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Notice Concerning Renovation Work at HYATT REGENCY TOKYO

Japan Hotel REIT Investment Corporation (hereinafter called "JHR") announces that JHR has resolved today to implement renovation (hereinafter called the "Renovation") at the HYATT REGENCY TOKYO (hereinafter called the "Hotel"), which is part of JHR's assets under management, as outlined below.

Executive Summary
• Club floor renovation added to the guest room creation and combination planned at acquisition • Renovation budget raised to JPY3.0 billion from JPY1.5 billion due to the expanded scope • Expected post-renovation NOI yield of 7.0% and NOI yield after depreciation of 6.2% (vs 6.4% and 5.6%, respectively, assumed at acquisition)

1. Background of the Renovation

The Hotel is a large full-service hotel located in Tokyo's Shinjuku business district. JHR has planned renovations to improve the Hotel's profitability since the time of acquisition and has now finalized the details of the Renovation.

At the time of acquisition, JHR planned to (i) create new guest rooms for medium- to long-term stays in unused space on the 5th floor, and (ii) combine smaller, underperforming guest rooms to improve profitability. Given the current favorable market conditions and the potential for further revenue growth, JHR has now decided to also (iii) renovate guest rooms on the club floors.

Accordingly, the renovation budget will increase from JPY1.5 billion assumed at acquisition to JPY3.0 billion. With revenue expected to exceed the level assumed at acquisition, the post-renovation NOI yield is expected to be 7.0% (vs 6.4% disclosed at acquisition), and the NOI yield after depreciation is expected to be 6.2% (vs 5.6%), further improving and strengthening the Hotel's profitability.

2. Summary of the Renovation

Renovation scope	(i) 5th floor (unused space) (ii) Some guest rooms on the 10th to 26th floors (iii) All club floor guest rooms on the 6th to 9th floors (For details, please refer to "4. Details of the Renovation" below.)
Renovation period (planned)	March 2027 to December 2027
Renovation cost (planned)	JPY3.0 billion (CAPEX III (*))
Source of funds (planned)	Entirely funded by cash on hand

(*) CAPEX III represents strategic capital investment related to renewal of guest rooms, event rooms, restaurants, etc., aimed at maintaining and improving the competitiveness of the hotels.

3. Expected Impact of the Renovation (Simulated Figures)

The simulated figures, calculated on the assumption that the effects of the Renovation contribute for a full year, are as follows.

	Simulation for Fiscal Year Ending December 2026 (*1)		Simulation for post-renovation (*2)	[Reference] Simulation for post-renovation at acquisition (*1)
NOI	Approx. JPY6.2 billion	›	Approx. JPY9.0 billion	Approx. JPY8.1 billion
NOI Yield	5.0%	›	7.0%	6.4%
NOI Yield after Depreciation	4.3%	›	6.2%	5.6%
NOI Yield after Depreciation (Adjusted)	4.7%	›	6.6%	6.0%

(*1) The simulation for the fiscal year ending December 2026 and simulation for post-renovation at acquisition represent, respectively, the forecast for the fiscal year ending December 2026 (annualized) and the simulation for post additional renovation, as stated in "Estimated Impact based on Simulated NOI of Anticipated Acquisition" on page 5 of the "Supplementary Material for Today's Press Releases" dated February 25, 2026 (Japanese only).

(*2) The post-renovation figures are the Asset Management Company's simulated figures for the Hotel's NOI, assuming that the effects of the Renovation contribute for a full year. The post-renovation NOI yield and NOI yield after depreciation are calculated by dividing the simulated NOI and the simulated NOI after depreciation, respectively, by the sum of the acquisition price of the Hotel and the estimated increase in book value resulting from the Renovation (JPY3.0 billion). JHR plans to reverse the reserve for temporary difference adjustment (negative goodwill) to cover the amount equivalent to the simulated depreciation expenses for equipment and other assets, excluding the structural frame of the building, for the three years from 2026, when the Hotel was acquired, through 2028. Accordingly, the NOI yield after depreciation (adjusted) is calculated by dividing the sum of the simulated NOI after depreciation and such amount by the sum of the acquisition price of the Hotel and the estimated increase in book value resulting from the Renovation (JPY3.0 billion).

(*3) The figures after the Renovation are not forecasts for any specific fiscal period and are intended solely for investment planning purposes. Actual figures may vary depending on the Hotel's future operating performance and other factors.

4. Details of the Renovation

In addition to (i) creating new guest rooms in unused space and (ii) combining smaller, underperforming guest rooms, both of which were planned at the time of the acquisition, JHR will (iii) renovate guest rooms on the club floors to further enhance the Hotel's product appeal and maximize revenue.

No.	Renovation Area	Renovation Details
(i)	5th floor (unused space) Creation of new guest rooms for medium- to long-term stays	Creation of 11 new guest rooms targeting high-spending leisure demand from multi-guest stays. With an average room size of approximately 60 m², all rooms can accommodate four or more guests. Each room will be equipped with a kitchen, a washer-dryer and other amenities to enhance its value, making the unused space highly profitable.
(ii)	Some guest rooms (10th–26th floors) Combination of guest rooms	On each floor from the 10th to the 26th, two small, underperforming rooms will be combined into one (34 rooms of 24 m² → 17 rooms of 48 m²), aiming to raise both ADR and occupancy.
(iii)	All guest rooms on the club floors (6th–9th floors) Renovation of guest rooms	All guest rooms on the club floors (59 club rooms and 18 suites) will be renovated. A comprehensive renovation of the room interiors will upgrade the rooms into high-quality spaces befitting club rooms, aiming to raise ADR.

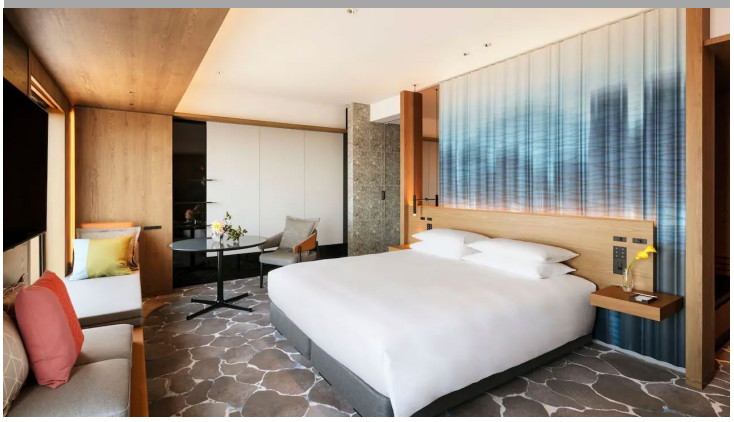
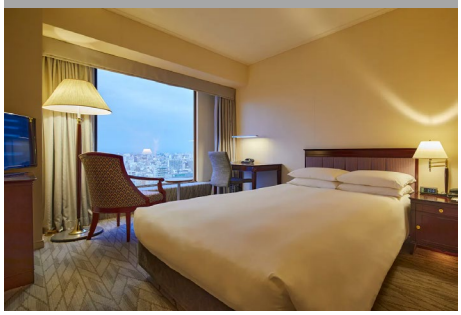
■ Renovation Images

(i) New guest rooms for medium- to long-term stays

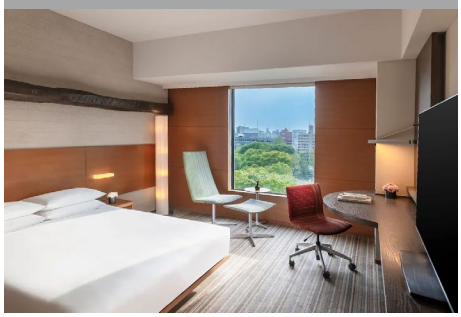
After (image)



(ii) Combination of guest rooms

After (image)	Before
	

(iii) Club floor guest rooms

After (image)	Before
	

* "4. Details of the Renovation" outlines the plan as of today and is subject to change in the future.

5. Future Prospects

As the Renovation is scheduled to be carried out in the fiscal year ending December 2027, there is no change to the operating forecast for the fiscal year ending December 2026. The forecast of operating results and dividends for the fiscal year ending December 2027 will be announced once it is determined.

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