year	5,491	2.2%	5,741	5,831	1.6%	6.2%
Oriental Hotel Hiroshima	1st half of the year	1,046	-0.0%	1,039	991	-4.6%	-5.2%
	2nd half of the year	1,178	-2.5%	1,208	1,174	-2.9%	-0.3%
	Full year	2,223	-1.4%	2,248	2,165	-3.7%	-2.6%
Total	1st half of the year	10,024	2.3%	10,158	10,376	2.1%	3.5%
	2nd half of the year	12,272	0.6%	12,697	12,799	0.8%	4.3%
	Full year	22,296	1.4%	22,855	23,175	1.4%	3.9%

(*1) Numbers are based on figures obtained from hotel lessees. Please note that these numerical numbers have not been audited or gone through other procedures. No guarantee is made as to the accuracy or completeness of each number.

(*2) Sales are rounded off to the nearest JPY1M. Comparison with the previous period is rounded off to one decimal place.

(2) Hotel GOP

(Unit: JPY1M)

GOP of HMJ's five hotels	Fiscal year ending December 2014		Fiscal year ending December 2015			
	Actual	Comparison with previous period	Forecast last time	Forecast this time	Comparison with the forecast last time	Comparison with previous period
Total of HMJ's five hotels	6,302	2.4%	6,366	6,749	6.0%	7.1%
Ratio of GOP to sales	28.3%	0.3%	27.9%	29.1%	1.3%	0.9%

(*1) Numbers are based on figures obtained from hotel lessee. Please note that these numerical numbers have not been audited or gone through other procedures. No guarantee is made as to the accuracy or completeness of each number.

(*2) GOP is rounded off to the nearest JPY1M. Ratio of GOP to sales and comparison with the previous period are rounded off to one decimal place.

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<Reference Materials 3> Sales and GOP of Accor's six hotels

(1) Hotel sales (by hotel)

(Unit: JPY1M)

Sales of Accor's six hotels		Fiscal year ending December 2014		Fiscal year ending December 2015			
		Actual	Comparison with previous period	Forecast last time	First half: actual Second half: forecast Full year: forecast	Comparison with the forecast last time	Comparison with previous period
ibis Tokyo Shinjuku	1st half of the year	427	12.0%	443	453	2.2%	6.1%
	2nd half of the year	445	7.5%	456	438	-4.0%	-1.6%
	Full year	872	9.6%	899	891	-0.9%	2.2%
ibis Styles Kyoto Station	1st half of the year	305	-1.2%	348	357	2.5%	17.1%
	2nd half of the year	384	13.3%	401	426	6.2%	10.8%
	Full year	690	6.3%	749	783	4.5%	13.6%
ibis Styles Sapporo	1st half of the year	397	2.3%	421	429	1.9%	7.9%
	2nd half of the year	522	4.8%	534	568	6.3%	8.8%
	Full year	920	3.7%	955	997	4.4%	8.4%
Mercure Sapporo	1st half of the year	425	5.5%	454	499	10.0%	17.5%
	2nd half of the year	573	3.9%	623	645	3.6%	12.6%
	Full year	998	4.6%	1,077	1,145	6.3%	14.7%
Mercure Okinawa Naha	1st half of the year	363	28.0%	388	407	4.8%	12.1%
	2nd half of the year	414	14.5%	429	442	2.9%	6.6%
	Full year	778	20.5%	817	849	3.8%	9.1%
Mercure Yokosuka	1st half of the year	545	3.7%	550	550	0.0%	1.0%
	2nd half of the year	491	9.5%	470	471	0.1%	-4.1%
	Full year	1,036	6.4%	1,020	1,021	0.1%	-1.4%
Total	1st half of the year	2,463	7.5%	2,604	2,696	3.5%	9.5%
	2nd half of the year	2,829	8.3%	2,913	2,989	2.6%	5.6%
	Full year	5,292	7.9%	5,518	5,685	3.0%	7.4%

(*1) Numbers are based on figures obtained from hotel operators and hotel lessee. Please note that these numerical numbers have not been audited or gone through other procedures. No guarantee is made as to the accuracy or completeness of each number.

(*2) Sales are rounded off to the nearest JPY1M. Comparison with the previous period is rounded off to one decimal place.

(3) Hotel GOP

(Unit: JPY1M)

GOP of Accor's six hotels	Fiscal year ending December 2014		Fiscal year ending December 2015			
	Actual	Comparison with the previous period	Forecast last time	Forecast this time	Comparison with the forecast last time	Comparison with previous period
Total of Accor's six hotels	2,075	15.6%	2,210	2,379	7.6%	14.6%
Ratio of GOP to sales	39.2%	2.6%	40.1%	41.8%	1.8%	2.6%

(*1) Numbers are based on figures obtained from hotel operators and hotel lessee. Please note that these numerical numbers have not been audited or gone through other procedures. No guarantee is made as to the accuracy or completeness of each number.

(*2) GOP is rounded off to the nearest JPY1M. Ratio of GOP to sales and comparison with the previous period are rounded off to one decimal place.

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<Reference Materials 4> Sales and GOP of five "the b" hotels

(Unit: JPY1M)

Sales of five "the b" hotels		Fiscal year ending December 2014		Fiscal year ending December 2015			
		Actual	Comparison with previous period	Forecast last time	First half: actual Second half: forecast Full year: forecast	Comparison with the forecast last time	Comparison with previous period
the b akasaka-mitsuke	1st half of the year	131	-13.7%	235	221	-5.9%	69.4%
	2nd half of the year	213	94.9%	251	255	1.8%	19.8%
	Full year	344	31.8%	486	476	-1.9%	38.7%
the b ikebukuro	1st half of the year	279	8.1%	309	301	-2.8%	7.7%
	2nd half of the year	283	4.6%	313	317	1.1%	11.8%
	Full year	562	6.4%	622	617	-0.8%	9.8%
the b ochanomizu	1st half of the year	121	7.9%	134	132	-1.3%	9.0%
	2nd half of the year	124	1.6%	141	141	0.3%	13.5%
	Full year	246	4.6%	275	273	-0.5%	11.3%
the b hachioji	1st half of the year	242	9.8%	261	267	2.0%	10.4%
	2nd half of the year	256	0.9%	282	290	2.9%	13.4%
	Full year	497	5.0%	543	557	2.5%	11.9%
the b hakata	1st half of the year	172	7.0%	177	191	7.9%	10.9%
	2nd half of the year	191	8.7%	190	198	4.2%	3.6%
	Full year	363	7.9%	366	388	6.0%	7.1%
Total	1st half of the year	944	4.7%	1,116	1,111	-0.4%	17.7%
	2nd half of the year	1,067	14.6%	1,176	1,201	2.1%	12.5%
	Full year	2,011	9.7%	2,292	2,312	0.9%	14.9%

(*1) Numbers are based on figures obtained from hotel lessees. Please note that these numerical numbers have not been audited or gone through other procedures. No guarantee is made as to the accuracy or completeness of each number.

(*2) Sales are rounded off to the nearest JPY1M. Comparison with the previous period is rounded off to one decimal place.

(*3) The b akasaka-mitsuke completed its renovation work by the previous owner in April 2014. The number of guest rooms has increased from 91to 122. Therefore, the number of guest rooms available for sales in the first half of 2015 and the first half of 2014 are different.

(2) Hotel GOP

(Unit: JPY1M)

GOP of five "the b" hotels	Fiscal year ending 2014		Fiscal year ending 2015			
	Actual	Comparison with previous period	Forecast last time	Forecast this time	Comparison with the forecast last time	Comparison with previous period
Total of five "the b" hotels	854	15.5%	1,029	1,049	1.9%	22.9%
Ratio of GOP to sales	42.4%	2.1%	44.9%	45.4%	0.5%	2.9%

(*1) Numbers are based on figures obtained from hotel lessees. Please note that these numerical numbers have not been audited or gone through other procedures. No guarantee is made as to the accuracy or completeness of each number.

(*2) GOP is rounded off to the nearest JPY1M. Ratio of GOP to sales and comparison with the previous period are rounded off to one decimal place.

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