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November 27, 2013

REIT Issuer:

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Notice Concerning Partial Modification of Asset Management Contract

This is to inform you that Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) has resolved to modify the asset management contract concluded between JHR and its asset management company, Japan Hotel REIT Advisors Co., Ltd. (hereinafter called “JHRA”), dated November 10, 2005 (hereinafter called “Contract” including subsequent modifications) today as below.

Modification below will be effective upon approval of the agenda in relation to partial modification of Articles of Incorporation of JHR at 6<sup>th</sup> Investors’ Meeting of JHR to be held on November 28, 2013.

1. Rationale for modifying the Contract

The Contract must be consistent with the modified Articles of Incorporation in relation to 2 below. Please see our press release “Notice Concerning Modification of Articles of Incorporation and Appointment of Directors (Summary)” dated October 24, 2013 for detail of modification.

2. Modification detail of the Contract

- (1) Modification in relation to the regulation that enables JHR to acquire its own investment units.<sup>(\*)1)</sup>

(\*)1) The above modification will be effective when revised Act on Investment Trusts and Investment Corporations comes into force and JHR will be able to acquire its own investment unit for profit by the mutual agreement between JHR and investors. As of today, JHR has no plan to acquire its own investment unit.

- (2) Modification of management fee system due to the following A, B, and C.<sup>(\*)2)</sup>

- A. Management fee 1: Review of the present percentage of management fee.
- B. Management fee 3: In order to establish management fee system through which JHR will be able to pay more attention to the investors’ benefit, JHR will introduce management fee that links with dividend per unit and appoint a new time of payment.
- C. Modification of scope of the major investment target assets based on which management fee is computed.

(\*)2) Please see our press release “Notice Concerning Modification of Articles of Incorporation and Appointment of



Directors (Summary)” dated October 24, 2013 for detail.

- (3) Modification of wordings and update of the numbers of articles and clauses where necessary.

3. Effective date for the modification above (plan)

November 28, 2013

Necessary notifications, etc. will be submitted for the above pursuant to Financial Instruments and Exchange Act and other applicable laws and regulations.

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