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Notice Concerning Acquisition and Lease of Domestic Real Estate Beneficial Interest in Trust
(Hilton Fukuoka Sea Hawk)

This is to inform you that Japan Hotel REIT Advisors, Co., Ltd. (hereinafter called “JHRA”), the asset management company of Japan Hotel REIT Investment Corporation (hereinafter called “JHR”), has resolved to acquire and lease the domestic real estate beneficial interest in trust below (hereinafter called the “Asset for Anticipated Acquisition”) today on behalf of JHR.

The lessee falls under an “Interested Party, etc.” as stipulated in the Act on Investment Trust and Investment Corporation (Act No. 198 of 1951, as amended; hereinafter called the “Investment Trust Act”). Therefore, the execution of lease contract has been approved by JHR based on a resolution at JHR’s Board of Directors meeting pursuant to the Investment Trust Act and the Code for Transactions with Sponsor-related Parties stipulated by JHRA (Please see “6. Transactions with Interested Party” below.).

1. Summary of the Asset for Anticipated Acquisition

Name of the Asset for Anticipated Acquisition	Hilton Fukuoka Sea Hawk
Type of Asset for Anticipated Acquisition	Real estate beneficial interest in trust
Asset type (*1)	Full-service hotel
Rent type	Fixed and variable rents
Anticipated acquisition price (*2)	JPY64,350,000 thousand
Anticipated acquisition date (*2)	February 21, 2025
Seller (*3)	ML ESTATE Co., Ltd.
Brokerage	Not involved
Collateral	Unsecured

(*1) JHR categorizes hotels into three types, “Limited-service hotel” (hotels specialized in selling guest rooms), “Full-service hotel” (hotels providing comprehensive services, not only selling guest rooms) and “Resort hotel” (among full-service hotels, hotels located in vacation resorts, which are areas with rich natural environment or tourist attractions such as hot spring resorts and scenic spots, or areas surrounding famous leisure facilities, leisure facilities attracting customers, etc.) according to the manner of operation provided. The same shall apply hereinafter.

(*2) The purchase and sale agreement for beneficial interest in trust, etc. (hereinafter called the “PSA, etc.”) for real estate beneficial interest in trust has been concluded with the seller to acquire the Asset for Anticipated Acquisition. The anticipated acquisition price is the price set forth in the PSA, etc. for acquisition of the Asset for Anticipated Acquisition (consumption tax, local consumption tax and the acquisition expense such as brokerage fee are not included).

(*3) Please see “5. Summary of the Seller” below for the details of the seller.

2. Rationale for Acquisition and Lease

JHR aims to provide investors with attractive investment opportunities in hotels that can realize “both stability and upside potential.” JHRA has made the determination to acquire the Asset for Anticipated Acquisition (hereinafter called the “Acquisition”) as it considers the Acquisition is in line with such aim for the following reasons.

Hilton Fukuoka Sea Hawk (hereinafter called the “Hotel”), the Asset for Anticipated Acquisition, is a large, quite rare full-service hotel located in the seaside area of Fukuoka city. It is located approximately 20 minutes by car from Fukuoka Airport, which boasts one of the largest numbers of arrivals and departures of international flights in Japan, approximately 16 minutes by car from Tenjin Station, and approximately 20 minutes by bus from Hakata Station Bus Terminal.

The Hotel, which was designed to resemble a luxury cruise liner heading to Hakata Port, has 1,052 guest rooms, the largest banquet hall in Kyushu, restaurants, chapels, a large communal bath (stone bath), an executive lounge, a fitness center, a shopping arcade, and other facilities, making it suitable for large-scale MICE (*1) and other events. All rooms have an ocean view, offering a panoramic view of Seaside Momochi Beach, which has been selected for the “Asian Cityscape Award” and “100 Best Cityscapes,” as well as Hakata Bay and the cityscape of Fukuoka. In addition, the dome facility “MIZUHO PayPay Dome FUKUOKA” adjacent to the Hotel is the largest stadium in Kyushu and is used as the home field of the professional baseball team Fukuoka SoftBank HAWKS. In addition to professional baseball games, it is also used as a venue for a wide range of events, including concerts, exhibitions and sporting events. Furthermore, there are also leisure facilities and large commercial facilities in the surrounding area. JHR believes that the Hotel is able to capture the strong demand from a wide range of domestic and inbound customers, as well as leisure and business customers.

The number of hotels in Fukuoka owned by JHR will increase to six with the addition of this property, four of which have HMJ Group (*2) as lessee. The operations and management of the Hotel are cosigned to Hilton Worldwide Holdings Inc. by the lessee, a wholly owned subsidiary of HMJ. The aim is to maximize growth and earnings through the active asset management (*3) strategy, which is one of the strengths of JHR, by utilizing the knowledge and operational know-how of HMJ Group and the management capabilities of the international brand Hilton. The lease contract has a rent structure that can pursue upside potential, with the combination of a variable rent linked to AGOP (*4) and a stable fixed rent.

The Asset for Anticipated Acquisition is a large high-quality property located in areas where stable accommodation demand and growth can be expected going forward, and JHR believes that the Acquisition will enhance the quality of the portfolio. Also, the Acquisition at an attractive price, which is lower than the appraisal value by 10.3%, will improve NAV per unit (*5).

In addition, on January 30, 2025, JHR will sell Washington Hotel Plaza Hakata, Nakasu, for which revenue growth was limited due to the fixed-rent-only rent structure. JHR will continue to improve the quality of its portfolio through capital recycling, such as asset replacement.

JHR sets its criteria to select hotel lessees combining credibility and hotel management capability. JHR has confirmed the lessee of the Asset for Anticipated Acquisition satisfies its criteria to select hotel tenants mentioned in “Report on the Management Structure and System, etc. of the Issuer of Real Estate Investment Trust Securities and Related Parties,” which was disclosed on October 30, 2024.

(*1) MICE is an acronym for Meetings (e.g. corporate meetings), Incentive travel (e.g. corporate incentive travel and training trips), Conventions (e.g. international conferences organized by international organizations, groups, academic societies, etc.), and Exhibitions/Events (e.g. exhibitions, trade fairs, and events), and is a general term for business events that are expected to attract a large number of visitors.

(*2) HMJ refers to Hotel Management Japan Co., Ltd. (a corporation in which SC J-Holdings Pte. Ltd. indirectly holds 100% of the issued shares), and HMJ Group refers to HMJ and its subsidiaries (a corporation in which HMJ holds more than 50% of the issued shares). The same shall apply hereinafter.

(*3) Active asset management refers to active asset management that aims to achieve strong internal growth, increase revenue, and particularly increase the asset value of the portfolio. Specific examples include (a) a policy to improve ADR (*) by implementing strategic capital expenditure (hereinafter called the “Strategic CAPEX”) (**) such as renovation of guest rooms aimed at improving a hotel’s competitiveness, (b) a change and rebranding (***) to an operator (company which is entrusted management of hotel. The same shall apply hereinafter.) that is optimal for the features of the hotel, (c) change to a rent structure that can capture upside potential, and (d) switching (selling) assets aimed at improving the quality of the portfolio. The same shall apply hereinafter.

(*) ADR represents the Average Daily Rate, which is calculated by dividing the total room revenue of the rooms department (including service charges) for a certain period by the total number of rooms sold during the period.

(**) JHR classified capital expenditures into the following three categories. (I) Capital expenditures related to the renewal of facilities and equipment of buildings, which is required to maintain proper values of properties; (II) capital expenditures for fixtures, furniture, and equipment that are not directly related to building structure or facilities but necessary for operating hotels, and (III) Strategic CAPEX such as renovating guest rooms and others in order to improve the competitiveness of the hotels.

(***) Rebranding means the reconstruction of a hotel brand through a combination of hotel name change, operator change and Strategic CAPEX.

- (*4) GOP represents Gross Operating Profit, which is the remainder after expenses incurred in hotel operation, such as personnel costs and general and administrative expenses, are deducted from total sales. AGOP (Adjusted GOP = GOP after adjustment) is the remaining amount after deducting certain payment of fees and other charges from the GOP. The same shall apply hereinafter.
- (*5) NAV (Net Asset Value) per unit is the amount obtained by subtracting the total amount of distributed dividend from the amount of net assets stated in the balance sheet, adding difference between appraisal value and book value on the entire portfolio as of the end of the relevant fiscal year, and then dividing the result by the total number of investment units issued and outstanding as of the end of the relevant fiscal year. It differs from the amount of net assets per unit for accounting purposes.

3. Features of the Asset for Anticipated Acquisition

(1) Fukuoka Market

Fukuoka is the business and tourism center of Kyushu, and with excellent access to major Asian cities, it hosts many large events such as MICE, creating a market with high demand for accommodation from both domestic and international visitors. As a vibrant central city in Kyushu with excellent access from Fukuoka Airport to the city center and a population that continues to grow, in addition to stable business demand, further expansion of domestic and inbound leisure demand is expected.

According to the Japan Tourism Agency's "Statistics of Overnight Travel," the total number of visitors who stay in Fukuoka Prefecture from January to October 2024 was up 12.0% compared to the same period in 2019, and growth is continuing. Among these, the total number of foreign visitors who stay showed particularly strong growth with an increase of 54.2% compared to the same period. In addition, Fukuoka Airport is scheduled to begin using its second runway in March 2025, and it is hoped that the increase in the number of flights will attract further demand and improve convenience.

(2) Features of the Asset for Anticipated Acquisition

a. Superiority in location

The Hotel is located approximately 20 minutes by car from Fukuoka Airport, approximately 16 minutes by car from Tenjin Station, and approximately 20 minutes by bus from Hakata Station Bus Terminal. It is adjacent to MIZUHO PayPay Dome FUKUOKA and large commercial facilities, and various events are held at the dome facilities throughout the year, making it a hotel that is extremely convenient for dome users.

In addition, the Hotel is located in the Seaside Momochi district, which has been selected for the "Asian Cityscape Award" and "100 Best Cityscapes," and it is an attractive area where visitors can enjoy a resort atmosphere while still being in the city, as it is only a 3-minute walk to the white sandy beach in front of the Hotel.

b. Superiority in infrastructure

The Hotel has a unique design inspired by a luxury cruise liner heading to Hakata Bay, making it a highly visible landmark of Fukuoka. The Hotel is a 35-story hotel with two basement levels and is located on the waterfront in Fukuoka, and because there are no surrounding buildings blocking the view, it offers a panoramic view of Hakata Bay and the cityscape of Fukuoka.

The Hotel boasts 1,052 guest rooms, one of the largest in Japan, all of which have an ocean view, and which are divided into three main categories: Regular (average room size 27m²), Premium (average room size 33m²), and Executive (average room size 50m²). This allows the Hotel to respond to the various needs of guests from Japan and overseas. Furthermore, the Hotel has a full range of ancillary facilities, including an all-day dining restaurant with an open atrium structure that creates a sense of openness, one of the largest banquet halls in Japan with a capacity of up to 3,500 people, an executive lounge, chapels, and a fitness center, allowing the Hotel to respond to a wide range of business and event needs as well as leisure.

c. Superiority in operations

The Hotel bears the international brand Hilton, and its operations and management are consigned to Hilton Worldwide Holdings Inc. As Hilton is a well-known international hotel chain, it boasts a strong network of customers and appeal. As a full-service hotel that provides sophisticated Hilton services, it offers high levels of convenience for both leisure and business guests.

4. Details of the Asset for Anticipated Acquisition

Property No.	65	Property Name	Hilton Fukuoka Sea Hawk			
1. Asset summary (*1)						
Asset category		Real estate beneficial interest in trust				
Anticipated acquisition date		February 21, 2025				
Anticipated acquisition price		JPY64,350,000 thousand				
Appraisal value		JPY71,700,000 thousand (See “12. Real Estate Appraisal Report Summary” below for details.)				
2. Summary of real estate (or trusted real estate) (*2)						
Intended use of the property		Hotel/Full-service hotel				
Ownership	Land	Ownership				
	Building	Ownership				
Land	Plot No	2-30-23, Jigyohama, Chuo-ku, Fukuoka city, Fukuoka				
	Address	2-2-3, Jigyohama, Chuo-ku, Fukuoka city, Fukuoka				
	Acreage	29,036.35 m²				
	Zoning, etc.	Category 2 residential district				
	Building-to-land ratio	80%				
	Floor area ratio	400%				
Building	Structure and stories	SRC with flat roof; 35 stories above ground with 2 stories below ground				
	Intended use	Hotel				
	Completion	March 29, 1995				
	Total floor space (*3)	140,958.90 m²				
	Designer	Kyushu First Class Architects Office of Takenaka Corporation				
	Constructor	Takenaka Corporation Kyushu Branch				
	Institute that confirmed building	Fukuoka City Building Official				
Present owner		Trustee: Mitsubishi UFJ Trust and Banking Corporation (Trust period expiration date: March 31, 2027) Beneficiary: ML ESTATE Co., Ltd.				
Collateral		None				
3. Transportation (*4)						
Approx. 20-minute drive by car from Fukuoka Airport, approx. 16-minute drive by car from Tenjin station on the Fukuoka City Subway Airport Line, approx. 20-minute ride by bus from Hakata Station Bus Terminal, and approx. 19-minute walk from Tojinmachi station on the Fukuoka City Subway Airport Line						
4. Lease status						
Total number of tenants		1				
Leasable area (*5)		136,169.77 m²				
Leased area (*5)		136,169.77 m²				
Form of lease		Fixed-term lease contract (fixed-term building lease contract as stipulated in Article 38 of the Act on Land and Building Leases)				
Contractual rent (*6)	Fixed rent	JPY170,000 thousand per month				
	Variable rent	(Annual AGOP – base amount (JPY2,100,000 thousand/year)) × 95%				
Term of contract (*6)		From February 21, 2025 to December 31, 2035				
Deposit and guarantee money		JPY0				
Change in occupancy rate for the past five years (based on area)	End of December 2020	End of December 2021	End of December 2022	End of December 2023	End of December 2024	
	100%	100%	100%	100%	100%	
5. Related parties for hotel operation						
Hotel lessee		Hawks Town Corporation				
Property manager		JLL Retail Management K.K.				
6. Hotel website (*7)						
https://www.hilton.com/en/hotels/fukhihi-hilton-fukuoka-sea-hawk/						
7. Summary of the building inspection report						
Investigation company		Tokyo Bldg-Tech Center Co., Ltd.				
Investigation date		May 9, 2024				
Repair expenses	Urgently required	JPY0				
	Required within one year	JPY0				
	Total amount for another 12 years	JPY5,605,670 thousand				
Earthquake PML value (*8)		Less than 0.1%				
8. Special remark						
None						

- (*1) “Asset summary”
 “Asset category” indicates category of real estate beneficial interest in trust as specified asset and the hotel’s movable assets to be purchased together with the real estate beneficial interest in trust (hereinafter called the “Real estate and other assets”).
 “Anticipated acquisition price” is the price stated on the PSA, etc. and does not include various expenses required for the acquisition of the Real estate, etc. (e.g., brokerage fee).
- (*2) “Summary of real estate (or trusted real estate)”
 Information set out in the “Structures and stories,” “Intended use” and “Completion” of the building are taken from the certified copy of real estate registry. However, if erroneous information is identified by investigation, correct information is stated.
 In the “Structure and stories” column, S means Steel-framed structure, RC means Reinforced Concrete structure and SRC means Steel Reinforced Concrete structure.
 “Zoning, etc.” (“use district,” “special use district” and “fire prevention district or quasi-fire prevention district”) are stated based on Article 8, Clause 1-1, Clause 1-2, and Clause 1-5 of City Planning Act.
- (*3) “Total floor space”
 It is a total floor space of the building and attached buildings taken from the certified copy of real estate registry.
- (*4) “Transportation”
 It is stated according to the information from the market report prepared by KPMG FAS Co., Ltd.
- (*5) “Leasable area” and “Leased area”
 It is a total contracted area (including car parking space in the basement) based on the building lease contract with hotel lessees, retail space lessees and office lessees.
- (*6) “Contractual rent” and “Term of contract”
 On the anticipated acquisition date, the lease contract in effect as of today will be terminated upon agreement and a new fixed-term building lease contract will be concluded. “Contractual rent” and “Term of contract” describe the terms of the new contract.
- (*7) “Hotel website”
 It states the website address currently operated by the hotel lessee.
- (*8) “PML”
 “PML (Probable Maximum Loss)” means the anticipated maximum damage ratio resulting from an earthquake. Since no uniform definition has been made yet on PML, we used the following method. Probability and anticipated loss amount caused by a major earthquake that may occur once every 475 years are evaluated and statistically processed to identify the anticipated percentage of loss amount against the building replacement cost. It has been calculated based on site inspection, assessment of building condition, confirmation of the consistency with the design document, ground investigation, local factors and structural investigation.
- (*9) All amounts are rounded down to the nearest JPY1,000.

5. Summary of the Seller

Name	ML ESTATE Co., Ltd.
Headquarters	1-2-6, Toranomom, Minato-ku, Tokyo
Representative	Masato Matsui, Representative Director
Capital	JPY10 million
Establishment	December 3, 1993
Net asset	JPY30,900 million (As of the fiscal year ended March 2024)
Total asset	JPY571,976 million (As of the fiscal year ended March 2024)
Major stakeholder and shareholding ratio	Mizuho Leasing Company, Limited (100%)
Major business	Financial support related to real estate, including building leases
Capital relationship	There are no capital, human or business relationships to be specifically noted between JHR or JHRA and the seller. Moreover, the affiliated parties and companies of JHR and JHRA do not have any capital, human and business relationships with the affiliated parties and companies of the seller that should be specifically reported.
Human relationship	The seller does not fall under the category of related parties of JHR and JHRA. Affiliated parties and companies of the seller do not fall under the category of related parties of JHR and JHRA.

6. Transactions with Interested Party

HMJ owns 100% of the shares of the lessee, Hawks Town Corporation. HMJ falls under the category of an interested party, etc., as defined in Article 201 of the Investment Trust Act and Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000, as amended). Therefore, the above lessee, in which HMJ holds shares, will also fall under an interested party, etc. Thus, in concluding a fixed-term building lease contract with Hawks Town Corporation, JHRA has followed the appropriate procedures stipulated in the Rules on Transactions with Sponsor-related parties, internal code of JHRA, including approval at the meetings of the Compliance Committee attended by outside experts and JHR's Board of Directors.

7. Status of Previous Owners, etc.

This is not an acquisition from a party with any special interest relationship with JHR or JHRA.

8. Summary of Broker

There is no broker in the transactions for the Asset for Anticipated Acquisition.

9. Settlement Method

JHR plans to pay the transaction amounts in the lump sum payment at the time of settlement by using new loans and cash on hand.

10. Schedule of Settlement Dates

Resolution for acquisition	January 24, 2025
Conclusion of purchase and sale agreement	January 24, 2025
Settlement and transfer	February 21, 2025 (scheduled)

11. Future Prospects

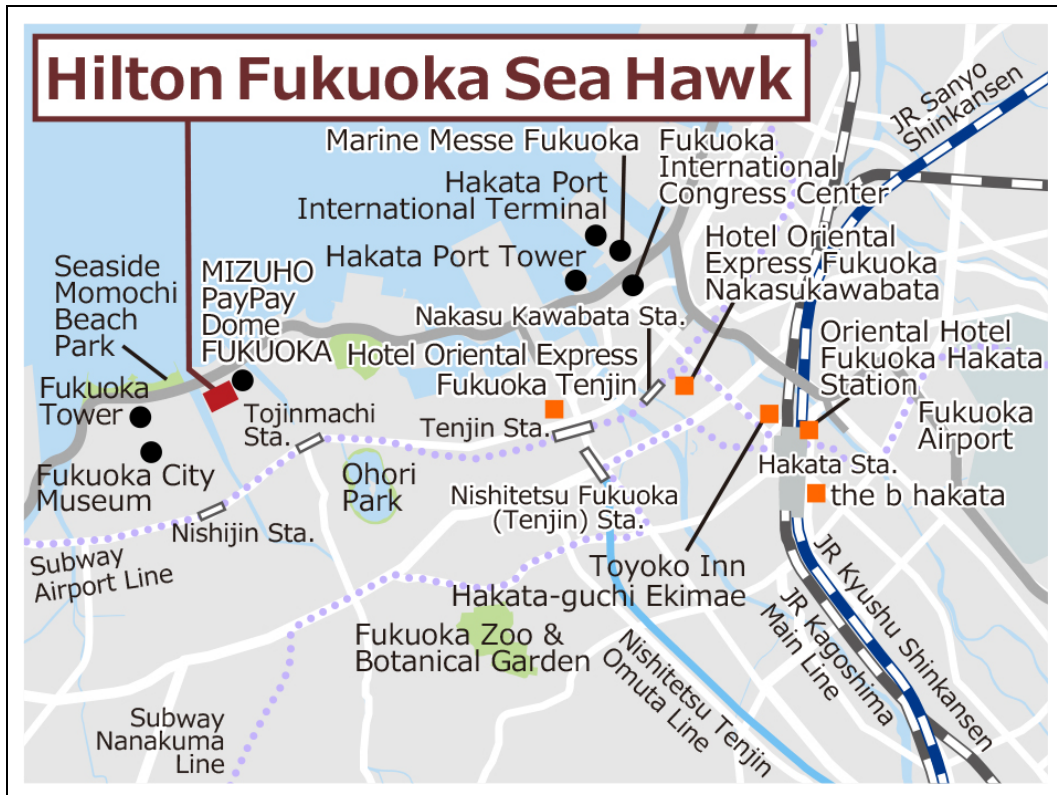
With respect to the operating forecast after the acquisition of the Asset for Anticipated Acquisition, please refer to “Notice Concerning Operating and Dividend Forecast for the Fiscal Year Ending December 2025 (26th Period)” dated today.

12. Real Estate Appraisal Report Summary

Real Estate Appraisal Report Summary		
Property name	Hilton Fukuoka Sea Hawk	
Appraisal value	JPY71,700,000 thousand	
Name of appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.	
Date of appraisal	November 30, 2024	
Item	Details	Summary, etc.
Indicated value by income approach	JPY71,700,000 thousand	
Value by direct capitalization method	JPY72,300,000 thousand	
Operating income	JPY4,455,194 thousand	
Potential gross income	JPY4,477,082 thousand	
Rental revenue	JPY4,410,519 thousand	
Common service fee revenue	JPY39,478 thousand	
Utilities revenue	JPY25,000 thousand	
Parking lot revenue	JPY1,300 thousand	
Other revenue	JPY784 thousand	
Vacancy loss, etc.	JPY21,887 thousand	
Operating expenses	JPY570,532 thousand	
Maintenance and management expenses	JPY11,856 thousand	
Utilities cost	JPY37,391 thousand	
Repair expenses	JPY61,501 thousand	
Property management fee	JPY9,600 thousand	
Tenant recruitment cost, etc.	JPY2,735 thousand	
Tax and public dues	JPY375,411 thousand	
Non-life insurance premium	JPY56,138 thousand	
Other Expenses	JPY15,898 thousand	
Net operating income	JPY3,884,662 thousand	
Gain on management of deposits	JPY0	
Capital expenditures	JPY774,800 thousand	Assessed considering the level of capital expenditure for similar properties, the building age, the average value of annual repair and renewal expenses on the engineering report and renewal costs for furniture, fixtures and equipment.
Net cash flow	JPY3,109,862 thousand	
Cap rate	4.3%	
Value by DCF method	JPY71,400,000 thousand	
Discount rate	4.1%	
Terminal cap rate	4.5%	
Indicated value by cost approach	JPY52,100,000 thousand	
Land ratio	74.0%	
Building ratio	26.0%	Including movable assets
Other matters noted in appraisal by appraiser	The appraiser considered that indicated value by income approach which reliably reproduced price formation process from earnings' perspective is more persuasive than indicated value by cost approach. Therefore, the appraiser determined the appraisal value by standardizing on the indicated value by income approach and by using the indicated value by cost approach as reference.	

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

<Attachment 1> Map of the area around the Asset for Anticipated Acquisition

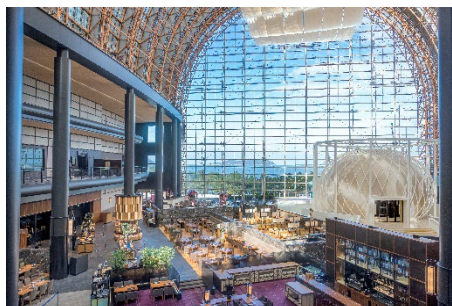


<Attachment 2> Exterior appearance and interior of the Asset for Anticipated Acquisition

Appearance of Building



Restaurant



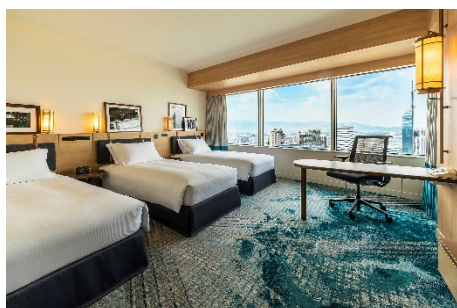
Executive Lounge



Banquet Room



Guest Room



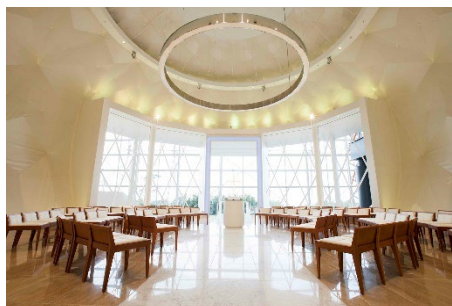
Guest Room



Spa (Stone Bath)



Chapel



(Reference) The portfolio list after the acquisition of the Asset for Anticipated Acquisition

Property No.	Property name	Type	Grade (*1)	Total number of guest rooms (*2)	Area (*3)	Building completion	(Anticipated) Acquisition price (*4) (JPY MM)	Investment ratio (*5)
1	Kobe Meriken Park Oriental Hotel	Full-service	Upper-middle	323	Kansai (excluding Osaka)	Jul. 1995	10,900	2.1%
2	Oriental Hotel Tokyo Bay	Full-service	Upper-middle	511	Kanto (excluding Tokyo)	May 1995	19,900	3.9%
3	Namba Oriental Hotel	Limited-service	Mid-price	267	Osaka	Mar. 1996	15,000	2.9%
4	Hotel Nikko Alivila	Resort	Luxury	397	Okinawa	Apr. 1994	18,900	3.7%
5	Oriental Hotel Hiroshima	Full-service	Upper-middle	227	Chugoku	Sep. 1993 Extended in Sep. 2006	4,100	0.8%
8	The Beach Tower Okinawa	Resort	Mid-price	280	Okinawa	Mar. 2004 Extended in Jun. 2005 Extended in May 2006	7,610	1.5%
9	Hakone Setsugetsuka	Resort	Mid-price	158	Kanto (excluding Tokyo)	Oct. 2006	4,070	0.8%
10	dormy inn Kumamoto	Limited-service	Mid-price	291	Kyushu (excluding Okinawa)	Jan. 2008	2,334	0.5%
12	the b suidobashi	Limited-service	Mid-price	99	Tokyo	Aug. 1986 Extended in Sep. 1989	1,120	0.2%
13	dormy inn EXPRESS Asakusa	Limited-service	Economy	75	Tokyo	Mar. 1997	999	0.2%
15	Washington Hotel Plaza Nara	Limited-service	Mid-price	203	Kansai (excluding Osaka)	Mar. 2000	2,050	0.4%
16	R&B Hotel Ueno-hirokoji	Limited-service	Economy	176	Tokyo	Apr. 2002	1,720	0.3%
18	Comfort Hotel Tokyo Higashi Nihombashi	Limited-service	Economy	259	Tokyo	Jan. 2008	3,746	0.7%
22	Smile Hotel Nihombashi Mitsukoshimae	Limited-service	Economy	164	Tokyo	Mar. 1997	2,108	0.4%
24	Toyoko Inn Hakata-guchi Ekimae	Limited-service	Economy	256	Kyushu (excluding Okinawa)	Sep. 2001 for both main building and annex	1,652	0.3%
25	Chisun Hotel Kamata	Limited-service	Economy	105	Tokyo	Jan. 1992	1,512	0.3%
26	Chisun Inn Kamata	Limited-service	Economy	70	Tokyo	Apr. 2003	823	0.2%
29	Oriental Hotel Universal City	Resort	Upper-middle	330	Osaka	Jun. 2001	6,753	1.3%
31	Hilton Tokyo Bay	Resort	Luxury	828	Kanto (excluding Tokyo)	Jun. 1988	26,050	5.1%
32	ibis Styles Kyoto Station	Limited-service	Mid-price	215	Kansai (excluding Osaka)	Mar. 2009	6,600	1.3%
33	ibis Styles Sapporo	Limited-service	Mid-price	278	Hokkaido	Jul. 2010	6,797	1.3%
34	Mercure Sapporo	Limited-service	Mid-price	285	Hokkaido	Apr. 2009	6,000	1.2%
35	Mercure Okinawa Naha	Limited-service	Mid-price	260	Okinawa	Aug. 2009	3,000	0.6%
37	the b ikebukuro	Limited-service	Mid-price	175	Tokyo	Jun. 1982	6,520	1.3%
39	the b hachioji	Limited-service	Mid-price	196	Tokyo	Aug. 1986 Extended in Apr. 1987	2,610	0.5%
40	the b hakata	Limited-service	Mid-price	175	Kyushu (excluding Okinawa)	Sep. 1997	2,300	0.4%

Property No.	Property name	Type	Grade (*1)	Total number of guest rooms (*2)	Area (*3)	Building completion	(Anticipated) Acquisition price (*4) (JPY MM)	Investment ratio (*5)
41	Hotel Francs	Full-service	Mid-price	222	Kanto (excluding Tokyo)	Aug. 1991	3,105	0.6%
42	Mercure Yokosuka	Full-service	Upper-middle	160	Kanto (excluding Tokyo)	Nov. 1993	1,650	0.3%
43	Oriental Hotel Okinawa Resort & Spa	Resort	Upper-middle	361	Okinawa	Feb. 2005 Extended in Dec. 2006	14,950	2.9%
44	ACTIVE-INTER CITY HIROSHIMA (*6) (Sheraton Grand Hiroshima Hotel)	Full-service	Luxury	238	Chugoku	Aug. 2010	17,320	3.4%
45	CANDEO HOTELS Ueno Koen	Limited-service	Mid-price	268	Tokyo	Dec. 2009	6,705	1.3%
46	Oriental Hotel Fukuoka Hakata Station	Full-service	Upper-middle	221	Kyushu (excluding Okinawa)	Jul. 1985	7,197	1.4%
47	Holiday Inn Osaka Namba	Limited-service	Mid-price	314	Osaka	Aug. 2008	27,000	5.2%
48	Hotel Oriental Express Fukuoka Tenjin	Limited-service	Mid-price	263	Kyushu (excluding Okinawa)	Apr. 1999	5,248	1.0%
49	Hilton Nagoya	Full-service	Luxury	460	Chubu	Feb. 1989	15,250	3.0%
50	Hilton Tokyo Narita Airport	Full-service	Upper-middle	548	Kanto (excluding Tokyo)	Aug. 1993	13,175	2.6%
51	International Garden Hotel Narita	Full-service	Mid-price	463	Kanto (excluding Tokyo)	May 1996	9,125	1.8%
52	Hotel Nikko Nara	Full-service	Upper-middle	330	Kansai (excluding Osaka)	Feb. 1998	10,373	2.0%
53	Hotel Oriental Express Osaka Shinsaibashi	Limited-service	Mid-price	124	Osaka	Jan. 2018	2,738	0.5%
54	Hilton Tokyo Odaiba	Full-service	Upper-middle	453	Tokyo	Jan. 1996	62,400	12.1%
55	UAN kanazawa	Limited-service	Upper-middle	47	Chubu	Sep. 2017	2,050	0.4%
56	Sotetsu Fresa Inn Shimbashi-Karasumoriguchi	Limited-service	Mid-price	220	Tokyo	Mar. 2008	8,400	1.6%
57	La'gent Stay Sapporo Odori	Limited-service	Mid-price	219	Hokkaido	Jun. 2016	10,020	1.9%
58	Oriental Hotel Kyoto Rokujo	Limited-service	Mid-price	166	Kansai (excluding Osaka)	Sep. 2019	4,446	0.9%
59	Hotel Oriental Express Fukuoka Nakasakawabata	Limited-service	Mid-price	183	Kyushu (excluding Okinawa)	Apr. 2021	4,460	0.9%
60	Hotel JAL City Kannai Yokohama	Limited-service	Mid-price	170	Kanto (excluding Tokyo)	Nov. 2006	4,000	0.8%
61	MIMARU Tokyo Shinjuku West	Limited-service	Upper-middle	76	Tokyo	Feb. 2020	9,645	1.9%
62	HOTEL AMANEK Shinjuku-Kabukicho.	Limited-service	Mid-price	169	Tokyo	Mar. 2023	8,845	1.7%
63	OKINAWA HARBORVIEW HOTEL	Full-service	Mid-price	352	Okinawa	Main building: Apr. 1975 South wing: Sep. 1983	21,562	4.2%
64	Southern Beach Hotel & Resort OKINAWA	Resort	Mid-price	448	Okinawa	Apr. 2009	16,200	3.1%
65	Hilton Fukuoka Sea Hawk	Full-service	Upper-middle	1,052	Fukuoka	Mar. 1995	64,350	12.5%
	Total	-	-	14,130	-	-	515,391	100.0%

(*1) Mainly from the viewpoint of ADR, etc., JHR classifies its hotels into 4 grade categories: "Luxury," "Upper middle," "Mid price," and "Economy." The hotel grade for Oriental Hotel Tokyo Bay, Oriental Hotel Universal City and Mercure Yokosuka is changed from Mid price

to Upper middle as of the date of this document.

- (*2) Total number of guest rooms column refers to the number of guest rooms available for sale as of today (excluding rooms for our own long-term use).
- (*3) “Tokyo” means Tokyo metropolitan area. “Kanto (excluding Tokyo)” means Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi prefectures. “Chubu” means Aichi, Mie, Shizuoka, Nagano, Gifu, Niigata, Toyama, Ishikawa and Fukui prefectures. “Osaka” means Osaka prefecture. “Kansai (excluding Osaka)” means Kyoto, Shiga, Hyogo, Nara and Wakayama prefectures. “Chugoku” means Hiroshima, Okayama, Tottori, Yamaguchi and Shimane prefectures. “Kyushu (excluding Okinawa)” means Fukuoka, Nagasaki, Miyazaki, Kumamoto, Saga, Oita and Kagoshima prefectures. “Okinawa” means Okinawa prefecture.
- (*4) The acquisition prices stated on the purchase and sale agreement for beneficial interest in trust and other agreements are indicated (consumption tax, local consumption tax and the acquisition expense such as brokerage fee are not included). The acceptance prices are indicated for the assets that have been accepted through the merger.
- (*5) The percentage of each acquisition price or anticipated acquisition price to the total of acquisition price (including anticipated acquisition price) is indicated and the numbers are rounded off to one decimal place. Therefore, the sum of investment ratio may not match the total.
- (*6) Type, grade and total number of guest rooms of ACTIVE-INTER CITY HIROSHIMA are those of the main facility, Sheraton Grand Hiroshima Hotel.
- (*7) Property numbers for the assets having been disposed of and asset to be sold (Washington Hotel Plaza Hakata, Nakasu) are excluded from the table above.