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February 9, 2022

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
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Notice Concerning Revision of Operating Forecast
and Forecast of Dividend for the Fiscal Year Ended December 2021 (22nd Period)

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you of the revision of the operating forecast and forecast of dividend for the fiscal year ended December 2021 (January 1, 2021 through December 31, 2021), announced in “Notice Concerning Revision of Operating Forecast and Forecast of Dividend for the Fiscal Year Ended December 2021 (22nd Period)” dated September 15, 2021.

1. Revision of operating forecast and forecast of dividend for the fiscal year ended December 2021
(January 1, 2021 through December 31, 2021)

	Operating revenue	Operating income	Ordinary income	Net income	Dividend per unit (Excess of earnings exclusive)	Dividend per unit resulting from excess of earnings
Previous forecast (A)	JPY1M 12,808	JPY1M 1,917	JPY1M 208	JPY1M 207	JPY 120	JPY —
Forecast this time (B)	JPY1M 13,633	JPY1M 2,959	JPY1M 1,298	JPY1M 1,296	JPY 366	JPY —
Variance (C) = (B) – (A)	JPY1M 824	JPY1M 1,042	JPY1M 1,089	JPY1M 1,089	JPY 246	JPY —
Variance ratio (D) = (C) / (A)	% 6.4	% 54.3	% 522.8	% 525.9	% 205.0	% —

(Reference) Forecast of net income per unit for the full fiscal year: ¥290

(Calculated based on the average number of investment units during the period (4,466,061 units))

- (*1) Dividend per unit is calculated based on the number of investment units issued as of today: 4,467,006 units.
- (*2) Total dividend is planned to be an amount of net income plus the reversed amount of reserve for temporary difference adjustment in the amount of ¥335 million.
- (*3) For the details of the operating forecast and forecast of dividend above, please refer to <Reference Information 1> “Assumptions of the operating forecast for the full fiscal year ended December 2021 (22nd period)”
- (*4) Amounts are rounded down to the nearest millions of yen and percentages are rounded off to the nearest first decimal place. The same shall apply hereinafter.

Note: This document is intended to serve as a press release to make available the information on the revision of operating forecast and forecast of dividend for the fiscal year ended December 2021 (22nd period). This document should not be construed as an offer to sell or solicitation of an offer to purchase any investment units or other investment of JHR. Prospective investors are advised to make any investment decisions at their own risk and responsibility.

2. Rationale for revisions to the operating forecast for the fiscal year ended December 2021 (January 1, 2021 through December 31, 2021)

Since operational result of JHR for fiscal year ended December 2021 (22nd period) have almost become clear, JHR revises the operating forecast and forecast of dividend as of today.
For the detail of operational result of major hotels with variable rent, etc., please refer to <Reference Information 2> Hotel operation indexes, sales and GOP (Operating income)

3. Highlights of the operating forecast and forecast of dividend

The following is the comparison and the major factors causing the variance between the operating forecast and forecast of dividend for the full fiscal year ended December 2021 (22nd period) and the operating forecast and forecast of dividend announced in “Notice Concerning Revision of Operating Forecast and Forecast of Dividend for the Fiscal Year Ended December 2021 (22nd Period)” dated September 15, 2021 (previous forecast) for the full fiscal year ended December 2021.

		FY2020 (21st Period)		FY2021 (22nd Period)		Comparison with the Previous Forecast		Factors Causing Variance		
		Actual		Previous Forecast (A)	Forecast This Time (B)	(B)-(A)	%			
Properties	No. of Properties	42		41	41	-	-			
	Acquisition Price	370,031		363,542	363,542	-	-			
Profit and Loss	Operating Revenue	13,838		12,808	13,633	824	6.4%			
	Real Estate Operating Revenue	10,495		9,643	10,374	730	7.6%			
	Fixed Rent	Composition			Composition	Composition				
		72.8%	7,640	66.5%	6,411	61.8%	6,413	2	0.0%	
	Other Income	8.5%	892	9.4%	907	8.4%	872	(35)	(3.9%)	Mainly due to a decrease in utility revenues
	Variable Rent	18.7%	1,963	24.1%	2,324	29.8%	3,088	763	32.9%	1) Increase in variable rent of the HMJ Group Hotels (*3) by JPY698MM 2) Increase in variable rent, etc. of the Accor Group Hotels (*3) by 91MM 3) Increase in variable rent of the Ishin Group Hotels (*4) by 13MM 4) Decrease in variable rent of Hilton Nagoya by 39MM
	Gain on Sale of Real Estate Properties, etc.		3,343		3,165		3,258	93	3.0%	
	NOI (Note 2)		6,547		5,433		6,366	933	17.2%	
	NOI Yield		1.8%		1.5%		1.8%		0.3%	
	NOI after Depreciation (Note 2)		1,778		648		1,544	895	138.1%	Increase in Depreciation by 31MM
	NOI Yield after Depreciation		0.5%		0.2%		0.4%		0.2%	
Operating Income		3,176		1,917		2,959	1,042	54.3%		
Ordinary Income		1,398		208		1,298	1,089	522.8%		
Net Income		1,527		207		1,296	1,089	525.9%		
Dividend	Reversal from Reserve for Temporary Difference Adjustments (Negative Goodwill)		305		329		335	5	1.8%	Reversed Amount of the Reserve for Temporary Difference Adjustment (*6) 2020: 50-year negative goodwill amortization: JPY262MM, Loss on retirement of noncurrent assets: 5MM, Amortization of trademark rights: 37MM 2021: 50-year negative goodwill amortization: JPY262MM, Loss on retirement of noncurrent assets: 16MM, Amortization of trademark rights: 56MM
	Total Dividends		1,829		536		1,634	1,098	205.0%	
	Number of Units Issued (Unit)		4,462,347		4,467,006		4,467,006	-	-	
	Dividend per Unit (JPY)		410		120		366	246	205.0%	

(*1) Factors Causing Variance states a comparison with the previous forecast..

(*2) HMJ Group Hotels refers to 14 hotels: Kobe Meriken Park Oriental Hotel, Oriental Hotel Tokyo Bay, Namba Oriental Hotel, Hotel Nikko Alivila, and Oriental Hotel Hiroshima, which JHR leases to HMJ, an affiliated company of asset management company (hereinafter called the “HMJ Hotels”), plus Okinawa Marriott Resort & Spa, Sheraton Grand Hiroshima Hotel (main facility of ACTIVE-INTER CITY HIROSHIMA), Oriental Hotel Fukuoka Hakata Station, Holiday Inn Osaka Namba, Hilton Tokyo Narita Airport, International Garden Hotel Narita, Hotel Nikko Nara, Hotel Oriental Express Osaka Shinsaibashi, and Hilton Tokyo Odaiba, which JHR leases to subsidiaries of HMJ. Although, the lessees of Hotel Oriental Express Fukuoka Tenjin (formerly Hotel Ascent Fukuoka) and Oriental Hotel Universal City (formerly Hotel Keihan Universal City) were replaced with HMJ subsidiaries on June 18, 2021 and July 1, 2021 respectively, these hotels are not included in the HMJ Group Hotels. The same shall apply hereinafter.

(*3) Accor Group Hotels refers to 6 hotels: ibis Tokyo Shinjuku, ibis Styles Kyoto Station, ibis Styles Sapporo, Mercure Sapporo, Mercure Okinawa Naha, Mercure Yokosuka. The same shall apply hereinafter.

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- (*4) Ishin Group Hotels refers to 4 hotels: the b suidobashi, the b ikebukuro, the b hachioji, and the b hakata. The same shall apply hereinafter.
- (*5) Each is calculated using the following formula. The same shall apply hereinafter.
NOI (Net Operating Income) = Real estate operating revenue – Real estate operating costs + Depreciation + Loss on retirement of noncurrent assets + Asset retirement obligations expenses
NOI yield = NOI ÷ acquisition price
NOI after depreciation = Real estate operating revenue – Real estate operating costs
NOI yield after depreciation = NOI after depreciation ÷ acquisition price
- (*6) For the details of the reversed amount of the reserve for temporary difference adjustment, please refer to “<Reference Information 1> Assumptions of the operating forecast for the full year of the fiscal year ended December 2021 (22nd period)” below. The same shall apply hereinafter.

(Note)

The above is the forecast based on status of operation as of today, and actual dividend per unit may fluctuate. This forecast does not guarantee the amount of dividend shown above.

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

<Reference Information 1>

Assumptions for revision of the operating forecast for the full fiscal year ended December 2021 (22nd period)

Item	Assumptions																																																																																																																
Calculation Period	• Full fiscal year ended December 2021 (22nd Period): January 1, 2021 through December 31, 2021 (365 days)																																																																																																																
Assets under Management	• The 41 properties owned by JHR as of today after the sale of ibis Tokyo Shinjuku (hereinafter called the “Sale”) on December 15, 2021 are assumed.																																																																																																																
Operating Revenue	<ul style="list-style-type: none"> Gain on sale of real estate properties of ¥3,258 million is assumed to be recognized due to the Sale. Operating revenue is calculated based on the conditions of the lease and other effective contracts, taking into consideration the competitiveness of hotels, market environment, and other factors. If there are lease contracts with facilities other than hotels, such as commercial facilities and offices, operating revenue calculated based on the said lease contracts are included. Rents, etc. of the main hotels are calculated based on the following assumptions. <ol style="list-style-type: none"> The HMJ Group Hotels <p>JHR concluded a memorandum of understanding for the fixed-term building lease contract with the HMJ Group Hotels on August 25, 2020. From January 1, 2021 through December 31, 2021, the rent is only variable rent and is calculated by multiplying the hotel AGOP (*1) by the variable rent ratio for each hotel. However, if AGOP is less than 0 (zero), the variable rent will be 0 (zero).</p> <p style="text-align: right;">(Unit: millions of yen)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th></th> <th>Hotel AGOP</th> <th>Variable rent ratio</th> <th>Variable rent</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Kobe Meriken Park Oriental Hotel</td> <td>Midterm</td> <td>(85)</td> <td rowspan="2">86.0%</td> <td>—</td> </tr> <tr> <td>Full year</td> <td>40</td> <td>35</td> </tr> <tr> <td rowspan="2">Oriental Hotel tokyo bay</td> <td>Midterm</td> <td>(115)</td> <td rowspan="2">79.0%</td> <td>—</td> </tr> <tr> <td>Full year</td> <td>(52)</td> <td>—</td> </tr> <tr> <td rowspan="2">Namba Oriental Hotel</td> <td>Midterm</td> <td>154</td> <td rowspan="2">91.0%</td> <td>140</td> </tr> <tr> <td>Full year</td> <td>316</td> <td>288</td> </tr> <tr> <td rowspan="2">Hotel Nikko Alivila</td> <td>Midterm</td> <td>67</td> <td rowspan="2">74.0%</td> <td>49</td> </tr> <tr> <td>Full year</td> <td>209</td> <td>155</td> </tr> <tr> <td rowspan="2">Oriental Hotel Hiroshima</td> <td>Midterm</td> <td>25</td> <td rowspan="2">89.0%</td> <td>22</td> </tr> <tr> <td>Full year</td> <td>333</td> <td>297</td> </tr> <tr> <td rowspan="2">Oriental Hotel Okinawa Resort & Spa</td> <td>Midterm</td> <td>(118)</td> <td rowspan="2">89.0%</td> <td>—</td> </tr> <tr> <td>Full year</td> <td>(255)</td> <td>—</td> </tr> <tr> <td rowspan="2">Sheraton Grand Hiroshima Hotel (*2)</td> <td>Midterm</td> <td>71</td> <td rowspan="2">93.0%</td> <td>66</td> </tr> <tr> <td>Full year</td> <td>188</td> <td>174</td> </tr> <tr> <td rowspan="2">Oriental Hotel Fukuoka Hakata Station</td> <td>Midterm</td> <td>83</td> <td rowspan="2">97.0%</td> <td>81</td> </tr> <tr> <td>Full year</td> <td>251</td> <td>243</td> </tr> <tr> <td rowspan="2">Holiday Inn Osaka Namba</td> <td>Midterm</td> <td>(14)</td> <td rowspan="2">98.0%</td> <td>—</td> </tr> <tr> <td>Full year</td> <td>73</td> <td>71</td> </tr> <tr> <td rowspan="2">Hilton Tokyo Narita Airport</td> <td>Midterm</td> <td>(2)</td> <td rowspan="2">95.0%</td> <td>—</td> </tr> <tr> <td>Full year</td> <td>43</td> <td>41</td> </tr> <tr> <td rowspan="2">International Garden Hotel Narita</td> <td>Midterm</td> <td>80</td> <td rowspan="2">95.0%</td> <td>76</td> </tr> <tr> <td>Full year</td> <td>299</td> <td>284</td> </tr> <tr> <td rowspan="2">Hotel Nikko Nara</td> <td>Midterm</td> <td>(101)</td> <td rowspan="2">95.0%</td> <td>—</td> </tr> <tr> <td>Full year</td> <td>(100)</td> <td>—</td> </tr> <tr> <td rowspan="2">Hotel Oriental Express Osaka Shinsaibashi</td> <td>Midterm</td> <td>(12)</td> <td rowspan="2">87.0%</td> <td>—</td> </tr> <tr> <td>Full year</td> <td>(20)</td> <td>—</td> </tr> </tbody> </table> 						Hotel AGOP	Variable rent ratio	Variable rent	Kobe Meriken Park Oriental Hotel	Midterm	(85)	86.0%	—	Full year	40	35	Oriental Hotel tokyo bay	Midterm	(115)	79.0%	—	Full year	(52)	—	Namba Oriental Hotel	Midterm	154	91.0%	140	Full year	316	288	Hotel Nikko Alivila	Midterm	67	74.0%	49	Full year	209	155	Oriental Hotel Hiroshima	Midterm	25	89.0%	22	Full year	333	297	Oriental Hotel Okinawa Resort & Spa	Midterm	(118)	89.0%	—	Full year	(255)	—	Sheraton Grand Hiroshima Hotel (*2)	Midterm	71	93.0%	66	Full year	188	174	Oriental Hotel Fukuoka Hakata Station	Midterm	83	97.0%	81	Full year	251	243	Holiday Inn Osaka Namba	Midterm	(14)	98.0%	—	Full year	73	71	Hilton Tokyo Narita Airport	Midterm	(2)	95.0%	—	Full year	43	41	International Garden Hotel Narita	Midterm	80	95.0%	76	Full year	299	284	Hotel Nikko Nara	Midterm	(101)	95.0%	—	Full year	(100)	—	Hotel Oriental Express Osaka Shinsaibashi	Midterm	(12)	87.0%	—	Full year	(20)	—
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Item	Assumptions			
		Hotel AGOP	Variable rent ratio	Variable rent
Hilton Tokyo Odaiba	Midterm	(238)	97.0%	—
	Full year	538		522
Total	Midterm	(205)	—	437
	Full year	1,866		2,114

(*1) AGOP (adjusted GOP) is the amount calculated by subtracting certain fees and other items from GOP or GOL. GOP (gross operating profit) and GOL (gross operating loss) are the remainder after expenses incurred in hotel operation, such as personnel costs and general and administrative expenses, etc., are deducted from total sales. The same shall apply hereinafter

(*2) Stating the rent for Sheraton Grand Hiroshima Hotel, the major facility of ACTIVE-INTER CITY HIROSHIMA. Fixed rent and variable rent from tenants of office and commercial facility in ACTIVE-INTER CITY HIROSHIMA are as follows.

(Unit: millions of yen)

	Variable rent	Fixed rent	Total rent
Midterm	2	245	248
Full year	5	490	495

(2) Hotel Oriental Express Fukuoka Tenjin (formerly Ascent Fukuoka) and Oriental Hotel Universal City (formerly Hotel Keihan Univesal City)
Hotel Oriental Express Fukuoka Tenjin and Oriental Hotel Univesal City were rebranded with HMJ subsidiaries as the lessees on June 18, 2021 and July 1, 2021, respectively. The assumptions for fixed and variable rent stipulated in the fixed-term building contract after rebranding concluded on February 12, 2021 are as follows. The starting date to calculate the variable rent is January 1, 2022, and the variable rent is not expected in the fiscal year ended December 2021.

< Hotel Oriental Express Fukuoka Tenjin >
Lease term: June 18, 2021 to December 31, 2031
Total rent = Fixed rent + Variable rent
Fixed rent = ¥150 million (annual)
Fixed rent is waived from June 18, 2021 through June 30, 2022. The fixed rent to be recognized for the fiscal year ended December 2021 is expected to be ¥72 million, which is 6.4 months' worth of the average fixed rent of ¥11 million per month, divided proportionally by the total fixed rent of the whole lease period of ¥1,425 million.

Variable rent = [Hotel AGOP – AGOP base amount of ¥165 million] × Variable rent ratio (97.0%)

<Oriental Hotel Universal City >
Lease term: July 1, 2021 to December 31, 2031
Total rent = Fixed rent + Variable rent
Fixed rent = ¥350 million (annual)
Fixed rent is waived from July 1, 2021 through June 30, 2022. The fixed rent to be recognized for the fiscal year ended December 2021 is expected to be ¥158 million, which is 6 months' worth of the average fixed rent of ¥26 million per month, divided proportionally by the total fixed rent of the whole lease period of ¥3,325 million.

Variable rent = [Hotel AGOP – AGOP base amount of ¥370 million] × Variable rent ratio (95.0%)

(*3) For Hotel Oriental Express Fukuoka Tenjin and Oriental Hotel Universal City, the variable rents from the previous lessees before rebranding are not expected. The fixed rents before rebranding are recognized on conditions in pre-rebranding lease contracts and others.

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Item	Assumptions	
	(3) Income from management contracts (*4) and variable rent from other hotels with variable rent, etc.	
	(Unit: millions of yen)	
	Midterm	Full year
ibis Tokyo Shinjuku (*4) (*5)	3	33
ibis Styles Kyoto Station (*4)	—(*4)	—(*4)
ibis Styles Sapporo (*4)	—(*4)	—(*4)
Mercure Sapporo (*4)	—(*4)	—(*4)
Mercure Okinawa Naha (*4)	—(*4)	—(*4)
Mercure Yokosuka	109	210
the b suidobashi (*6)	—	—
the b ikebukuro (*6)	117	300
the b hachioji (*6)	—	—
the b hakata (*6)	—	—
Comfort Hotel Tokyo Higashi Nihombashi	—	—
Smile Hotel Nihombashi Mitsukoshimae	—	—
Chisun Hotel Kamata (*7)	—	15
Chisun Inn Kamata	0	2
Hilton Tokyo Bay	Undisclosed (*8)	Undisclosed (*8)
Hilton Nagoya	Undisclosed (*8)	Undisclosed (*8)
Total	401	967
	(*4) Management contract system is adopted. Management contract system refers to the operation of the hotel property owned by JHR by entrusting the operation of the hotel to the trustee and incorporating the results of the operation into JHR as income from real estate management. Each hotel's GOP amount is recognized in operating revenues as income from management contracts, and GOL amount is recognized in operating expense as the management contract fees. GOL recognized as cost for management contracts are as follows..	
	(Unit: millions of yen)	
	Midterm	Full year
ibis Tokyo Shinjuku (*5)	—	—
ibis Styles Kyoto Station	(30)	(33)
ibis Styles Sapporo	(27)	(8)
Mercure Sapporo	(57)	(55)
Mercure Okinawa Naha	(10)	(27)
	(*5) Ibis Tokyo Shinjuku was sold on December 15, 2021. The above state the management cost arising before the date of the sale.	
	(*6) Variable rent from the Ishin Group Hotels is the sum of fixed rent and variable rent from January 1, 2021 through December 31, 2021 due to the revised fixed-term lease contracts concluded on October 30, 2020. Variable rent was arised when GOP reaches certain levels.	
	(*7) Chisun Hotel Kamata was rebranded from Hotel Vista Kamata Tokyo with Solare Hotels and Resorts Co.,Ltd. as the lessee on January 1, 2021.	
	(*8) Undisclosed since tenants that concluded lease contracts did not agree to disclose rent revenue, etc.	

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Item	Assumptions															
	<ul style="list-style-type: none"> The following is the breakdown of variable rent and income from management contracts (Unit: millions of yen) <table border="1" data-bbox="301 360 1238 577"> <thead> <tr> <th></th> <th>Midterm</th> <th>Full year</th> </tr> </thead> <tbody> <tr> <td>The HMJ Group Hotels</td> <td>437</td> <td>2,114</td> </tr> <tr> <td>Tenants of office and commercial facility (*9)</td> <td>2</td> <td>5</td> </tr> <tr> <td>Other hotels with variable rent, etc. (16 hotels)</td> <td>401</td> <td>967</td> </tr> <tr> <td>Total (30 hotels)</td> <td>841</td> <td>3,088</td> </tr> </tbody> </table> <ul style="list-style-type: none"> (*9) Variable rent from tenants of office and commercial facility in ACTIVE-INTER CITY HIROSHIMA is shown. (*10) For details of variable rent, please refer to page 37, “3. Reference Information; B. Assets under management; (C) Other major assets under management; C. Overview of the hotel business; a. Rent structures of hotels with variable rent, management contract or revenue sharing” of the “Financial Report for the Mid-year of Fiscal Year Ended December 31, 2021 (January 1, 2021 - June 30, 2021)” dated August 25, 2021. 		Midterm	Full year	The HMJ Group Hotels	437	2,114	Tenants of office and commercial facility (*9)	2	5	Other hotels with variable rent, etc. (16 hotels)	401	967	Total (30 hotels)	841	3,088
	Midterm	Full year														
The HMJ Group Hotels	437	2,114														
Tenants of office and commercial facility (*9)	2	5														
Other hotels with variable rent, etc. (16 hotels)	401	967														
Total (30 hotels)	841	3,088														
Operating Expenses	<ul style="list-style-type: none"> With respect to real estate leasing expenses, which constitute a major part of the operating expenses, expenses other than depreciation are calculated based on historical data, and variable factors are reflected in the calculation. It is assumed that ¥1,947 million will be recognized as expenses for fixed asset taxes, city planning taxes, etc. In general, fixed asset tax and city planning tax and other taxes and public dues on acquired assets are settled with the previous owners at the time of acquisition, calculated on a pro rata basis of the holding period. For JHR, such settlement amount is included in the acquisition price, and it will not be recognized as expenses for the calculation period. Capital expenditure is assumed to be ¥3,367 million (¥2,536 million for capital expenditure I, ¥830 million for capital expenditure II). Capital expenditure III is not planned for the fiscal year ended December 2021. (*) JHR classifies capital expenditures into the following three categories. (I) Capital investment related to renewal of equipment and facilities of buildings which is required to maintain proper values of properties, (II) capital investment for fixtures, furniture and equipment that are not directly related to building structure or facilities but necessary for operating hotels, and (III) strategic capital investment such as renovating guest rooms, etc. for improving the competitiveness of the hotels. Depreciation is calculated using the straight-line method including the planned capital expenditures above, and is assumed to be ¥4,804 million. Repair expenses for buildings are recognized as expenses in the assumed amount necessary for each operating period. Please note that the repair expenses of each operating period may differ materially from the forecast amount for various reasons, such as; (1) Emergency repair expenses may be necessary due to damage to buildings from unexpected causes; (2) The amount of repair expenses generally tends to increase in difference over time; and (3) Repair expenses are not required on a regular basis. 															
Non-operating Expenses	<ul style="list-style-type: none"> ¥1,747 million is expected for borrowing-related costs, including interest expense, amortization for financing fee and arrangement fee, and other non-operating expenses. Expenses for issuance of new investment units and secondary offering are amortized over a period of three years by the straight-line method. 															

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Item	Assumptions																
Interest-bearing Debt	<ul style="list-style-type: none"> • ¥1,500 million of investment corporation bonds that matured on December 17, 2021 were fully refinanced by borrowings. • In conjunction with the Sale, ¥4,000 million was prepaid on December 17, 2021. The balance of interest-bearing debt (sum of loans and investment corporation bonds) as of the end of December 2021 was ¥164,754 million. 																
Dividend per Unit	<ul style="list-style-type: none"> • Dividend per unit for the fiscal year ended December 2021 (22nd period) is calculated based on the following assumptions. <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Net income</td> <td style="text-align: right;">¥1,300 million</td> </tr> <tr> <td>Reversal of reserve for temporary difference adjustment (negative goodwill)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">50-year amortization amount of negative goodwill (*1)</td> <td style="text-align: right;">¥262 million</td> </tr> <tr> <td style="padding-left: 20px;">Loss on retirement of noncurrent assets (*2)</td> <td style="text-align: right;">¥16 million</td> </tr> <tr> <td style="padding-left: 20px;">Amortization of trademark rights (*3)</td> <td style="text-align: right;">¥56 million</td> </tr> <tr> <td style="border-top: 1px solid black;">Distributable amount</td> <td style="text-align: right; border-top: 1px solid black;">¥1,636 million</td> </tr> <tr> <td style="border-top: 1px solid black;">Total number of investment units issued</td> <td style="text-align: right; border-top: 1px solid black;">4,467,006 units</td> </tr> <tr> <td style="border-top: 1px solid black; border-bottom: 1px solid black;">Dividend per unit</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 1px solid black;">¥366</td> </tr> </table> <ul style="list-style-type: none"> (*1) ¥262 million (hereinafter called “50-year amortization amount of negative goodwill”) is scheduled to be paid out as dividends, with the remaining balance of the reserve for temporary difference adjustment set as the maximum amount, for every fiscal year. (*2) The amount recognized as a loss on retirement of noncurrent assets will be appropriated by reserve for temporary difference adjustment (negative goodwill) and is expected to have no impact on dividend per unit. (*3) The trademark rights are amortized over 10 years using the straight-line method. Amortization is expected to be recognized during the current fiscal year will be appropriated by reserve for temporary difference adjustment (negative goodwill) and is expected to have no impact on dividend per unit. <ul style="list-style-type: none"> • Dividend per unit may fluctuate due to various causes, such as fluctuation of rent revenue resulting from transfer of assets under management, change of tenants, etc. at hotels, change in the business environment of hotel business for hotel tenants, etc., unexpected repairs, and actual number of new investment units issued, etc. • The remaining balance of the reserve for temporary difference adjustment (negative goodwill) after the appropriation of the reserve for temporary difference adjustment (negative goodwill) for dividends for the fiscal year ended December 2021 (22nd period) is expected to be ¥9,976 million. 	Net income	¥1,300 million	Reversal of reserve for temporary difference adjustment (negative goodwill)		50-year amortization amount of negative goodwill (*1)	¥262 million	Loss on retirement of noncurrent assets (*2)	¥16 million	Amortization of trademark rights (*3)	¥56 million	Distributable amount	¥1,636 million	Total number of investment units issued	4,467,006 units	Dividend per unit	¥366
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Distributable amount	¥1,636 million																
Total number of investment units issued	4,467,006 units																
Dividend per unit	¥366																
Dividend per Unit Resulting from Excess of Earnings	<ul style="list-style-type: none"> • It is assumed that the excess of earnings (dividend per unit resulting from excess of earnings) will not be distributed. 																
Others	<ul style="list-style-type: none"> • It is assumed that revision in law, tax system, accounting standard, regulations of the listing, and regulations of the Investment Trusts Association, Japan that may impact the forecast above will not be made. • It is assumed that unexpected major incident will not occur in the general economy, real estate market and hotel business environment, etc. • The numerical values are rounded down to the nearest millions of yen in the assumptions above. 																

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<Reference Information 2> Hotel operation indexes, sales and GOP (Gross Operating Profit)

The numeral figures are based on figures obtained from hotel lessees, etc. Please note that these figures have not been audited or gone through other procedures. No guarantee is made as to the accuracy or completeness of the figures and information.

ADR and RevPAR are rounded off to the nearest yen. Sales and GOP are rounded off to the nearest millions of yen. Occupancy rate and comparison with the previous period are rounded off to one decimal place.

<1> The HMJ Group Hotels

		Fiscal year ended December 2020		Fiscal year ended December 2021			
		Results	Comparison with previous period	Previous forecast	First half of the year (result) Second half of the year (forecast) Full year (forecast)	Comparison with previous period	Comparison with previous forecast
Occupancy Rate	First half of the year	33.1%	(52.2pt)	27.7%	27.7%	(5.4pt)	— pt
	Second half of the year	38.4%	(49.5pt)	40.0%	49.0%	10.6pt	9.0pt
	Full year	35.8%	(50.8pt)	33.9%	38.5%	2.7pt	4.5pt
ADR (*1)	First half of the year	15,222	(13.4%)	13,048	13,048	(14.3%)	—%
	Second half of the year	16,814	(14.4%)	15,325	14,636	(13.0%)	(4.5%)
	Full year	16,081	(13.7%)	14,402	14,068	(12.5%)	(2.3%)
RevPAR (*2)	First half of the year	5,045	(66.4%)	3,618	3,618	(28.3%)	—%
	Second half of the year	6,460	(62.6%)	6,137	7,179	11.1%	17.0%
	Full year	5,757	(64.3%)	4,888	5,413	(6.0%)	10.7%
Sales (JPY1M)	First half of the year	9,167	(61.9%)	8,313	8,313	(9.3%)	—%
	Second half of the year	11,978	(55.9%)	10,868	12,765	6.6%	17.5%
	Full year	21,146	(58.7%)	19,182	21,078	(0.3%)	9.9%
GOP (JPY1M)	First half of the year	(370)	(105.1%)	(136)	(136)	—%	—%
	Second half of the year	1,696	(82.8%)	1,070	2,186	28.9%	104.3%
	Full year	1,326	(92.3%)	934	2,050	54.7%	119.5%

(*1) ADR: Represents average daily rate, which is calculated by dividing revenue of the rooms department for a given period (including service charges) by the total number of rooms sold during the period. The same shall apply hereinafter.

(*2) RevPAR represents revenue per available room, which is calculated by dividing total room revenue for a certain period (including service charges) by the total number of rooms available for sale during the period. The same shall apply hereinafter.

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<2>The 24 Hotels with Variable Rent, etc. (*3)

		Fiscal year ended December 2020		Fiscal year ended December 2021			
		Results	Comparison with previous period	Previous forecast	First half of the year (actual) Second half of the year (forecast) Full year (forecast)	Comparison with previous period	Comparison with previous forecast
Occupancy Rate	First half of the year	34.0%	(51.1pt)	30.6%	30.6%	(3.3pt)	—pt
	Second half of the year	40.8%	(46.1pt)	40.7%	49.6%	8.9pt	8.9pt
	Full year	37.4%	(48.6pt)	35.7%	40.2%	2.8pt	4.5pt
ADR	First half of the year	13,362	(14.8%)	10,846	10,846	(18.8%)	—%
	Second half of the year	13,354	(22.6%)	12,733	12,313	(7.8%)	(3.3%)
	Full year	13,357	(19.0%)	11,931	11,757	(12.0%)	(1.5%)
RevPAR	First half of the year	4,536	(66.0%)	3,320	3,320	(26.8%)	—%
	Second half of the year	5,445	(63.7%)	5,188	6,112	12.2%	17.8%
	Full year	4,993	(64.8%)	4,261	4,724	(5.4%)	10.8%
Sales (JPY1M)	First half of the year	10,718	(62.1%)	9,478	9,478	(11.6%)	—%
	Second half of the year	13,378	(57.5%)	12,173	14,309	7.0%	17.5%
	Full year	24,096	(59.6%)	21,651	23,786	(1.3%)	9.9%
GOP (JPY1M)	First half of the year	(213)	(102.4%)	(65)	(65)	—%	—%
	Second half of the year	1,867	(84.2%)	1,111	2,502	34.0%	125.2%
	Full year	1,654	(92.1%)	1,046	2,437	47.4%	133.0%

(*3) The 24 Hotels with Variable Rent, etc. represents 24 hotels including the HMJ Group Hotels, Accor Group Hotels (ibos Tokyo Shinjuku, ibis Styles Kyoto Station, ibis Styles Sapporo, Mercure Sapporo, Mercure Okinawa Naha, Mercure Yokosuka), and the Ishin Group Hotels (the b suidobashi, the b ikebukuro, the b Hachioji, the b hakata).

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