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Notice Concerning Changing Indications of Invested Asset

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) will partially change indications of the hotel real estates classified by business types as below. These new indications will be used for all materials to be disclosed from JHR on and after today.

1. Change of indications

Indications of hotel types will be changed as follows:

Hotel type (Before change)	Hotel type (After change)
<u>Business Hotel</u>	<u>Limited-Service Hotel</u>
<u>City Hotel</u>	<u>Full-Service Hotel</u>
Resort Hotel	Resort Hotel (No change)

(\*1) JHR will change indication of hotel types for disclosure purpose only, and investment target and investment policy will remain the same without change. The hotel names will remain the same as well.

(\*2) Please see the attachment for hotel types in detail.

2. Rationale for change

One of the characteristics of JHR is providing investment opportunities in the tourism industry in Japan that is expected to grow, and one of our strategies is acquisition of the hotel real estate that is capable of attracting both “Domestic leisure customers” and “Inbound travelers” who are expected to increase going forward. The hotels indicated as “Business Hotel” among our hotels are mainly selling rooms. But they do not necessarily focus on business customers only and there are some business hotels that strive to attract leisure customers, too. Therefore, indication of “Business Hotel” may give incorrect impression to investors that “Business hotel depends on magnitude of business needs only.”, and such incorrect impression needs to be avoided.



Meanwhile, “City Hotel” is the hotel that consists of guest rooms and multiple facilities such as restaurants, banquet rooms, conference rooms and wedding hall, etc. Thus, “Full-service hotel” is intentionally chosen for city hotel to clearly contrast with “Limited-service hotel” that mainly sells rooms.

Both JHR and its asset management company will continuously make effort to provide investors with information in easy-to-understand manner.

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

<Attachment: Hotel types in detail>

Hotel type		Location	Facilities and equipment
Limited-Service Hotel	Hotel that specifies in room sales.		<ul style="list-style-type: none"><li>• Hotel that specifies in room sales with minimum incidental facilities such as restaurant and banquet room.</li><li>• This hotel type includes hotel selling rooms only without incidental facilities.</li></ul>
Full-Service Hotel	Hotel with collective functions		<ul style="list-style-type: none"><li>• Tokyo Metropolitan Area</li><li>• Cities designated by ordinance</li><li>• City with prefectural capital</li><li>• Other major cities</li><li>• Near the above</li></ul>
Resort Hotel		<ul style="list-style-type: none"><li>• Place blessed with natural beauty and tourism resources such as picturesque place or hot spring resort (spa).</li><li>• Surrounding area of leisure facility that is famous or capable of attracting many customers.</li></ul>	<ul style="list-style-type: none"><li>• Hotel with relatively roomy guest room and incidental facilities (not only restaurants, banquet rooms and conference rooms but also diverse facilities such as warm-bathing facility and sports facility.)</li></ul>