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REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
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Asset Management Company:

Japan Hotel REIT Advisors Co., Ltd.
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Notice Concerning Strategic Investment by CapitaLand Investment into Parent Company
of the Asset Management Company

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 the entrance into an agreement on November 20, 2024, which provides, among others, that CapitaLand Investment Limited (hereinafter called “CLI”), through a wholly owned subsidiary, will acquire 40% of the outstanding shares of SCCPGH Group Holdings Pte. Ltd. (hereinafter called “SCCPGH”) (such acquisitions are hereinafter called the “Share Transfer”).

1. Outline of Share Transfer

SCCPGH, the issuer of the shares subject to the Share Transfer, is a parent company and the specified related party of JHRA, which acquired on October 30, 2024 and holds 100% of outstanding shares of SCJ One (S) Pte. Ltd. which holds 87.6% of outstanding shares of JHRA, as announced in “Notice Concerning Change of Parent Company and Specified Related Party of the Asset Management Company” dated as of October 30, 2024.

SCCPGH is a special purpose company established for the purpose of investment holding, which is part of the SC Capital Partners Group, our main sponsor.

(*Note) SC Capital Partners Group is a group of funds and asset management companies, etc., which invests in various types of real estate related assets across Asia Pacific region.

On November 20, 2024, SC Capital Partners Group agreed to sell 40% of the outstanding shares of SCCPGH to CLI and entered into an agreement including the Share Transfer. CLI is also granted conditional options to acquire an additional 30% stake in SCCPGH on the third anniversary and a further 30% stake on the fifth anniversary from closing of the Share Transfer (such additional acquisitions are hereinafter called the “Additional Share Transfer”), providing an orderly and aligned pathway for full ownership by 2030.

JHRA has been informed that the Share Transfer will not result in any impact on support and other relations between SC Capital Partners Group and JHR or JHRA.

Furthermore, the Share Transfer will not result in any change of parent or specified related party of JHRA. However, if the Additional Share Transfer is executed, there will be changes to the parent and specified related party of JHRA. Should such a change occur, JHRA will promptly make an announcement on the details of the change, the outline of the investment policy and other relevant information.

<About CapitaLand Investment Limited (CLI)>

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real asset manager with a strong Asia foothold. As at 30 September 2024, CLI had S\$134 billion of assets under management, as well as S\$102 billion of funds under management held via six listed real estate investment trusts and business trusts and a suite of private real asset vehicles that invest in thematic and tactical strategies. Its diversified real estate asset classes include retail, office, lodging, industrial, logistics, business parks, wellness, self-storage, data centres, private credit and special opportunities.

CLI aims to scale its fund management, lodging management and commercial management businesses globally and maintain effective capital management. As the investment management arm of CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand's development arm.

As a responsible company, CLI places sustainability at the core of what it does and has committed to achieve Net Zero carbon emissions for Scope 1 and 2 by 2050. CLI contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

2. Closing Date of Share Transfer

The Share Transfer is subject to regulatory approvals and is expected to close in the first quarter of 2025.

3. Prospects upon Share Transfer

(1) Changes to asset management agreement concluded 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.

Further, CLI will be granted an option to designate one part-time director of JHRA.

(3) Changes to decision-making structure 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

There will be no change in the company's policy to date as of today.

JHR will make prompt announcement 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: <https://www.jhrth.co.jp/en/>