JAPAN HOTEL REIT

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July 17, 2026

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Notice Concerning Revision of Operating and Dividend Forecasts for the Fiscal Year Ending December 2026 (27th Period)

Japan Hotel REIT Investment Corporation (hereinafter called "JHR") informs you of the revision of the operating and dividend forecasts for the fiscal year ending December 2026 (January 1, 2026 through December 31, 2026), announced in "Financial Report for the Fiscal Year Ended December 31, 2025" dated February 25, 2026.

1. Revision of operating forecast for the midterm of the fiscal year ending December 2026 (January 1, 2026 through June 30, 2026)

	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 21,699	JPY1M 13,821	JPY1M 10,814	JPY1M 10,814	JPY —	JPY —
Forecast this time (B)	JPY1M 21,699	JPY1M 13,821	JPY1M 10,814	JPY1M 10,814	JPY —	JPY —
Variance (C) = (B)－(A)	JPY1M —	JPY1M —	JPY1M —	JPY1M —	JPY —	JPY —
Variance ratio (D) = (C) / (A)	% —	% —	% —	% —	% —	% —

(*1) For the details of the operating forecast above, please refer to <Reference Information 1> "Assumptions for revision of the operating forecast for the midterm and the full fiscal year ending December 2026 (27th period)."
(*2) 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.

2. Revision of operating and dividend forecasts for the full year ending December 2026
(January 1, 2026 through December 31, 2026)

	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 50,979	JPY1M 34,255	JPY1M 27,912	JPY1M 27,911	JPY 5,177	JPY —
Forecast this time (B)	JPY1M 75,066	JPY1M 58,220	JPY1M 51,878	JPY1M 51,876	JPY 5,580	JPY —
Variance (C) = (B)－(A)	JPY1M 24,087	JPY1M 23,965	JPY1M 23,965	JPY1M 23,965	JPY 403	JPY —
Variance ratio (D) = (C) / (A)	% 47.2	% 70.0	% 85.9	% 85.9	% 7.8	% —

(Reference) Forecast of net income per unit for the full fiscal year: JPY9,012
(Calculated based on the average number of investment units during the period (5,755,872 units))

(*1) Dividend per unit is calculated based on the number of investment units issued as of today: 5,094,006 units.

(*2) Total amount of dividend is expected to be calculated as net income for the period, plus the reversed amount of the reserve for temporary difference adjustment (JPY312 million), minus the amount transferred to the reserve for special tax treatment for replacement property (JPY19,240 million). For details, please refer to “3. Rational for revisions of the operating and dividend forecasts” below.

(*3) For the details of the operating forecast above, please refer to <Reference Information 1> “Assumptions for revision of the operating forecast for the midterm and the full fiscal year ending December 2026 (27th period)”

3. Rationale for revisions of the operating and dividend forecasts

As announced in the “Notice Concerning Sale and Acquisition of Domestic Real Estate Beneficial Interests in Trust (The Beach Tower Okinawa and Candeo Hotels Osaka Namba)”, JHR has decided to sale the asset to be sold and acquire the asset to be acquired (hereinafter called the “Sale” and the “Acquisition,” respectively, and collectively called the “Transaction”). Accordingly, JHR has revised the operating and dividend forecasts for the midterm and the full fiscal year ending December 2026 (27th period).

JHR expects to record a gain on sale of real estate properties of JPY24,071 million in connection with the Sale. Of such gain, JPY19,240 million is expected to be retained as an internal reserve through allocation to be reserve under the special tax treatment for replacement property, while JPY4,831 million is expected to be utilized for dividends. As a result, dividends for the fiscal year ending December 2026 are expected to increase, and the amount of reserve for temporary difference adjustments (negative goodwill) to be utilized is expected to decrease by JPY2,345 million (*) compared with the level prior to the Transaction.

For details of the comparison with the previous forecast, please refer to “4. Highlights of the operating and dividend forecasts” below.

(*) Although the amount of reserve for temporary difference adjustments (negative goodwill) to be utilized has decreased by JPY2,759 million compared with the previous forecast, JPY414 million of such difference is attributable to a reduction in the amount required to offset dilution of investment units, as the forecast number of investment units outstanding at the end of the fiscal period under the revised forecast has decreased by 80,700 units from the previous forecast.

4. Highlights of the operating and dividend forecasts

The following is the comparison and the major factors causing the variance with the operating and dividend forecasts for the full fiscal year ending December 2026 (27th period) (current forecast) and the previous forecast.

(Unit: millions of yen)

		FY12/2026 (27th Period) Previous Forecast (A)	FY12/2026 (27th Period) Current Forecast (B)	Difference (B)-(A)	Difference % of Increase/ Decrease	Existing Properties	Asset to be Acquired (*1)	Asset to be Sold	Factors Causing Variance
Properties	No. of Properties	52	52	–	–	–	1	(1)	
Properties	Acquisition Price	641,391	648,101	6,710	1.0%	–	14,320	(7,610)	
Profit and Loss	Operating Revenue	50,979	75,066	24,087	47.2%	–	Undisclosed	23,857	
Profit and Loss	Real Estate Operating Revenue	50,979	50,994	15	0.0%	–	Undisclosed	(214)	
Profit and Loss	Fixed Rent	22,561	22,576	15	0.1%	–	Undisclosed	(214)	
Profit and Loss	Composition	**45.2%**	**45.2%**						
Profit and Loss	Variable Rent	27,342	27,342	–	–	–	–	–	
Profit and Loss	Composition	**54.8%**	**54.8%**						
Profit and Loss	Other Income	1,075	1,075	–	–	–	–	–	
Profit and Loss	Gain on Sale of Real Estate Properties	–	24,071	24,071	–	–	–	24,071	
Profit and Loss	NOI(*2)	45,778	45,809	31	0.1%	–	225	(193)	
Profit and Loss	NOI after Depreciation (*2)	37,832	37,887	54	0.1%	–	197	(142)	
Profit and Loss	Operating Income	34,255	58,220	23,965	70.0%				
Profit and Loss	Ordinary Income	27,912	51,878	23,965	85.9%				
Profit and Loss	Net Income	27,911	51,876	23,965	85.9%				
Dividend	Amount of Reversal from Reserve for Temporary Difference Adjustments (Negative Goodwill)	3,071	312	(2,759)	(89.8%)	Amount of reversal from reserve for temporary difference adjustments Previous Forecast: 50-year amortization amount of negative goodwill: JPY262MM Loss on retirement of noncurrent assets: JPY50MM Loss on large-scale renovations: JPY1,859MM Loss on depreciation: JPY416MM Dilution: JPY483MM Current Forecast: 50-year amortization amount of negative goodwill: JPY262MM Loss on retirement of noncurrent assets: JPY50MM			
Dividend	Amount Transferred to the Reserve for Special Tax Treatment for Replacement Property	–	(19,240)	(19,240)	–				
Dividend	Total Dividends	30,982	32,944	1,961	6.3%				
Dividend	No. of Unit Issued (Unit)	5,984,706	5,904,006	(80,700)	(1.3%)				
Dividend	Dividend per Unit (JPY)	5,177	5,580	403	7.8%				

(*1) Rent income, etc. have not been disclosed, as the tenant under the lease contract has not provided consent for the disclosure of such information.
(*2) 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 after depreciation = Real estate operating revenue – Real estate operating costs

(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 midterm and the full fiscal year ending December 2026 (27th period)

<table>
<tr><th>Item</th><th>Assumptions</th></tr>
<tr><td>Calculation Period</td><td>
・ Midterm of the fiscal year ending December 2026 (27th Period):
January 1, 2026 through June 30, 2026 (181 days)
・ Full fiscal year ending December 2026 (27th Period):
January 1, 2026 through December 31, 2026 (365 days)
</td></tr>
<tr><td>Assets under Management</td><td>
・ It is assumed that JHR’s portfolio consists of 52 properties, reflecting the acquisition and the sale described below, based on the 52 properties currently held by JHR.

<Asset to be acquired>
<table>
<tr><th>Anticipated Acquisition Date</th><th>Name</th></tr>
<tr><td>August 3, 2026</td><td>Candeo Hotels Osaka Namba</td></tr>
</table>
<Asset to be sold>
<table>
<tr><th>Anticipated Transfer Date</th><th>Name</th></tr>
<tr><td>July 31, 2026</td><td>The Beach Tower Okinawa</td></tr>
</table>
・ It is assumed that there will be no changes in assets under management (acquisition of new properties, sale of the existing properties, etc.) other than the above by the end of the fiscal year ending December 2026 (27th Period). However, changes in the actual assets under management may take place.
</td></tr>
<tr><td>Operating Revenue</td><td>
・ The Sale is expected to generate a gain on sale of real estate properties of JPY24,071 million.
・ Operating revenue is calculated based on the conditions of the lease and other effective contracts as of today, considering 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 is included.
・ Rents, etc. of the main hotels are calculated based on the following assumptions.
(1) The 29 Hotels with Variable Rent, etc. (*1)
(Unit: millions of yen)
<table>
<tr><th></th><th>Midterm</th><th>Full year</th></tr>
<tr><td>The Five HMJ Hotels (*2)</td><td>1,422</td><td>4,446</td></tr>
<tr><td>Oriental Hotel Universal City</td><td>631</td><td>1,639</td></tr>
<tr><td>Oriental Hotel Okinawa Resort & Spa</td><td>271</td><td>1,436</td></tr>
<tr><td>Sheraton Grand Hiroshima Hotel (*3)</td><td>310</td><td>660</td></tr>
<tr><td>Oriental Hotel Fukuoka Hakata Station</td><td>813</td><td>1,732</td></tr>
<tr><td>Holiday Inn Osaka Namba</td><td>341</td><td>855</td></tr>
<tr><td>Hotel Oriental Express Fukuoka Tenjin</td><td>369</td><td>782</td></tr>
<tr><td>Hilton Tokyo Narita Airport</td><td>128</td><td>297</td></tr>
<tr><td>International Garden Hotel Narita</td><td>46</td><td>132</td></tr>
<tr><td>Hotel Nikko Nara</td><td>75</td><td>212</td></tr>
<tr><td>Hotel Oriental Express Osaka Shinsaibashi</td><td>46</td><td>141</td></tr>
<tr><td>Oriental Hotel Kyoto Rokujo</td><td>119</td><td>273</td></tr>
<tr><td>Hotel Oriental Express Fukuoka Nakasukawabata</td><td>179</td><td>378</td></tr>
<tr><td>Hotel JAL City Kannai Yokohama</td><td>60</td><td>154</td></tr>
<tr><td>Southern Beach Hotel & Resort OKINAWA</td><td>29</td><td>537</td></tr>
<tr><td>Hilton Fukuoka Sea Hawk</td><td>995</td><td>2,217</td></tr>
<tr><td>ibis Styles Kyoto Station (*4)</td><td>213</td><td>453</td></tr>
<tr><td>ibis Styles Sapporo (*4)</td><td>252</td><td>611</td></tr>
<tr><td>Mercure Sapporo (*4)</td><td>336</td><td>798</td></tr>
<tr><td>Mercure Okinawa Naha (*4)</td><td>187</td><td>423</td></tr>
<tr><td>Mercure Yokosuka</td><td>197</td><td>398</td></tr>
</table>
</td></tr>
</table>

Item	Assumptions
Operating Revenue	(see below)

	Midterm	Full year
the b suidobashi	78	163
the b ikebukuro	99	226
the b hachioji	64	130
the b hakata	106	251
Total	7,378	19,358

(*1) The 29 Hotels with Variable Rent, etc. refer to the 29 hotels listed in the table above. The same shall apply hereinafter.
(*2) The Five HMJ Hotels refer to the following five hotels which JHR leases to Hotel Management Japan Co., Ltd. (hereinafter called "HMJ"): Kobe Meriken Park Oriental Hotel, Oriental Hotel Tokyo Bay, Namba Oriental Hotel, Hotel Nikko Alivila and Oriental Hotel Hiroshima.
(*3) The rent for Sheraton Grand Hiroshima Hotel, the primary facility of ACTIVE-INTER CITY HIROSHIMA, is disclosed.
(*4) The management contract system has been adopted. The 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.

(2) Other hotels with variable rent, etc.

(Unit: millions of yen)

	Midterm	Full year
dormy inn Kumamoto	30	120
Comfort Hotel Tokyo Higashi Nihombashi	86	86
Smile Hotel Nihombashi Mitsukoshimae	43	43
Chisun Hotel Kamata	89	176
Chisun Inn Keikyu Kamata	54	102
Hilton Tokyo Bay	Undisclosed (*5)	Undisclosed (*5)
Hotel Francs	82	164
Hilton Nagoya	Undisclosed (*5)	Undisclosed (*5)
Hilton Tokyo Odaiba	－(*6)	－(*6)
UAN kanazawa	6	23
Hotel Oriental Express Ginza West	186	484
La'gent Stay Sapporo Odori	300	665
MIMARU Tokyo Shinjuku West	Undisclosed (*5)	Undisclosed (*5)
HOTEL AMANEK Shinjuku-Kabukicho.	Undisclosed (*5)	Undisclosed (*5)
OKINAWA HARBORVIEW HOTEL	－	450
HYATT REGENCY TOKYO	1,147	3,248
Total	2,850	7,955

(*5) Undisclosed, since tenants that concluded lease contracts do not agree to disclose rent revenue, etc.
(*6) A large-scale renovation is planned for Hilton Tokyo Odaiba from February 2026 to the end of December 2027 (hereinafter called the "Renovation"). Since no variable rent is expected during the renovation period, it is indicated as "－."

<table>
<tr><th>Item</th><th>Assumptions</th></tr>
<tr><td>Operating Revenue</td><td>・The following is the breakdown of variable rent and income from management contracts.
(Unit: millions of yen)
<table>
<tr><th></th><th>Midterm</th><th>Full year</th></tr>
<tr><td>The 29 Hotels with Variable Rent, etc.</td><td>7,378</td><td>19,358</td></tr>
<tr><td>Other hotels with variable rent, etc.</td><td>2,850</td><td>7,955</td></tr>
<tr><td>Office and commercial tenants</td><td>12</td><td>28</td></tr>
<tr><td>Total</td><td>10,241</td><td>27,342</td></tr>
</table>
(*7) For details of variable rent, please refer to “3. Reference Information; (1) Information on values of assets under management, etc. B. Assets under management; (C) Other major assets under management; b. Rent structures of hotels with variable rent, etc.” of the “Financial Report for the Fiscal Year Ended December 31, 2025 (January 1, 2025 – December 31, 2025)” dated February 25, 2026.</td></tr>
<tr><td>Operating Expenses</td><td>・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 of costs are reflected in the calculation.
・It is assumed that JPY2,582 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 assets acquired during the fiscal year are settled with the previous owners on a pro rata basis of the holding period. For JHR, such settlement amount is included in the acquisition price. Therefore, the fixed asset tax and city planning tax, etc. of the asset acquired will not be recorded in the costs for the relevant calculation period.
・Capital expenditure for the fiscal year ending December 2026 (27th Period) is assumed to be JPY12,907 million (JPY8,080 million for capital expenditure I, JPY1,097 million for capital expenditure II, and JPY3,728 million for capital expenditure III).
(*) JHR classifies capital expenditures into the following 3 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 JPY7,870 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.</td></tr>
<tr><td>Non-operating Expenses</td><td>・JPY6,432 million is expected for borrowing-related costs, including interest expense, amortization for financing fee, arrangement fee and other non-operating expenses.</td></tr>
<tr><td>Interest-bearing Debt</td><td>・The balance of interest-bearing debt (sum of borrowings and investment corporation bonds) as of today is JPY334,301 million. In the fiscal year ending December 2026 (27th Period), it is assumed that a new borrowing of JPY6,000 million will be made to partially fund the large-scale renovation of Hilton Tokyo Odaiba, resulting in a balance of interest-bearing debt (sum of borrowings and investment corporation bonds) of JPY340,301 million as of the end of the fiscal year ending December 2026 (27th Period).
・The amount of loans due by the end of the fiscal year ending December 2026 (27th Period) is JPY4,950 million, but the entire amount is assumed to be refinanced, or investment corporation bonds are assumed to be issued.
・The amount of investment corporation bonds due by the end of the fiscal year ending December 2026 (27th Period) is JPY10,100 million, but the entire amount is assumed to be refinanced through borrowings or the issuance of investment corporation bonds.</td></tr>
</table>

<table>
<tr><th>Item</th><th>Assumptions</th></tr>
<tr><td>Dividend per Unit</td><td>
• Dividend per unit for the fiscal year ending December 2026 (27th period) is calculated based on the following assumptions.

<table>
<tr><td>Unappropriated retained earnings</td><td>JPY51,876 million</td></tr>
<tr><td>Amount transferred to the reserve for special tax treatment for replacement property (*1)</td><td>(JPY19,240 million)</td></tr>
<tr><td>Reversal of reserve for temporary difference adjustment (negative goodwill)</td><td></td></tr>
<tr><td>50-year amortization amount of negative goodwill (*2)</td><td>JPY262 million</td></tr>
<tr><td>Loss on retirement of noncurrent assets (*3)</td><td>JPY50 million</td></tr>
<tr><td>Distributable amount</td><td>JPY32,949 million</td></tr>
<tr><td>Total number of investment units issued</td><td>5,904,006 units</td></tr>
<tr><td>Dividend per unit</td><td>JPY5,580</td></tr>
</table>
(*1) It is assumed that a portion of the gain on sale of real estate properties resulting from the Sale will be retained as an internal reserve by utilizing the special tax treatment of replacement for replacement property, pursuant to the tax deferral provisions for replacement of specified assets under Article 65-7 of the Special Taxation Measures Act and allocating such amount to the replacement property reserve. Please note that the actual amount transferred to the reserve for special tax treatment for replacement property may vary from the amount currently expected.
(*2) JPY262 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.
(*3) 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.

• Dividend per unit may fluctuate due to various causes, such as fluctuation of rent revenue resulting from the 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 an 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 ending December 2026 (27th period) is expected to be JPY6,177 million.
</td></tr>
<tr><td>Dividend per Unit Resulting from Excess of Earnings</td><td>• It is assumed that the excess of earnings (dividend per unit resulting from an excess of earnings) will not be distributed.</td></tr>
<tr><td>Others</td><td>• It is assumed that there will be no amendments to law and regulations, the tax system, accounting standards, listing rules, or the regulations of The Investment Management Association, Japan, etc., that will affect the above forecast figures.
• It is assumed that unexpected major incidents 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.</td></tr>
</table>

<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 nor have they gone through other procedures. No guarantee is made as to the accuracy or completeness of the figures and information.

ADR (Note 1) and RevPAR (Note 2) 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.

The 29 Hotels with Variable Rent, etc.

		Fiscal year ended December 2025	Fiscal year ending December 2026	
		Results	Forecast	Comparison with previous year
Occupancy Rate	First half of the year	82.1%	82.9%	0.8pt
	Second half of the year	85.0%	86.8%	1.8pt
	Full year	83.6%	84.8%	1.3pt
ADR (JPY)	First half of the year	19,264	19,764	2.6%
	Second half of the year	22,155	23,195	4.7%
	Full year	20,746	21,533	3.8%
RevPAR (JPY)	First half of the year	15,817	16,379	3.6%
	Second half of the year	18,830	20,130	6.9%
	Full year	17,336	18,270	5.4%
Sales (JPY1M)	First half of the year	37,547	38,587	2.8%
Rooms Dept.		25,133	26,026	3.6%
F&B Dept.		10,993	11,036	0.4%
Others		1,421	1,525	7.3%
Sales (JPY1M)	Second half of the year	44,343	46,788	5.5%
Rooms Dept.		30,416	32,516	6.9%
F&B Dept.		12,227	12,584	2.9%
Others		1,700	1,688	(0.7%)
Sales (JPY1M)	Full year	81,890	85,375	4.3%
Rooms Dept.		55,549	58,542	5.4%
F&B Dept.		23,220	23,620	1.7%
Others		3,121	3,213	2.9%
GOP (JPY1M)	First half of the year	13,660	14,095	3.2%
	Second half of the year	17,923	19,421	8.4%
	Full year	31,583	33,516	6.1%

(*1) ADR represents Average Daily Rate, which is calculated by dividing total room revenue of the accommodation department (including service charges) for a certain period 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 of the accommodation department (including service charges) for a certain period by the total number of rooms available for sale during the period. The same shall apply hereinafter.