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August 26, 2015

REIT Issuer:

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

Asset Management Company:

Japan Hotel REIT Advisors Co., Ltd.
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Notice Concerning Change of Specified Related Party

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that Japan Hotel REIT Advisors Co., Ltd. (hereinafter called “JHRA”), which JHR entrusts investment management to, received notice of a change in the specified related party to take place on August 28, 2015.

1. Cause of change

Real Estate Capital Asia Partners III L.P. (hereinafter called “RECAP III”) is deemed as a “specified related party” since RECAP III holds 66.9% of outstanding shares of Rockrise Sdn Bhd (hereinafter called “Rockrise”) which holds 87.6% of outstanding shares of JHRA. JHRA received notice that RECAP III will transfer all shares of Rockrise to SC J-Holdings Pte. Ltd. (hereinafter called “SC J-Holdings”) on August 28, 2015. Following the transaction, RECAP III will not be a “specified related party” any longer. Instead SC J-Holdings will become a “specified related party” after the transaction.

SC J-Holdings will also acquire other outstanding shares of Rockrise from another RECAP Group(*) entity, Real Estate Capital Asia Partners II L.P., and will hold 100% of outstanding shares of Rockrise after the transfer. Moreover, SC J-Holdings will acquire 100% outstanding shares of Symphony Luck Sdn Bhd, which holds 100% of outstanding shares of Hotel Management Japan KK (hereinafter called “HMJ”), a tenant and “specified related party” of JHR. Thus, SC J-Holdings will indirectly hold 100% outstanding shares of HMJ.

SC J-Holdings is a special purpose company established for the purpose of investment holding, which is part of the RECAP Group, our main sponsor. JHRA was informed that the above series of share transfers are structured as corporate reorganizations within the RECAP Group and will not result in any impact on support and other relations between RECAP Group and JHR or JHRA.

(*Note) RECAP group is a group of funds and asset management companies, etc., which invests in various types of real estate across Asia-Pacific region. RECAP group has raised over US\$1.8 billion from worldwide investors since 2004.

2. Scheduled date of transfer

August 28, 2015

3. Description of the parent company and the specified related party after the transfer

SC J-Holdings (new parent company and specified related party)

Name	SC J-Holdings Pte. Ltd.	
Address	2 Nassim Rd., Singapore 258370	
Representative	Suchad Chiaranussati, Chairman Chua Keng Kim, Director	
Paid-in capital	1 Singapore Dollar	
Date of establishment	May 8, 2013	
Major shareholders, Ratio of share	N/A *	
Relation with JHR or JHRA	Capital relationship	A related company of SC J-Holdings owns 0.23% of outstanding JHR units. SC J-Holdings will own 100% outstanding shares of Rockrise which owns 87.6% outstanding shares of JHRA after the transaction.
	Human relationship	Chua Keng Kim, director of SC J-Holdings and Suchad Chiaranussati, shareholder and chairman of SC J-Holdings are both part-time directors of JHRA.
	Business relationship	Both HMJ and Lagoon resort Nago Co., Ltd. are related companies of SC J-Holdings and tenants of JHR. Moreover, HMJ is a specified related party of JHR

(*Note) Consent of disclosure was not obtained.

4. Description of the entity no longer applicable to the parent entity and the specified related party after the transfer

RECAP III

Name	Real Estate Capital Asia Partners III L.P. (RECAP III)
Address	c/o Maples Corporate Services Limited P.O. Box 309GT, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
Basis laws	Cayman Islands
Nature of business	Investment holding
Date of establishment	March 1, 2011
Total amount of investment	N/A *
Investors, Ratio of capital contribution, Description of investors	N/A *
General partner	Name: SCG Capital Partners III Limited Address: Cayman Islands Representative: Suchad Chiaranussati, Chairman Nature of Business: Management of real estate related investment
Asset manager	Name: SC Capital Partners Pte. Ltd. Address: Singapore Representative: Suchad Chiaranussati, Chairman

	Nature of Business: Investment management	
Relation with JHR or JHRA	Capital relationship	RECAP III indirectly owns 0.23% of outstanding JHR units. RECAP III owns 66.9% outstanding shares of Rockrise, which owns 87.6% outstanding shares of JHRA. After the sale, RECAP III will have no capital relationship with JHRA.
	Human relationship	Suchad Chiaranussati, chairman of general partner and asset manager, and Ian George Winston Lien, director of asset manager are part-time directors of JHRA.
	Business relationship	HMJ and Lagoon resort Nago Co., Ltd., both indirectly held by RECAP III, are tenants of JHR. Moreover, HMJ is a specified related party of JHR.

(*Note) Consent of disclosure was not obtained.

5. Number of shares (voting rights) owned by the parent companies of JHRA and ratios to the voting rights of entire shareholders

(1) Rockrise

	Category	Number of voting rights (Ownership ratios of voting rights)			Ranking among major shareholders
		Direct ownership	Indirect ownership	Total	
Before transfer	Parent Company	12,700 (87.6%)	0 (0.0%)	12,700 (87.6%)	First
After transfer	Parent Company	12,700 (87.6%)	0 (0.0%)	12,700 (87.6%)	First

(2) SC J-Holdings

	Category	Number of voting rights (Ownership ratios of voting rights)			Ranking among major shareholders
		Direct ownership	Indirect ownership	Total	
Before transfer	Parent Company	0 (0.0%)	0 (0.0%)	0 (0.0%)	N/A
After transfer	Parent Company	0 (0.0%)	12,700 (87.6%)	12,700 (87.6%)	N/A

(*Note) Number of shares excluded from total number of outstanding shares because of no voting rights

Total number of outstanding shares as of August 26, 2015

0

14,500

6. Future Prospects

(1) Changes to asset management agreement conducted by JHR

No change is planned as of today

(2) Changes to organizational structure of asset management company (JHRA)

No change is planned as of today

- (3) Changes to decision-making mechanism in asset management company (JHRA)
No change is planned as of today
- (4) Changes to rules related to compliance or parties with conflict of interest
No change is planned as of today
- (5) Changes to investment policy
No change is planned as of today
- (6) Changes to agreements etc. with sponsors, etc.
No change is planned as of today
- (7) Prospects on continuation of listing by JHR
JHR will remain listed
- (8) Future policy
JHR will make prompt announcements when any events about the business implementation of JHR and JHRA with regard to these matters should be disclosed.

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