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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 “Midterm Financial Report for the Fiscal Year Ending December 31, 2015 (January 1, 2015-December 31, 2015)” dated August 20, 2015.

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 16,655	JPY1M 10,029	JPY1M 8,319	JPY1M 8,318	JPY 2,650	JPY 0
Revised forecast (B)	JPY1M 16,901	JPY1M 10,332	JPY1M 8,603	JPY1M 8,602	JPY 2,748	JPY 0
Variance (C) = (B) – (A)	JPY1M 245	JPY1M 302	JPY1M 284	JPY1M 284	JPY 98	JPY 0
Variance (D) = (C) / (A)	% 1.5	% 3.0	% 3.4	% 3.4	% 3.7	% 0

(Reference) Forecast of net income per unit for the full year: JPY2,811

(Calculated based on the forecast period-average number of investment units of 3,060,647 units.)

(*1) Reserve for dividends, JPY37M, is planned to be the source of dividend payment.

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

(*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.

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

As announced in the press release “Notice Concerning Sale of Assets (Comfort Hotel Shin-Yamaguchi, Daiwa Roynet Hotel Akita, and Hotel Sunroute Niigata) dated October 29, 2015, JHR decided to sell Comfort Hotel Shin-Yamaguchi, Daiwa Roynet Hotel Akita, and Hotel Sunroute Niigata (hereinafter called the “Sale”) on October 30, 2015. JHR expects to post a gain on sale of real estate properties of JPY305M. Also, as a result of reviewing operating revenue, operating expenses, and financial costs, etc. at the timing of the Sale, JHR expects an increase of

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its net income by JPY284M.

The annualized dividend per unit including the impact from the Sale is predicted to be JPY2,670 from the previous forecast of JPY2,693.

3. Highlights of operating forecast and forecast of dividend

The following table provides factors for variances between the new operating forecast for the fiscal year ending December 2015 (16th period) as of today and the operating forecast announced in the “Midterm Financial Report for the Fiscal Year Ending December 31, 2015 (January 1, 2015 through December 31, 2015)” dated August 20, 2015.

(Unit: JPY1M)

		15th Period	16th Period		(Reference)	Variance from		
		Actual	Forecast Previous Time	Forecast This Time	Forecast This Time Annualized	Forecast Previous Time	Variance	
			(A)	(B)	(*1)	(B) - (A)		
Properties	No. of properties	30	38	35	35	-3	-7.9%	
	Acquisition price	173,429	213,134	208,403	208,403	-4,731	-2.2%	
Profit and loss	Operating revenue	12,760	16,655	16,901	16,860	245	1.5%	
	Fixed rent	Composition 71.1% 9,066	Composition 62.2% 10,352	Composition 62.0% 10,292	Composition 61.7% 10,404	-60	-0.6%	Decrease in fixed rent, etc. due to the Sale of the properties -JPY60M
	Variable rent	28.9% 3,693	37.8% 6,303	38.0% 6,303	38.3% 6,455	0	0.0%	
	Gain on sale of real estate properties	0	0	305	0	305		
	NOI (*2)	11,002 6.3%	14,343 6.7%	14,323 6.9%	14,363 6.9%	-19 0.1%	-0.1% 2.1%	
	NOI after depreciation (*2)	8,597 5.0%	11,467 5.4%	11,464 5.5%	11,455 5.5%	-3 0.1%	-0.0% 2.2%	
	Operating income	7,545	10,029	10,332	10,006	302	3.0%	
	Net income	5,774	8,318	8,602	8,381	284	3.4%	
Dividend	Use of negative goodwill	240	13	37	13	24	184.6%	
	Total dividends	6,015	8,332	8,640	8,395	308	3.7%	
	No. of units issued	2,791,281	3,144,227	3,144,227	3,144,227	0	0.0%	
	Dividend per unit (JPY)	2,155	2,650	2,748	2,670	98	3.7%	

(*1) For the assumptions of the latest annualized forecast, please refer to "<Reference Material 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

Real estate operating revenue excludes gain on sale of real estate properties from operating revenue.

[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)

Reference Information / Assumptions of the Operating Forecast for the full fiscal year ending December 2015 (16 th Period)													
Item	Assumptions												
Calculation period	• Full year of fiscal year ending December 2015 (16 th period): January 1, 2015 through December 31, 2015 (365 days)												
Investment Assets	• The total of 38 properties owned by JHR as of today, minus the following three properties to be sold (hereinafter called “Properties-to-be-Sold”) on October 30, 2015, to total 35 properties is assumed.												
	<table><tr><td>Scheduled closing date</td><td>Name of assets</td></tr><tr><td>October 30, 2015</td><td>Comfort Hotel Shin-Yamaguchi</td></tr><tr><td>October 30, 2015</td><td>Daiwa Roynet Hotel Akita</td></tr><tr><td>October 30, 2015</td><td>Hotel Sunroute Niigata</td></tr></table>	Scheduled closing date	Name of assets	October 30, 2015	Comfort Hotel Shin-Yamaguchi	October 30, 2015	Daiwa Roynet Hotel Akita	October 30, 2015	Hotel Sunroute Niigata				
	Scheduled closing date	Name of assets											
	October 30, 2015	Comfort Hotel Shin-Yamaguchi											
	October 30, 2015	Daiwa Roynet Hotel Akita											
October 30, 2015	Hotel Sunroute Niigata												
• 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 (16 th 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 (*1) 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 (*2) - (b) GOP base amount (*3)] x 81.5%												
	HMJ’s five hotels for the fiscal year ending December 2015 (16 th period) (Unit: JPY1M)												
	<table><tr><td></td><td>Total GOP of HMJ’s five hotels (a)</td><td>GOP base amount (b)</td><td>Variable rent ((a)-(b)) x 81.5%</td></tr><tr><td>Midterm</td><td>2,572</td><td>1,675</td><td>730</td></tr><tr><td>Full year</td><td>6,748</td><td>3,351</td><td>2,769</td></tr></table>		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
		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) 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.												
(*2) 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, etc., incurred directly from hotel operation.													
(*3) It is assumed that there will be no change in the GOP base amount throughout the contract period of the lease contracts.													
(*4) Please see “<Reference Materials 2> Sales and GOP of HMJ’s five hotels” for the comparison of sales and GOP, etc. of HMJ’s five hotels on page 11 of “Notice Concerning Revision of Operating Forecast and Forecast of Dividend for Fiscal Year Ending December 2015 (16 th Period)” dated August 20, 2015.													
(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 (16 th period) (*) (JPY670M) = Fixed rent (JPY261M) + Variable rent Variable rent = [(a) GOP of the hotel - (b) GOP base amount] x 90.0%													
(Unit: JPY1M)													
<table><tr><td></td><td>GOP of the hotel (a)</td><td>GOP base amount (b)</td><td>Variable rent ((a)-(b)) x 90.0%</td></tr><tr><td>Fiscal year ending December 2015 (16th Period)</td><td>818</td><td>365</td><td>408</td></tr></table>					GOP of the hotel (a)	GOP base amount (b)	Variable rent ((a)-(b)) x 90.0%	Fiscal year ending December 2015 (16 th Period)	818	365	408		
	GOP of the hotel (a)	GOP base amount (b)	Variable rent ((a)-(b)) x 90.0%										
Fiscal year ending December 2015 (16 th Period)	818	365	408										
(*) The rent for the fiscal year ending December 2015 (16 th 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 (*1) Income from management contracts 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
	Midterm	243	180	202	167	152	41
	Full year	468	416	507	453	316	95
	Total						
	2,257						
	(*1) 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.						
	(*2) Please see <Reference Materials 3> Sales and GOP of Accor's six hotels for the comparison of sales and GOP, etc. of Accor's six hotels on page 12 of "Notice Concerning Revision of Operating Forecast and Forecast of Dividend for Fiscal Year Ending December 2015 (16 th Period)" dated August 20, 2015.						
	(*3) It is assumed that the respective hotel's GOP amount is posted as income from management contracts 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 contracts 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.						
	(*4) Mercure Sapporo includes variable rent from non-hotel tenant(s).						
Operating Revenue	(4) Six "the b" hotels (*1) 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
	Fixed (*2)	42	57	91	29	50	36
	Variable	-	58	53	20	33	27
	Total	42	115	145	49	84	63
	Total						
	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
	Fixed (*2)	84	125	199	63	112	77
	Variable	5	142	116	45	72	60
	Total	90	268	316	109	184	138
	Total						
	1,107						
	(*1) Six "the b" hotels represent six 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 from Dormy Inn Suidobashi on July 1, 2015. The rent scheme of the b suidobashi 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 for the comparison of sales and GOP, etc. of six "the b" hotels on page 13 of "Notice Concerning Revision of Operating Forecast and Forecast of Dividend for Fiscal Year Ending December 2015 (16 th Period)" dated August 20, 2015."						
Operating Revenue	(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
	Midterm	16	6	33	(*)	64	(*)
	Full year	16	16	66	(*)	64	(*)
	Total						
	423						

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Item	Assumptions						
Operating Revenue	(*) No information is shown since tenants that concluded lease agreements did not agree to disclose rent income, etc.						
	• The following is the breakdown of variable rent and income from management contracts.						
	<Breakdown of variable rent and income from management contracts for the fiscal year ending December 2015 (16 th period)> (Unit: JPY1M)						
		HMJ's five hotels	Okinawa Marriott Resort & Spa	Accor's six hotels	Six "the b" hotels	Other variable rent	Total
	Midterm	730	—	989	193	356	2,269
	Full year	2,769	408	2,257	443	423	6,303
Operating Expenses	• 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 JPY940M 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 JPY2,846M. 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.						
Non-Operating Expenses	• JPY1,738M 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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Items	Assumptions																		
Interest-Bearing Debt	- It is assumed that the balance of interest-bearing debt (sum of loans and investment corporation bonds) is JPY93,854M as of October 30, 2015 and JPY93,772M as of December 31, 2015. Moreover, the balance of interest-bearing debt as of October 30, 2015 is the balance after prepayment of the loans in the amount of JPY4,000M in association with the Sale. - The decrease in the balance of interest-bearing debt mentioned above is due to the contractual repayment of the loan in the amount of JPY81M. - It is assumed that the contractual repayment of the above-mentioned loan will be paid by 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. <table border="0" style="width: 100%; margin-top: 10px;"> <tr> <td style="width: 70%;">Net income</td><td style="text-align: right;">JPY8,602M</td></tr> <tr> <td>Balance carried forward</td><td style="text-align: right;">JPY1M</td></tr> <tr> <td>Use of negative goodwill (Loss on retirement of noncurrent assets)(*)</td><td style="text-align: right;">JPY13M</td></tr> <tr> <td>Use of negative goodwill (financial costs in accordance with prepayment at the timing of selling properties)</td><td style="text-align: right;">JPY24M</td></tr> <tr> <td> </td><td></td></tr> <tr> <td>Distributable amount</td><td style="text-align: right;">JPY8,640M</td></tr> <tr> <td>Total number of investment units issued</td><td style="text-align: right;">3,144,227 units</td></tr> <tr> <td> </td><td></td></tr> <tr> <td>Dividend per unit</td><td style="text-align: right;">JPY2,748</td></tr> </table> (*) 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(s), 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 forecasted to be JPY13,891M.	Net income	JPY8,602M	Balance carried forward	JPY1M	Use of negative goodwill (Loss on retirement of noncurrent assets)(*)	JPY13M	Use of negative goodwill (financial costs in accordance with prepayment at the timing of selling properties)	JPY24M			Distributable amount	JPY8,640M	Total number of investment units issued	3,144,227 units			Dividend per unit	JPY2,748
Net income	JPY8,602M																		
Balance carried forward	JPY1M																		
Use of negative goodwill (Loss on retirement of noncurrent assets)(*)	JPY13M																		
Use of negative goodwill (financial costs in accordance with prepayment at the timing of selling properties)	JPY24M																		
Distributable amount	JPY8,640M																		
Total number of investment units issued	3,144,227 units																		
Dividend per unit	JPY2,748																		

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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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Item	Assumptions		
Acquired Assets	<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 Material 1> Assumptions of the forecast of the annualized effect” below.		
Dividend per Unit Resulting from Excess of Earnings	It is assumed that the excess of earnings (dividend per unit resulting from excess of earnings) will not be distributed.		
Others	- 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.		

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<Reference Material 1> Assumptions of the forecast of the annualized effect

- (1) The operating revenue and operating expenses of the properties excluding Acquired Assets and Properties-to-be-Sold 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)) x 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.

Note: This document is intended to serve as a press release to make available the information on the revision of the operating forecast and forecast of dividend for the fiscal year ending December 2015 (16th Period). 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 make any investment decisions at their own risk and responsibility.