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August 26, 2026

Midterm Financial Report for the Fiscal Year Ending December 31, 2026
(January 1, 2026 – June 30, 2026)

Japan Hotel REIT Investment Corporation

Listing: Tokyo Stock Exchange
Securities code: 8985
URL: https://www.jhrth.co.jp/en/
Representative: Kaname Masuda, Executive Director

Asset Management Company: Japan Hotel REIT Advisors Co., Ltd.
Representative: Hiroyuki Aoki, President & CEO
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Scheduled date to file midterm Securities Report: September 17, 2026

Scheduled date to file midterm Securities Report: Yes
Schedule for presentation of midterm financial results: Yes (Institutional investors and analysts only)

(Amounts are rounded down to the nearest millions of yen)

1. Status summary of operation and assets for the midterm of the fiscal year ending December 31, 2026 (January 1, 2026 – June 30, 2026)

(1) Operating results

(Percentages: full year—changes from the same period of the previous year)

	Operating revenue		Operating income		Ordinary income		Net income (loss)	
Midterm period ended	JPY1M	%	JPY1M	%	JPY1M	%	JPY1M	%
June 30, 2026	22,568	5.1	14,687	1.6	11,789	(4.7)	11,789	(7.6)
June 30, 2025	21,481	49.6	14,457	70.1	12,367	66.4	12,764	71.7
Fiscal year ended December 31, 2025	45,564	36.1	31,052	49.4	26,748	46.4	27,145	48.6

	Net income for the current midterm period per unit
Midterm period ended	JPY
June 30, 2026	2,103
June 30, 2025	2,504
Fiscal year ended December 31, 2025	5,325

(Note) Net income for the current midterm period per unit is calculated based on the period-average number of investment units issued.

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per unit
Midterm period ended	JPY1M	JPY1M	%	JPY
June 30, 2026	688,770	342,250	49.7	57,969
June 30, 2025	555,761	276,578	49.8	54,262
Fiscal year ended December 31, 2025	576,683	293,114	50.8	57,507

(Note) Net assets per unit are calculated based on the total number of investment units issued and outstanding at the end of the midterm period/full year.

2. Operating forecast for the fiscal year ending December 31, 2026 (January 1, 2026 – December 31, 2026)

(Percentages show changes from the previous year)

	Operating revenue		Operating income		Ordinary income		Net income		Dividend per unit (Excess of earnings exclusive)	Dividend per unit resulting from excess of earnings
	JPY1M	%	JPY1M	%	JPY1M	%	JPY1M	%	JPY	JPY
Full year	75,124	64.9	58,372	88.0	52,100	94.8	52,099	91.9	5,811	—

(Reference) Estimated net income per unit for the fiscal year ending December 31, 2026 (full year): ¥9,051 (Calculated based on the estimate of the period-average number of investment units of 5,755,872).

(Note) The source of the dividend payment is planned to be an amount that deducts the reserve for advanced depreciation under special provisions for property replacement (¥18,107 million), from the total net income plus the reversed amount for temporary difference adjustment (¥316 million).

* Other

(1) Changes in accounting policies, changes in accounting estimates, and restatement of financial statements for prior periods after error corrections

(a) Changes in accounting policies due to revisions to accounting standards and other regulations: No change

(b) Changes in accounting policies due to other reasons than above (a): No change

(c) Changes in accounting estimates: No change

(d) Restatement of financial statements for the prior period after error corrections: No change

(2) Total number of investment units issued and outstanding

(a) Total number of investment units issued and outstanding at the end of the fiscal year/period (including investment units owned by Japan Hotel REIT Investment Corporation (JHR))

As of June 30, 2026	5,904,006 units	As of June 30, 2025	5,097,006 units	As of December 31, 2025	5,097,006 units

(b) Number of JHR's investment units held at the end of the fiscal year

As of June 30, 2026	0 unit	As of June 30, 2025	0 unit	As of December 31, 2025	0 unit

(Note) For the number of investment units serving as the basis of computation for calculating net income per unit, please refer to "Notes on per unit information" on page 34.

* Midterm financial reports are not subject to interim audit procedures by accountants.

* Special items

Forward-looking statements presented in this financial report, including operating forecasts, are based on information currently available to us and on certain assumptions we deem reasonable. As such, actual operating and other results may differ materially from these forecasts due to various factors. Furthermore, we do not intend to guarantee any dividend amount by this forecast. For the assumptions of the operating forecast and notes for the use of the operating forecast, please refer to "1.
Operating results; (1) Operating results; (B) Outlook for the second half of the fiscal year" on page 6 and "Assumptions of the operating forecast for the full fiscal year ending December 2026 (27th period)" on page 13.

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1. Operating results

(1) Operating results

(A) Overview of the midterm period under review

(a) Brief history and principal activities

Japan Hotel REIT Investment Corporation (hereinafter referred to as "JHR") was established under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter referred to as the "Investment Trust Act") on November 10, 2005, and was listed on the Real Estate Investment Trust (REIT) section of the Tokyo Stock Exchange (Securities code: 8985) on June 14, 2006.

JHR entrusts asset management to Japan Hotel REIT Advisors Co., Ltd. (hereinafter referred to as the "Asset Management Company"). Focusing on importance of hotels as social infrastructure and profitability as investment real estate, JHR primarily invests in real estate, which is wholly or partially used as hotels or real estate equivalents of such real estate or related assets that are backed by such real estate or real estate equivalents (hereinafter referred to as "Real Estate for Hotels, etc.").

JHR, the former Nippon Hotel Fund Investment Corporation, merged with Japan Hotel and Resort, Inc. with an effective date of April 1, 2012 (hereinafter referred to as the "Merger"), and changed its name to Japan Hotel REIT Investment Corporation. Since the Merger through the end of the midterm period under review (the six-month period from January 1, 2026, to June 30, 2026), JHR has conducted capital raising through public offerings, etc. and continuously acquired "highly competitive hotels" in mainly "strategic investment areas" where domestic and inbound leisure demand can be expected over the medium to long term.

By steadily implementing the aforementioned growth strategy, JHR has expanded its asset size while improving the quality of its portfolio. As a result, JHR had a portfolio of 52 properties with a combined acquisition price of ¥641,391 million, and the total number of investment units issued and outstanding stood at 5,904,006 units at the end of the midterm period under review.

(b) Investment performance for the midterm period under review

Throughout the midterm period under review (the six-month period from January 1, 2026 to June 30, 2026), the Japanese economy continued to show a gradual recovery trend, supported by improvements in the employment and income environment and the effects of various policies, despite the need to pay attention to the impacts of the situation in the Middle East and fluctuations in financial and capital markets.

Regarding the domestic accommodation and tourism market, both domestic and international accommodation demand remained generally steady. The number of foreign visitors to Japan (hereinafter referred to as "inbound visitors") was 21.08 million in the first half of 2026, a year-on-year decrease of 2.0% according to the Japan National Tourism Organization (JNTO). While inbound visitors from China significantly decreased due to the Chinese government's request to refrain from traveling to Japan, inbound visitors from many countries and regions, including South Korea, Taiwan, other Asian countries, Europe, the U.S., and Australia, exceeded the previous year's levels. Based on the preliminary figures from the Overnight Travel Statistics Survey (Japan Tourism Agency), the number of Japanese overnight guests at domestic accommodations in the first half of 2026 was 214 million (down 2.7% year-on-year), and the number of foreign overnight guests was 83 million (down 8.5% year-on-year), both falling below the levels of the same period in the previous year. As a result, the total number of overnight guests at domestic accommodation facilities in the first half of 2026 was 297 million (down 4.4% year-on-year).

In this market environment, JHR conducted a public offering for capital increase in March 2026 and acquired the HYATT REGENCY TOKYO (acquisition price: ¥126,000 million). By acquiring a large, full-service hotel with high scarcity value located in the heart of Tokyo, JHR has improved the quality of its portfolio and further strengthened its competitiveness.

For internal growth, JHR has worked to increase revenue by raising average room rates through guest room renovations as well as effective marketing measures and meticulous revenue management to capture high-end domestic and overseas leisure demand, through maintaining close communication with the lessees and operators of each hotel. At the same time, JHR continued to work on measures to reduce operating costs and other efforts to improve profitability. During the midterm period under review, RevPAR (Note 1) in the Osaka area fell below the level of the same period in the previous year due to the impact of the Chinese government's request to refrain from traveling to Japan, as well as the reactionary decrease in demand for accommodation following the increase caused by the Expo 2025 Osaka, Kansai held the previous year. On the other hand, the portfolio excluding the Osaka area maintained growth, and despite the overall number of overnight guests at domestic accommodation facilities falling below the level of the same period in the previous year, RevPAR of the 29 Hotels with Variable Rent, etc. (Note 2) exceeded that of the same period in the previous year.

In addition, as part of its internal growth strategy, JHR implemented strategic CAPEX (capital expenditure) to improve earnings and strengthen competitiveness. By implementing strategic CAPEX, which involves selecting hotels with high growth potential and increasing revenue from guest rooms, restaurants, etc., JHR has worked to improve hotel revenue through renovations.

As a result of these initiatives, during the midterm period under review, RevPAR of the 29 Hotels with Variable Rent, etc. was ¥16,599 (up 4.9% year-on-year), and GOP (Note 3) was ¥14,422 million (up 5.6% year-on-year), both significantly exceeding that of the same period in the previous year.

For further details of sales, GOP (gross operating profit) and other management indicators for the 29 Hotels with Variable Rent, etc., please refer to "<Reference Information 2> Hotel operation indexes, sales and GOP (gross operating profit) < The 29 Hotels with Variable Rent, etc. >" on page 18.

(Note 1) RevPAR represents Revenue Per Available Room, which is calculated by dividing total room sales for a certain period (including service charges) for a given period by the total number of guest rooms available for sale during the same period. The same shall apply hereinafter.

(Note 2) The 29 Hotels with Variable Rent, etc., refer to the following 29 hotels. The same shall apply hereinafter.

Kobe Meriken Park Oriental Hotel
Oriental Hotel Tokyo Bay
Namba Oriental Hotel
Hotel Nikko Alivila
Oriental Hotel Hiroshima
Oriental Hotel Universal City
Oriental Hotel Okinawa Resort & Spa
Sheraton Grand Hiroshima Hotel (main facility of ACTIVE-INTER CITY HIROSHIMA)
Oriental Hotel Fukuoka Hakata Station
Holiday Inn Osaka Namba
Hotel Oriental Express Fukuoka Tenjin
Hilton Tokyo Narita Airport
International Garden Hotel Narita
Hotel Nikko Nara
Hotel Oriental Express Osaka Shinsaibashi
Oriental Hotel Kyoto Rokujo
Hotel Oriental Express Fukuoka Nakasukawabata
Hotel JAL City Kannai Yokohama
Southern Beach Hotel & Resort OKINAWA
Hilton Fukuoka Sea Hawk
ibis Styles Kyoto Station
ibis Styles Sapporo
Mercure Sapporo
Mercure Okinawa Naha
Mercure Yokosuka
the b suidobashi
the b ikebukuro
the b hachioji
the b hakata

(Note 3) GOP stands for Gross Operating Profit, which is the amount remaining after deducting expenses related to hotel operations, such as labor costs and general administrative costs from hotel sales. The same shall apply hereafter.

(c) Funding status

In the midterm period under review, JHR newly borrowed ¥65,000 million in March 2026 to partially fund the acquisition of HYATT REGENCY TOKYO.

Additionally, JHR borrowed a total of ¥17,750 million to refinance existing loans due for repayment during the midterm period under review, of which ¥14,150 million was refinanced with green loans. Furthermore, for the ¥3,000 million sixth unsecured investment corporation bonds that matured in March 2026, a refinancing was effectively carried out through borrowing conducted in the same month.

Of the total funds raised, ¥49,500 million was borrowed by applying the base interest rate for the same period as the borrowing term or through interest rate swap agreements, thereby effectively fixing the interest rates.

Consequently, as of the end of the midterm period under review, the balance of interest-bearing debt totaled ¥334,301 million, including, current portion of long-term loans payable of ¥40,400 million, long-term loans payable of ¥263,201 million, current portion of investment corporation bonds of ¥10,100 million and investment corporation bonds of ¥20,600 million. As a result, the appraisal-based LTV (Note) at the end of the midterm period under review stood at 34.5%, and the ratio of fixed interest rate to total interest-bearing debt at the end of the midterm period under review was at 78.5%.

(Note) Appraisal-based LTV at the end of the midterm period = Balance of interest-bearing debt at the end of the midterm period/ (Total assets at the end of the midterm period + unrealized gains and losses) x 100
Unrealized gains and losses are calculated by deducting the total book value of assets held at the end of the midterm period from the total appraisal value at the end of the midterm period as the date of appraisal. The same shall apply hereinafter.
The total asset-based LTV at the end of the midterm period is 48.5%.
Total asset-based LTV at the end of the midterm period = Balance of interest-bearing debt at the end of the midterm period/Total assets at the end of the midterm period x 100

JHR's issuer ratings as of the end of the midterm period under review are as follows.
In May 2026, the issuer rating by Japan Credit Rating Agency, Ltd. (JCR) has been changed from "A+ (Positive)" to "AA－ (Stable)," and the issuer rating by Rating and Investment Information, Inc. (R&I) has been changed from "A (Positive)" to "A+ (Stable)."

Rating agency	Rating details	
Japan Credit Rating Agency, Ltd. (JCR)	Long-term Issuer Rating: AA－	Outlook: Stable
Rating and Investment Information, Inc. (R&I)	Issuer Rating: A+	Rating Outlook: Stable

(d) Financial results
As a result of the abovementioned asset management, for the midterm period under review, JHR recorded operating revenue of ¥22,568 million, operating income of ¥14,687 million and ordinary income of ¥11,789 million and net income of ¥11,789 million. Operating revenue includes the variable rents of ¥7,518 million received from the hotels leased to the HMJ Group (Note 1). This amount is calculated based on the AGOP (Note 2) of each hotel of the HMJ hotels for the midterm period under review. The variable rent to be ultimately received from the HMJ hotels will be determined by the full-year AGOP (12-month period) of each hotel of the HMJ hotels.

JHR settles accounts on an annual basis and investment corporations do not have a system for interim dividends under the Investment Trust Act. Accordingly, no distribution of earnings can be made in the midterm period under review. Distribution of earnings will be made based on the earnings for the full year (12-month period from January 1, 2026 to December 31, 2026). With regard to such distribution of earnings, earnings exceeding 90% of JHR's distributable profit as defined by Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957; as amended; hereinafter called "the Act on Special Measures Concerning Taxation") will be distributed.

(Note 1) HMJ stands for Hotel Management Japan Co., Ltd. (hereinafter referred to as "HMJ"), which is a group company of the Asset Management Company. HMJ and its subsidiaries are collectively referred to as the "HMJ Group." The same shall apply hereinafter.
(Note 2) AGOP (Adjusted GOP) is the amount remaining after deducting certain payments of fees, etc., from GOP. The same shall apply hereafter.

(B) Outlook for the second half of the fiscal year
(a) Investment policies and issues to be addressed
Regarding the outlook for the Japanese economy, although it is necessary to closely monitor factors such as the rise in crude oil prices due to the impact of the situation in the Middle East and fluctuations in financial and capital markets, improvements in the employment and income environment, along with the effects of various government policies, are expected to support a gradual recovery.

With regard to the domestic accommodation and tourism market, domestic accommodation demand is expected to remain strong. Although inbound demand is expected to be affected by the decrease in visitors from China for a certain period, JHR believes that overall inbound demand will remain robust, supported by demand from South Korea, Taiwan, the U.S., and other countries and regions.

JHR will aim to increase sales in accommodation business by proactively capturing demand in the robust accommodation market, continuing to implement effective marketing initiatives and meticulous revenue management, and capturing domestic and international leisure demand at high average room rates. At the same time, in non-accommodation business, JHR will strive to increase sales through effective initiatives in both physical aspects (renovation, etc.) and non-physical aspects (service improvement, etc.). In terms of costs, JHR will continue to operate efficiently by reviewing hotel operations in collaboration with lessees and operators, as it has done in the past, while optimizing resources and striving to improve profitability. Furthermore, JHR plans to select hotels with particularly high growth potential and implement renovations using strategic CAPEX with the aim of increasing revenue from rooms and other sources.

Given the large potential demand for overseas tourism globally, JHR expects Japan's accommodation demand from inbound visitors will keep growing over the medium-to-long term and believes that the accommodation and tourism market will expand. JHR considers that the asset management capability of the Asset Management Company will particularly lead to the differentiation of the hotels' performance, in addition to their locations, competitiveness and their operator's capability (including the operator's ability to differentiate the hotels they operate from other hotels, improve profitability including cost management and capture demand).

Under this recognition of the environment, JHR, together with the Asset Management Company, will continue to implement a differentiation strategy that leverages its experience as a J-REIT specializing in hotels and will manage its properties in accordance with the following policy.

Under the recognition of such circumstances, JHR, together with the Asset Management Company, will continue to implement a differentiation strategy that leverages the experience it has accumulated as a J-REIT specializing in hotels and will manage its properties according to the following policy.

<u>Internal growth</u>

JHR will secure stability mainly through fixed rents and upside potential through the implementation of an active asset management strategy that actively seeks to improve property profitability and asset value through various means, including the adoption of brands that match the characteristics of the hotel and coordination with the HMJ Group.

For fixed-rent properties, JHR will continue to focus on setting and maintaining appropriate rents, considering either the market rent level where each hotel is situated, or the lessee's creditworthiness and capacity to bear the rent. Additionally, JHR intends to increase rents (including the introduction of a revenue-sharing rent) in alignment with the accommodation market's conditions.

For hotels under variable rent contracts and a management contract structure, JHR is working to increase variable rents, etc., by implementing the active asset management strategy.

(i) Properties under variable rent contracts

JHR works to enhance the profitability of its properties under variable rent contracts through its active asset management strategies. JHR adopts world-leading international brands such as Hilton, Sheraton, Mercure and Holiday Inn as well as leading brands in Japan including Oriental Hotel (a brand of the HMJ Group) and Hotel Nikko and, together with excellent operators, aims to increase variable rents, etc. through improved performance of these hotels.

JHR is collaborating with operators to enhance hotel performance by requesting them to realize synergy effects through implementing marketing strategies to capture a wide range of demand given the expansion of domestic and inbound leisure needs, taking measures to maintain and raise sales unit prices, and reducing costs by managing multiple properties.

Meanwhile, JHR will continue to work closely with the lessees and operators of each hotel to create attractive products and provide added value by fully utilizing the characteristics of the owned properties, effective marketing measures, and expansion of sales channels in order to capture domestic and overseas demand in the future. At the same time, JHR will continue to promote various measures to increase hotel revenues through cost management and streamlining of operations.

Moreover, JHR will strive to improve hotel earnings by accurately grasping the conditions in the domestic accommodation and tourism market, including the changing needs of guests, and implementing strategic CAPEX as necessary. The large-scale renovation of the entire OKINAWA HARBORVIEW HOTEL, including the pool, guest rooms, and restaurants, which began in 2025, was completed in the first half of 2026. At Hilton Tokyo Odaiba, a large-scale renovation of the entire hotel is being carried out from 2026 and is scheduled for completion in 2027. At Hilton Fukuoka Sea Hawk, renovations of guest rooms, the Executive Lounge, and other areas are scheduled to begin sequentially from 2026. At HYATT REGENCY TOKYO, acquired in 2026, renovations including the addition of new guest rooms are planned for 2027.

(ii) Properties under fixed rent contracts

JHR will appropriately monitor the operating status of each hotel and pay careful attention to each lessee's ability to bear the cost of rent. JHR will negotiate rent increases and the introduction of variable rent with hotels whose performance and rent-bearing capacity have improved in order to increase JHR's revenue from these hotels. In addition, JHR will continuously execute investments to maintain and renew facilities and equipment in order to ensure that each hotel becomes prominent in the market and to maintain and enhance asset value.

External growth

In terms of external growth strategy, JHR will continue targeting the acquisition of highly competitive Real Estate for Hotels, etc. (Hotel Assets) in areas which can expect "domestic and inbound leisure demand" over the medium to long term. In addition, JHR will build a portfolio which can secure stable revenues with future growth potential in mind in order to achieve upside gains.

Upon acquiring properties, JHR will focus on the infrastructure aspects of the relevant Hotel Assets such as buildings and facilities and service aspects such as the credibility of the hotel lessee and operator (including the ability of the hotel lessee to bear the cost of rent) as well as operation and management capabilities, and the properties' locational superiority that serves as the base for stability in demand and growth potential.

Specifically, JHR will aim to invest in "full-service hotels" and "resort hotels" that pose barriers to new openings due to such factors as operation and management know-how required for operating the hotels and limitations in terms of invested capital and location. As for "limited-service hotels," JHR emphasizes the credibility and operation capabilities of the hotel lessee and operator as well as the building age, location, guestroom composition, profitability, etc., of the properties. Moreover, JHR will take a particularly selective approach to hotels specialized for accommodation and of a budget type (low price zone) that mainly offers single rooms and where the source of competitiveness relies only on prices.

Additionally, JHR implements capital recycling to improve the quality of its portfolio through strategic asset replacement, taking into account the profitability of assets held, future growth potential, repair and renewal expenses, and other factors comprehensively. In July 2026, JHR sold The Beach Tower Okinawa and in August 2026, acquired Candeo Hotels Osaka Namba, thereby enhancing the quality of its portfolio.

In the hotel trading market, against the backdrop of growth expectations in the hotel industry, along with an active lending stance by financial institutions, not only foreign investors but also domestic investors, including J-REITs, continue to actively consider investments in hotels. It is expected that hotel trading will remain active. Going forward, while closely monitoring market trends from many angles, JHR will flexibly respond to changes in the earnings structures of hotels and the investment environment by leveraging the strengths and advantages it has cultivated as a J-REIT specializing in hotels and JHR will aim to expand asset size that accompanies improvement of the portfolio quality through acquiring highly competitive properties while utilizing the operation platform of the HMJ Group as necessary.

Finance strategy

JHR will focus on enhancing financial stability and soundness and intends to maintain and improve the relationship of trust with the financial institutions with which it does business through close communication, which will strengthen the lender formation.

Amid expectations for further growth in the hotel industry, and while interest rates continue to rise, JHR will pay attention to the increase in borrowing costs and its impact on distributions while aiming to maintain a certain ratio of fixed interest rate debt, extend loan maturities, and stagger repayment deadlines. At the same time, JHR will strengthen its financial base by inviting new lenders and appropriately controlling capital expenditures. Regarding LTV, JHR's policy is to control leverage by appraisal-based LTV and to operate with a cap of 40% for the appraisal-based LTV in principle. In addition, JHR will further diversify its financing methods, including consideration of issuing investment corporation bonds and utilizing green finance.

Additionally, through the asset replacement conducted in July and August 2026, JHR lowered the appraisal-based LTV, expanded borrowing capacity, and further strengthened financial stability.

Policy on handling of negative goodwill

From the fiscal year ended December 31, 2017 (18th period), JHR started appropriation for dividends through reversal of reserve for temporary difference adjustment in connection with partial amendments to the "Ordinance on Accounting of Investment Corporations" (Cabinet Office Ordinance No. 47 of 2006, as amended; hereinafter referred to as the "Ordinance on Accountings of Investment Corporations") and the "Regulation for Real Estate Investment Trusts and Real Estate Investment Corporations" of the Investment Management Association of Japan. JHR stipulated a policy to reverse ¥262 million (hereinafter called the "50-year amortization amount of negative goodwill"), which is an amount equivalent to 2% (1/50) of the balance of the reserve for temporary difference adjustment for the fiscal year ended December 31, 2017, to pay out as dividends every year, with the balance of the reserve for temporary difference adjustment remaining at the time of reversal set as the maximum reversal amount (Note).

Furthermore, in cases of incurrence of losses caused by property dispositions, impairment loss of assets, dilution of dividend per unit due to the issuance of new investment units through public offerings, etc., loss on retirement of noncurrent assets, and suspension of sales and such due to large-scale renovations with significant impact on revenues, JHR stipulated a policy to reverse additional portion of the negative goodwill on top of the 50-year amortization amount of negative goodwill (¥262 million) (Note).

(Note) The policy may change due to a resolution of the board of directors, and it does not guarantee the method of reversing the reserve for temporary difference adjustment and amounts to be reversed, etc., in the future.

Initiatives for sustainability

In recent years, consideration for ESG (Environment, Social and Governance) has grown in importance in the investment management industry from the standpoint of long-term sustainability. JHR recognizes that conducting real estate investment management that considers ESG is important to maximize unitholder value and to further raise the attractiveness of JHR. In addition, JHR believes that it is indispensable to establish favorable relationships with its stakeholders, including unitholders, hotel guests, lessees, operators, business partners such as property managers, local communities, and officers and employees of the Asset Management Company, and to fulfill our social responsibilities expected from each of them.

In order to put these ideas into practice, JHR, together with the Asset Management Company, has established "Sustainability Policy" as guidance for its ESG initiatives, promoting efforts based on this policy. JHR will continue to recognize its social responsibility toward the community as a J-REIT specializing in hotels and will actively engage in social contribution activities.

■Identification of Materiality (Key Issues) Related to ESG

In December 2021, JHR identified ESG-related materiality (Key Issues) for JHR from two perspectives: stakeholder expectations and the impact on JHR's business.

■Acquisition of Third-Party Certifications Related to ESG and Green Buildings

JHR has acquired the following third-party certifications related to ESG and green buildings to ensure the reliability and objectivity of its efforts to reduce environmental impact.

・GRESB (Note 1) Real Estate Assessment

JHR achieved a "3 Stars" in the 2025 GRESB Real Estate Assessment and received a "Green Star" for the eighth consecutive year.

・BELS (Note 2) Certification

JHR acquired the Building-Housing Energy-efficiency Labeling System (BELS) Certification for Hotel Nikko Alivila and Mercure Okinawa Naha in February 2018 for UAN kanazawa in February 2024, bringing the total number of BELS-certified properties in JHR's portfolio to three.

・CASBEE (Note 3) Certification for Buildings

In April 2020, Hilton Tokyo Odaiba obtained the CASBEE (Comprehensive Assessment System for Built Environment Efficiency) Certification for Buildings, marking the first such recognition for an existing hotel property, and it re-obtained the certification in December 2024. In May 2021, Oriental Hotel Fukuoka Hakata Station also received CASBEE Certification for Buildings.

・DBJ Green Building Certification (Note 4)

In June 2026, OKINAWA HARBORVIEW HOTEL and Southern Beach Hotel & Resort OKINAWA obtained the DBJ Green Building Certification. With these acquisitions, the number of JHR hotels that have acquired this certification has increased to 12.

■Initiatives for Climate Change

In November 2021, the Asset Management Company has expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB), and has joined the TCFD Consortium, an organization of Japanese companies that support the TCFD recommendations.

In August 2022, JHR disclosed its efforts to address the four disclosure themes recommended by the TCFD, including the financial impact of climate change scenario analysis. JHR is also progressively clarifying its numerical targets by establishing and disclosing a CO_2 reduction target by 2050 in February 2023.

■Formulation of Green Finance Framework

In January 2024, JHR formulated the Green Finance Framework as a framework for financing environmentally friendly projects. Under the framework, JHR borrowed ¥10,900 million in March 2026 and ¥3,250 million in June 2026 as green loans. JHR will continue to strive to promote initiatives for environmental improvement by utilizing funds procured under the framework.

■ Initiatives in collaboration with hotel lessees, etc.

JHR collaborates with hotel lessees, etc. to engage in activities that utilize the characteristics of hotels, such as local environmental conservation activities, community culture and arts activities, and childcare support.

■ Initiatives for employees

The Asset Management Company develops a comfortable and appealing work environment and provides ongoing professional education and training opportunities so that officers and employees may feel highly motivated to improve quality and have an incentive to work over the medium to long term.

■Release of ESG Report

Since March 2023, JHR has been publishing an ESG report annually. Together with Asset Management Company, JHR will continue to actively promote and expand various sustainability initiatives and disclosures.

(Note 1) GRESB, which stands for Global Real Estate Sustainability Benchmark, is an annual benchmarking assessment to measure ESG (Environmental, Social and Governance) considerations of real estate companies and funds. It evaluates initiatives for the sustainability of real estate companies, REITs and real estate funds, not of individual properties. The GRESB Rating makes relative assessment based on total scores, with 5 Stars being the highest ranking.

(Note 2) BELS (Building-Housing Energy-Efficiency Labeling System) is a display system of energy conservation performance of a building set by the Ministry of Land, Infrastructure, Transport and Tourism.

(Note 3) CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a system for evaluating and rating the environmental performance of buildings. In addition to environmental considerations such as energy conservation and the use of materials and equipment with low environmental impact, it comprehensively evaluates the quality of buildings, including consideration for interior comfort and landscaping.

(Note 4) DBJ (Development Bank of Japan) Green Building Certification is a certification program established by Development Bank of Japan Inc. (DBJ) to support environmentally and socially conscious real estate management ("Green Buildings").

(b) Significant subsequent events

(i) Sale of asset

JHR sold the following asset on July 31, 2026.

Name of sold asset	The Beach Tower Okinawa
Asset category	Real estate beneficial interest in trust
Asset type	Hotel
Location	8-6 Aza Mihama, Chatan-cho, Nakagami-gun, Okinawa
Sale price (Note 1)	¥30,900 million
Gain on sale (forecast) (Note 2)	¥24,071 million
Closing date	July 31, 2026
Buyer	Mihama Terroir TMK

(Note 1) The sale price does not include selling expenses, settlement of property tax, city planning tax, etc., and consumption tax and local consumption tax.

(Note 2) The amount obtained by deducting the book value (forecast) and selling expenses (forecast) from the sale price is indicated.

(ii) Acquisition of asset

JHR acquired the following asset on August 3, 2026.

Name of acquired asset	Candeo Hotels Osaka Namba
Asset category	Real estate beneficial interest in trust and movable assets associated with the hotel
Asset type	Hotel
Location	2-2-5, Higashi-shinsaibashi, Chuo-ku, Osaka city, Osaka
Acquisition date	August 3, 2026
Seller	GK Hikari Hotel
Acquisition price (Note)	¥14,320 million

(Note) The acquisition price does not include expenses for acquisition, settlement of property tax, city planning tax, etc., and consumption tax and local consumption tax.

(c) Operating forecast

(i) Operating result for the midterm of the fiscal year ending December 2026 (27th period)

The actual results of JHR for the midterm of the fiscal year ending December 2026 (27th period), along with the differences from the previous forecast (Note 1), are detailed below. During the period, JHR's operating revenue increased by ¥868 million from the previous forecast, mainly due to an increase in variable rents. Additionally, net income increased by ¥975 million from the previous forecast, primarily due to decreases in non-operating expenses.

Midterm of the fiscal year ending December 2026 (27th period)	Actual Results	Previous forecast (Note 1)	Difference	Percent change
Operating revenue	¥22,568 million	¥21,699 million	¥868 million	4.0%
Operating income	¥14,687 million	¥13,821 million	¥866 million	6.3%
Ordinary income	¥11,789 million	¥10,814 million	¥975 million	9.0%
Net income	¥11,789 million	¥10,814 million	¥975 million	9.0%

(ii) Operating forecast for the full fiscal year ending December 2026 (27th period)

JHR's operating and dividend forecasts for the full fiscal year ending December 2026 (27th period) are estimated as follows: Operating revenue is expected to increase by ¥58 million from the previous forecast, mainly due to an increase in variable rents in the first half. Operating expenses are projected to decrease by ¥93 million after reviewing property-related expenses and operating expenses. Non-operating expenses are expected to decrease by ¥33 million, mainly due to a decrease in financial costs. As a result, net income is anticipated to rise by ¥222 million from the previous forecast.

For the assumptions of these forecasts, please refer to “Assumptions of the operating forecast for the full fiscal year ending December 2026 (27th period)” on page 13.

Full fiscal year ending December 2026 (27th period)	Current forecast	Previous forecast (Note 1)	Difference	Percent change
Operating revenue	¥75,124 million	¥75,066 million	¥58 million	0.1%
Operating income	¥58,372 million	¥58,220 million	¥151 million	0.3%
Ordinary income	¥52,100 million	¥51,878 million	¥222 million	0.4%
Net income	¥52,099 million	¥51,876 million	¥222 million	0.4%
Dividend per unit	¥5,811	¥5,580	¥231	4.1%
Dividend per unit resulting from excess of earnings	¥―	¥―	¥―	―%

(Note 1) The figures were announced in the “Notice Concerning Revision of Operating and Dividend Forecasts for the Fiscal Year Ending December 2026 (27th Period) ,” dated July 17, 2026. The same shall apply hereinafter.

(Note 2) The forecasted figures above are the current forecasts calculated based on certain assumptions. As such, actual operating revenue, operating income, ordinary income, net income, dividend per unit and dividend per unit resulting from excess of earnings may vary due to changes in the circumstances. Furthermore, the forecasts are not intended to guarantee any dividend amount per unit.

Assumptions of the operating forecast for the full fiscal year ending December 2026 (27th period)

Item	Assumptions
Calculation Period	・ Full fiscal year ending December 2026 (27th Period): January 1, 2026 through December 31, 2026 (365 days)
Assets under Management	・ It is assumed that JHR's portfolio consists of 52 properties as of today. ・ It is assumed that there will be no change (acquisition of new property or disposition of the existing properties, etc.) in assets under management through the end of the fiscal year ending December 2026 (27th period). However, changes in assets under management may take place.
Operating Revenue	・ Gain on sale of real estate properties of ¥24,071 million, is expected to be recognized from the sale of The Beach Tower Okinawa on July 31, 2026. ・ Operating revenue is calculated based on the conditions of the lease and other contracts effective 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. ・ The variable rents, etc., of the main hotels are calculated as follows: (1) The 29 Hotels with Variable Rent, etc.

(Unit: millions of yen)

	Full year
The Five HMJ Hotels (*1)	4,381
Oriental Hotel Universal City	1,098
Oriental Hotel Okinawa Resort & Spa	1,563
Sheraton Grand Hiroshima Hotel (*2)	786
Oriental Hotel Fukuoka Hakata Station	1,848
Holiday Inn Osaka Namba	664
Hotel Oriental Express Fukuoka Tenjin	840
Hilton Tokyo Narita Airport	452
International Garden Hotel Narita	230
Hotel Nikko Nara	257
Hotel Oriental Express Osaka Shinsaibashi	39
Oriental Hotel Kyoto Rokujo	264
Hotel Oriental Express Fukuoka Nakasukawabata	413
Hotel JAL City Kannai Yokohama	89
Southern Beach Hotel & Resort OKINAWA	405
Hilton Fukuoka Sea Hawk	2,411
ibis Styles Kyoto Station (*3)	457
ibis Styles Sapporo (*3)	608
Mercure Sapporo (*3)	816
Mercure Okinawa Naha (*3)	481
Mercure Yokosuka	430
the b suidobashi	157
the b ikebukuro	224
the b hachioji	132
the b hakata	290
Total	19,346

Item	Assumptions
Operating Revenue	See below

(*1) The Five HMJ Hotels refer to the following five hotels which JHR leases to HMJ: Kobe Meriken Park Oriental Hotel, Oriental Hotel Tokyo Bay, Namba Oriental Hotel, Hotel Nikko Alivila and Oriental Hotel Hiroshima. The same shall apply hereinafter.

(*2) Stating the rent for Sheraton Grand Hiroshima Hotel, the major facility of ACTIVE-INTER CITY HIROSHIMA.

(*3) The management contract system is 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)

	Full year
dormy inn Kumamoto	107
Comfort Hotel Tokyo Higashi Nihombashi	125
Smile Hotel Nihombashi Mitsukoshimae	53
Chisun Hotel Kamata	183
Chisun Inn Keikyu Kamata	99
Hilton Tokyo Bay	Undisclosed (*4)
Hotel Francs	141
Hilton Nagoya	Undisclosed (*4)
Hilton Tokyo Odaiba	－(*5)
UAN kanazawa	26
Hotel Oriental Express Ginza West	590
La'gent Stay Sapporo Odori	798
MIMARU Tokyo Shinjuku West	Undisclosed (*4)
HOTEL AMANEK Shinjuku-Kabukicho.	Undisclosed (*4)
OKINAWA HARBORVIEW HOTEL	215
HYATT REGENCY TOKYO	3,248
Total	7,991

(*4) Undisclosed since tenants that concluded lease contracts did not agree to disclose rent revenue, etc.

(*5) 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 "－."

The following is the breakdown of variable rent, etc.

(Unit: millions of yen)

	Full year
The 29 Hotels with Variable Rent, etc.	19,346
Other hotels with variable rent, etc.	7,991
Office and commercial tenants	36
Total	27,374

(*6) 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; (ii) Rent structures of hotels with variable rent, etc."

Item	Assumptions
Operating Expenses	・ With respect to real estate operating costs, 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 ¥2,579 million will be recognized as expenses for fixed asset taxes, city planning taxes, etc. In general, fixed asset taxes and city planning taxes for the year of acquisition on acquired assets are settled with the previous owner on a pro-rata basis over a period of time, and the amount equivalent to such settlement is included in the acquisition cost. Therefore, the fixed asset taxes, city planning tax, etc., of the Acquired Asset are not posted as expenses for the relevant calculation period. ・ Capital expenditure is assumed to be ¥12,954 million (¥8,112 million for capital expenditure I, ¥1,113 million for capital expenditure II and ¥3,728 million for capital expenditure III) for the fiscal year ending December 2026 (27th period). (*) JHR classifies capital expenditures into the following three categories. (I) Capital investment related to the 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 the 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 ¥7,856 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 regularly.
Non-operating Expenses	・ ¥6,309 million is expected as non-operating expenses for borrowing-related costs and other expenses. Borrowing-related costs include interest expense, amortization for financing fees, and arrangement fee.
Interest-bearing Debt	・ The balance of interest-bearing debt (sum of loans and investment corporation bonds) as of today is ¥334,301 million. In the fiscal year ending December 2026 (27th period), it is assumed that a new borrowing of ¥6,000 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 ¥340,301 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 ¥4,950 million, but the entire amount is assumed to be refinanced through borrowings or the issuance of investment corporation bonds. ・ The amount of investment corporation bonds due by the end of the fiscal year ending December 2026 (27th Period) is ¥10,100 million, but the entire amount is assumed to be refinanced through borrowings or the issuance of investment corporation bonds.

<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>¥52,101 million</td></tr>
<tr><td>Amount of reserve for advanced depreciation under special provisions for property replacement (*1)</td><td>(¥18,107 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>¥262 million</td></tr>
<tr><td>Loss on retirement of noncurrent assets (*3)</td><td>¥54 million</td></tr>
<tr><td>Distributable amount</td><td>¥34,311 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>¥5,811</td></tr>
</table>
(*1) A portion of the gain on the sale of real estate properties from the sale of the Beach Tower Okinawa on July 31, 2026, is planned to be allocated as reserve for advanced depreciation under special provisions for property replacement, utilizing the “Special Taxation Measures for the Replacement of Specified Assets” as stipulated in Article 65-7 of the Act on Special Measures Concerning Taxation.
(*2) ¥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.
(*3) The amount recognized as a loss on retirement of noncurrent assets will be appropriated by the reserve for temporary difference adjustment (negative goodwill) and is expected to have no impact on the 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 ¥6,173 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 laws and regulations, the tax system, accounting standards, listing rules, or the regulations of the Investment Management Association of 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, 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 1>

Highlight of operating forecast and dividend estimate

Comparison of operational forecast and estimated dividend for the full fiscal year ending December 2026 (27th period) (current forecast) with the previous forecast and main reasons for the difference

(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	Factors Causing Variance
Properties	No. of Properties	52	52	–	–	
	Acquisition Price	648,101	648,101	–	–	
Profit and Loss	Operating Revenue	75,066	75,124	58	0.1%	
	Real Estate Operating Revenue	50,994	51,052	58	0.1%	
	Fixed Rent	22,576	22,574	(1)	(0.0%)	
	Composition	45.2%	45.2%			
	Variable Rent	27,342	27,374	31	0.1%	
	Composition	54.8%	54.8%			
	Other Income	1,075	1,103	27	2.6%	
	Gain on Sale of Properties	24,071	24,071	–	–	
	NOI (*)	45,809	45,853	43	0.1%	
	NOI after Depreciation (*)	37,887	37,940	53	0.1%	
	Operating Income	58,220	58,372	151	0.3%	
	Ordinary Income	51,878	52,100	222	0.4%	
	Net Income	51,876	52,099	222	0.4%	
Dividend	Amount of Reversal from Reserve for Temporary Difference Adjustment (Negative Goodwill)	312	316	4	1.3%	Amount of reversal from reserve for temporary difference adjustments Previous Forecast: 50-year amortization amount on negative goodwill: JPY262MM Loss on retirement of noncurrent assets: JPY 50MM Current Forecast: 50-year amortization amount on negative goodwill: JPY262MM Loss on retirement of noncurrent assets: JPY 54MM
	Amount of Reserve for Advanced Depreciation under Special Provisions for Property Replacement	(19,240)	(18,107)	1,133	–	
	Total Dividends	32,944	34,308	1,363	4.1%	
	No. of Unit Issued (Unit)	5,904,006	5,904,006	–	–	
	Dividend per Unit (JPY)	5,580	5,811	231	4.1%	

(*) Each figure is calculated using the following formulas. 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

<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			
		Result	Previous forecast	Current forecast	Comparison with previous fiscal year	Comparison with previous forecast
Occupancy rate	First half of the year	82.1%	82.9%	83.5%	1.3pt	0.6pt
	Second half of the year	85.0%	86.8%	88.4%	3.4pt	1.6pt
	Full year	83.6%	84.8%	85.9%	2.4pt	1.1pt
ADR (JPY)	First half of the year	19,264	19,764	19,890	3.3%	0.6%
	Second half of the year	22,155	23,195	22,203	0.2%	(4.3%)
	Full year	20,746	21,533	21,089	1.7%	(2.1%)
RevPAR (JPY)	First half of the year	15,817	16,379	16,599	4.9%	1.3%
	Second half of the year	18,830	20,130	19,619	4.2%	(2.5%)
	Full year	17,336	18,270	18,121	4.5%	(0.8%)
Sales (JPY1M)	First half of the year	37,547	38,587	39,280	4.6%	1.8%
Rooms dept.		25,133	26,026	26,375	4.9%	1.3%
F&B dept.		10,993	11,036	11,355	3.3%	2.9%
Others		1,421	1,525	1,549	9.0%	1.6%
Sales (JPY1M)	Second half of the year	44,343	46,788	46,052	3.9%	(1.6%)
Rooms dept.		30,416	32,516	31,691	4.2%	(2.5%)
F&B dept.		12,227	12,584	12,724	4.1%	1.1%
Others		1,700	1,688	1,636	(3.7%)	(3.1%)
Sales (JPY1M)	Full year	81,890	85,375	85,332	4.2%	(0.1%)
Rooms dept.		55,549	58,542	58,066	4.5%	(0.8%)
F&B dept.		23,220	23,620	24,080	3.7%	1.9%
Others		3,121	3,213	3,185	2.1%	(0.9%)
GOP (JPY1M)	First half of the year	13,660	14,095	14,422	5.6%	2.3%
	Second half of the year	17,923	19,421	19,100	6.6%	(1.6%)
	Full year	31,583	33,516	33,522	6.1%	0.0%

(Note 1) ADR: This represents the average daily rate, calculated by dividing total room revenue for a certain period (including service charges) by the total number of rooms sold during the period. The same shall apply hereinafter.

(Note 2) RevPAR: This represents revenue per available room, 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.

2. Semi-annual financial statements

(1) Semi-annual balance sheets

(Unit: thousands of yen)

	As of December 31, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	26,388,683	9,633,606
Cash and deposits in trust	15,592,444	16,868,002
Operating accounts receivable	7,970,249	5,378,142
Prepaid expenses	982,882	1,145,283
Income taxes receivable	11,481	—
Derivative assets	23,866	101,701
Other current assets	25,189	190,825
Total current assets	50,994,797	33,317,562
Noncurrent assets		
Property and equipment, at cost		
Machinery and equipment	1,387,952	1,473,895
Accumulated depreciation	(656,939)	(716,714)
Machinery and equipment, net	731,012	757,181
Tools, furniture and fixtures	9,404,302	9,798,624
Accumulated depreciation	(5,892,049)	(6,325,258)
Tools, furniture and fixtures, net	3,512,253	3,473,365
Buildings in trust	※1 191,150,641	※1 199,665,836
Accumulated depreciation	(44,461,856)	(47,540,464)
Buildings in trust, net	146,688,785	152,125,372
Structures in trust	3,805,070	4,401,637
Accumulated depreciation	(896,977)	(944,846)
Structures in trust, net	2,908,093	3,456,790
Machinery and equipment in trust	884,751	946,174
Accumulated depreciation	(344,040)	(367,052)
Machinery and equipment in trust, net	540,711	579,121
Tools, furniture and fixtures in trust	129,718	129,718
Accumulated depreciation	(115,982)	(116,712)
Tools, furniture and fixtures in trust, net	13,736	13,005
Land in trust	330,376,769	450,652,059
Construction in progress in trust	134,439	1,405,108
Net property and equipment	484,905,800	612,462,005
Intangible assets		
Software	194,446	197,483
Leasehold rights in trust	27,324,752	27,324,752
Fixed-term leasehold rights in trust	4,089,967	4,022,364
Other intangible assets	3,201	2,861
Total intangible assets	31,612,367	31,547,461
Investments and other assets		
Security deposits	12,520	12,500
Leasehold and security deposits in trust	139,668	139,668
Long-term prepaid expenses	3,636,487	3,803,584
Derivative assets	4,968,392	6,873,070
Reserve fund for repairs and maintenance	249,298	266,953
Total investments and other assets	9,006,367	11,095,777
Total noncurrent assets	525,524,536	655,105,245
Deferred assets		
Investment unit issuance costs	105,609	300,831
Investment corporation bond issuance costs	58,610	46,856
Total deferred assets	164,220	347,687
Total assets	576,683,553	688,770,495

(Unit: thousands of yen)

	As of December 31, 2025	As of June 30, 2026
Liabilities		
Current liabilities		
Operating accounts payable	4,010,343	1,200,620
Current portion of investment corporation bonds	13,100,000	10,100,000
Current portion of long-term loans payable	22,780,000	40,400,000
Accrued expenses	879,670	1,053,836
Income taxes payable	1,210	605
Consumption taxes payable	1,065,969	715,870
Advances received	857,060	840,845
Dividends payable	12,953	22,558
Deposits received	2,688	26,754
Other current liabilities	198,217	723,274
Total current liabilities	42,908,112	55,084,366
Long-term liabilities		
Investment corporation bonds	20,600,000	20,600,000
Long-term loans payable	212,901,000	263,201,000
Tenant leasehold and security deposits	1,040,520	1,044,187
Tenant leasehold and security deposits in trust	4,161,611	3,988,574
Derivative liabilities	—	1,701
Deferred tax liabilities	1,614,286	2,255,551
Asset retirement obligations	343,350	344,181
Total long-term liabilities	240,660,769	291,435,196
Total liabilities	283,568,881	346,519,563
Net assets		
Unitholders' equity		
Unitholders' capital	232,708,699	294,511,987
Surplus		
Capital surplus	21,746,398	21,746,398
Voluntary reserve		
Reserve for temporary difference adjustment	※2 6,959,044	※2 6,490,327
Reserve for advanced depreciation	1,174,860	2,992,860
Total voluntary reserve	8,133,905	9,483,188
Unappropriated retained earnings (undisposed loss)	27,147,695	11,791,838
Total surplus	57,027,999	43,021,425
Total unitholders' equity	289,736,699	337,533,413
Valuation and translation adjustments		
Deferred gains (losses) on hedges	3,377,972	4,717,518
Total valuation and translation adjustments	3,377,972	4,717,518
Total net assets	※3 293,114,671	※3 342,250,932
Total liabilities and net assets	576,683,553	688,770,495

(2) Semi-annual statements of income

(Unit: thousands of yen)

	For the six months ended June 30, 2025	For the six months ended June 30, 2026
Operating revenue		
Real estate operating revenue	※1 18,585,934	※1 22,008,571
Other real estate operating revenue	※1 549,145	※1 559,569
Gain on sale of real estate properties	※2 2,346,230	—
Total operating revenue	21,481,309	22,568,140
Operating Expenses		
Real estate operating costs	※1 5,544,352	※1 6,285,301
Asset management fee	1,205,288	1,381,345
Asset custody and administrative service fee	69,894	80,173
Directors' compensation	8,700	8,700
Other operating expenses	195,534	124,972
Total operating expenses	7,023,770	7,880,491
Operating income	14,457,539	14,687,648
Non-operating income		
Interest income	26,091	33,016
Gain on forfeiture of unclaimed dividends	1,135	1,156
Gain on insurance claims	—	3,292
Interest on tax refunds	87	115
Total non-operating income	27,313	37,580
Non-operating Expenses		
Interest expense	1,286,107	2,068,442
Interest expense on investment corporation bonds	133,852	137,222
Borrowing costs	639,431	643,420
Amortization of investment corporation bond issuance costs	13,356	11,754
Amortization of investment unit issuance costs	39,347	68,668
Other non-operating expenses	5,721	5,742
Total non-operating expenses	2,117,817	2,935,250
Ordinary income	12,367,035	11,789,978
Extraordinary income		
Gain on sale of trademark rights	398,251	—
Total extraordinary income	398,251	—
Income (loss) before income taxes	12,765,287	11,789,978
Income taxes – current	605	605
Total income taxes	605	605
Net income (loss)	12,764,682	11,789,373
Retained earnings brought forward	2,636	2,465
Unappropriated retained earnings (undisposed loss)	12,767,319	11,791,838

(3) Semi-annual statements of changes in net assets

For the six months ended June 30, 2025

(Unit: thousands of yen)

	Unitholders' equity							
	Unitholders' capital	Surplus						Total unitholders' equity
		Capital surplus	Voluntary reserve			Unappropriated retained earnings (undisposed loss)	Total surplus	
			Reserve for temporary difference adjustment	Reserve for advanced depreciation	Total voluntary reserve			
Balance, January 1, 2025	232,708,699	21,746,398	8,754,629	1,174,860	9,929,490	18,273,964	49,949,853	282,658,552
Changes of items during the period								
Reversal of reserve for temporary difference adjustment			(1,795,584)		(1,795,584)	1,795,584	—	—
Dividends paid						(20,066,912)	(20,066,912)	(20,066,912)
Net income						12,764,682	12,764,682	12,764,682
Net changes in items other than unitholders' equity								
Total changes in amount during the period	—	—	(1,795,584)	—	(1,795,584)	(5,506,645)	(7,302,229)	(7,302,229)
Balance, June 30, 2025	*1 232,708,699	21,746,398	6,959,044	1,174,860	8,133,905	12,767,319	42,647,623	275,356,322

	Valuation and translation adjustments		Total net assets
	Deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance, January 1, 2025	744,087	744,087	283,402,640
Changes of items during the period			
Reversal of reserve for temporary difference adjustment			—
Dividends paid			(20,066,912)
Net income			12,764,682
Net changes in items other than unitholders' equity	478,015	478,015	478,015
Total changes in amount during the period	478,015	478,015	(6,824,213)
Balance, June 30, 2025	1,222,103	1,222,103	276,578,426

For the six months ended June 30, 2026

(Unit: thousands of yen)

	Unitholders' equity							
	Unitholders' capital	Surplus						Total unitholders' equity
		Capital surplus	Voluntary reserve			Unappropriated retained earnings (undisposed loss)	Total surplus	
			Reserve for temporary difference adjustment	Reserve for advanced depreciation	Total voluntary reserve			
Balance, January 1, 2026	232,708,699	21,746,398	6,959,044	1,174,860	8,133,905	27,147,695	57,027,999	289,736,699
Changes of items during the period								
Issuance of new investment units	61,803,288							61,803,288
Reversal of reserve for temporary difference adjustment			(468,716)		(468,716)	468,716	–	–
Provision of reserve for special advanced depreciation				1,818,000	1,818,000	(1,818,000)	–	–
Dividends paid						(25,795,947)	(25,795,947)	(25,795,947)
Net income						11,789,373	11,789,373	11,789,373
Net changes in items other than unitholders' equity								
Total changes in amount during the period	61,803,288	–	(468,716)	1,818,000	1,349,283	(15,355,857)	(14,006,573)	47,796,714
Balance, June 30, 2026	*1 294,511,987	21,746,398	6,490,327	2,992,860	9,483,188	11,791,838	43,021,425	337,533,413

	Valuation and translation adjustments		Total net assets
	Deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance, January 1, 2026	3,377,972	3,377,972	293,114,671
Changes of items during the period			
Issuance of new investment units			61,803,288
Reversal of reserve for temporary difference adjustment			–
Provision of reserve for special advanced depreciation			–
Dividends paid			(25,795,947)
Net income			11,789,373
Net changes in items other than unitholders' equity	1,339,546	1,339,546	1,339,546
Total changes in amount during the period	1,339,546	1,339,546	49,136,260
Balance, June 30, 2026	4,717,518	4,717,518	342,250,932

(4) Semi-annual statements of cash flows

(Unit: thousands of yen)

	For the six months ended June 30, 2025	For the six months ended June 30, 2026
Cash flows from operating activities		
Income before income taxes	12,765,287	11,789,978
Depreciation and amortization	3,157,991	3,782,355
Loss on retirement of noncurrent assets	110,094	4,172
Amortization of investment corporation bond issuance costs	13,356	11,754
Amortization of investment unit issuance costs	39,347	68,668
Decrease of property and equipment due to sale	195	—
Decrease of property and equipment in trust due to sale	2,094,231	—
Interest income	(26,091)	(33,016)
Interest expense	1,419,960	2,205,665
Interest on tax refunds	(87)	(115)
Gain on sale of trademark rights	(398,251)	—
(Increase) decrease in operating accounts receivable	1,627,181	2,592,107
(Increase) decrease in prepaid expenses	(175,410)	(162,401)
(Increase) decrease in long-term prepaid expenses	(658,089)	(167,097)
Increase (decrease) in operating accounts payable	(143,795)	(306,154)
Increase (decrease) in accrued expenses	30,158	79,152
Increase (decrease) in consumption taxes payable	(176,277)	(350,098)
Increase (decrease) in advances received	(15,899)	(16,214)
Increase (decrease) in deposits received	(28,505)	24,065
Other	366,268	352,473
Subtotal	20,001,665	19,875,295
Interest received	20,787	40,659
Interest paid	(1,421,860)	(2,110,652)
Interest received on tax refunds	87	115
Income taxes - refunded (paid)	(759)	10,271
Net cash provided by (used in) operating activities	18,599,920	17,815,690
Cash flows from investing activities		
Purchase of property and equipment	(655,627)	(1,132,302)
Purchase of property and equipment in trust	(68,554,039)	(132,546,611)
Purchase of intangible assets	(1,876)	(99,467)
Proceeds from sale of intangible assets	692,720	—
Payments of reserve fund for repairs and maintenance	(20,312)	(21,933)
Proceeds from security deposits	—	20
Proceeds from tenant leasehold and security deposits	—	3,667
Proceeds from tenant leasehold and security deposits in trust	216,752	9,375
Repayments of tenant leasehold and security deposits in trust	(136,656)	(182,168)
Net cash provided by (used in) investing activities	(68,459,040)	(133,969,421)
Cash flows from financing activities		
Proceeds from long-term loans payable	72,350,000	85,750,000
Repayments of long-term loans payable	(8,000,000)	(17,830,000)
Repayments of investment corporation bond	—	(3,000,000)
Proceeds from issuance of investment units	—	61,539,397
Dividends paid	(20,060,322)	(25,785,185)
Net cash provided by (used in) financing activities	44,289,677	100,674,211
Net increase (decrease) in cash and cash equivalents	(5,569,442)	(15,479,519)
Cash and cash equivalents at beginning of period	36,029,120	41,981,128
Cash and cash equivalents at end of period	*1 30,459,678	*1 26,501,609

(5) Notes on going concern assumption

Not applicable.

(6) Notes on matters concerning significant accounting policies

1. Method of depreciation and amortization of noncurrent assets	(1) Property and equipment (including trust accounts) Property and equipment are amortized using the straight-line method. The useful lives of major property and equipment components are as follows: Machinery and equipment 2 to 17 years Tools, furniture and fixtures 2 to 26 years Buildings in trust 2 to 64 years Structures in trust 2 to 64 years Machinery and equipment in trust 2 to 32 years Tools, furniture and fixtures in trust 2 to 27 years (2) Intangible assets Intangible assets are amortized using the straight-line method. The amortization period of major intangible assets is as follows. Software (internal use) 5 years Fixed-term leasehold rights in trust are amortized using the straight-line method based on the remaining period (41 years) of the contract. (3) Long-term prepaid expenses Long-term prepaid expenses are amortized using the straight-line method.
2. Accounting for deferred assets	(1) Investment unit issuance costs Investment unit issuance costs are amortized using the straight-line method over three years. (2) Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized using the interest method over the respective term of the bond.
3. Accounting for recognition of revenues and expenses	(1) Revenue recognition The details of main performance obligations concerning revenue generated from contracts with JHR's customers and the ordinary time to fulfill such performance obligations (ordinary time to recognize revenue) are as follows. (a) Sale of real estate properties For the proceeds from sale of real estate properties, JHR recognizes revenue when the purchaser who is a customer obtains control of the relevant real estate properties, etc., as a result of the seller fulfilling its delivery obligations stipulated in the transaction agreement of the real estate, properties, etc. The amount obtained by deducting "Cost of sale of properties," which is the book value of real estate properties, etc. sold, and "Other selling expenses," which are the various expenses directly required in the sale, from "Proceeds from sale of properties," which are the sales proceeds of real estate properties, etc., is indicated as "Gain on sales of real estate properties" or "Loss on sales of real estate properties" in the statements of income. There is no gain or loss on sales of real estate properties in the previous and current midterm periods under review. (b) Utilities income For utilities income, JHR recognizes revenue in accordance with the supply of electricity, water, etc. to the lessee who is a customer based on the lease contracts of real estate properties, etc. and agreements incidental to it. (2) Treatment of property taxes and other taxes For taxes imposed on properties, etc., under management, such as property taxes, city planning taxes, and depreciable asset taxes, the imposed amounts are allocated to the midterm period and expensed as "Real estate operating costs." Cash paid for property taxes and city planning taxes, etc., to the transferor of real estate properties, etc., at acquisition is not recorded as "Real estate operating costs" but capitalized as part of the acquisition cost of the relevant property. The amount of such taxes capitalized in the acquisition cost of real properties, etc. was ¥294,794 thousand for the previous midterm period and was ¥568,869 thousand for the current midterm period under review.

4. Method of hedge accounting	(1) Method of hedge accounting Deferred hedge accounting is applied (2) Hedging instruments and hedged items Hedging instruments Interest rate swaps Hedged items Interest rates on loans payable (3) Hedging policy JHR enters into certain derivative transactions in accordance with its financial policy in order to manage risks, which are defined in the Articles of Incorporation. (4) Method for assessing hedge effectiveness JHR evaluates hedge effectiveness by comparing the cumulative changes in cash flow of hedging instruments and the hedged items and assessing the ratio between the changes.
5. Scope of funds (cash and cash equivalents) in the semi-annual statements of cash flows	Cash and cash equivalents in the semi-annual statements of cash flows consist of cash on hand, cash in trust accounts, bank deposit and trust deposit, which can be withdrawn at any time, and short-term investments with a maturity of three months or less when purchased, which can easily be converted to cash and subject to minimal risk of change in value.
6. Other significant matters serving as the basis for preparing semi-annual financial statements	Accounting treatment of beneficial interests in trust with real estate, etc., as their assets For trust beneficial interests in real estate, etc., under management, all assets and liabilities held in trust accounts as well as all income generated and expenses incurred from assets in trust are presented in the accompanying semi-annual balance sheet and income statement accounts accordingly. The following material items of the trust accounts recorded in the relevant accounts are presented separately on the semi-annual balance sheets. (a) Cash and deposits in trust (b) Buildings in trust; Structures in trust; Machinery and equipment in trust; Tools, furniture and fixtures in trust; Land in trust; Construction in progress in trust (c) Leasehold rights in trust; Fixed-term leasehold rights in trust; Leasehold and security deposits in trust (d) Tenant leasehold and security deposits in trust

(7) Notes to semi-annual financial statements

Disclosure of notes on "securities" and "share of (profit) loss of entities accounted for using equity method" is omitted because there is thought to be no significant need for disclosure in the midterm financial report.

[Notes to semi-annual balance sheets]

*1. The accumulated advanced depreciation of property and equipment deducted from acquisition costs due to government subsidies received, etc.

(Unit: thousands of yen)

	As of December 31, 2025	As of June 30, 2026
Buildings in trust	230,645	230,645

*2. Provision and reversal of reserve for temporary difference adjustment

As of December 31, 2025

(Unit: thousands of yen)

	Original amount	Balance at beginning of period	Amount of provision during period	Amount of reversal during period	Balance at end of period	Rationale for provision or reversal
Dividend reserve (Note)	13,127,153	8,754,629	—	1,795,584	6,959,044	Allocation for dividend

(Note) Dividend reserve indicates the remaining balance of the amount subdivided into gain on negative goodwill, which was recorded as a dividend reserve before the fiscal year ended December 2016, and is scheduled for reversal every fiscal year starting from the fiscal year following the fiscal year in which the reserve was made in an amount that shall be no less than that in equal amounts every fiscal year over a period of no more than 50 years.

As of June 30, 2026

(Unit: thousands of yen)

	Original amount	Balance at beginning of period	Amount of provision during period	Amount of reversal during period	Balance at end of period	Rationale for provision or reversal
Dividend reserve (Note)	13,127,153	6,959,044	—	468,716	6,490,327	Allocation for dividend

(Note) Dividend reserve indicates the remaining balance of the amount subdivided into gain on negative goodwill, which was recorded as a dividend reserve before the fiscal year ended December 2016, and is scheduled for reversal every fiscal year starting from the fiscal year following the fiscal year in which the reserve was made in an amount that shall be no less than that in equal amounts every fiscal year over a period of no more than 50 years.

*3. Minimum net assets as required by Article 67, Paragraph 4 of the Investment Trust Act

(Unit: thousands of yen)

	As of December 31, 2025	As of June 30, 2026
	¥50,000	¥50,000

[Notes to semi-annual statements of income]

*1. Components of real estate operating revenue and real estate operating costs

(Unit: thousands of yen)

	For the six months ended June 30, 2025	For the six months ended June 30, 2026
A. Real estate operating revenue		
Real estate operating revenue		
Fixed rent	9,459,850	10,924,677
Variable rent	8,191,836	10,031,774
Income from management contracts	934,246	1,052,119
Total	18,585,934	22,008,571
Other real estate operating revenue		
Parking lots	72,241	79,521
Other incidental revenue	28,331	21,543
Utilities	374,453	385,307
Other	74,118	73,197
Total	549,145	559,569
Total real estate operating revenue	19,135,079	22,568,140
B. Real estate operating costs		
Real estate operating costs		
Land lease and other rent expenses	429,497	429,495
Property taxes	1,101,197	1,247,055
Outsourcing expenses (Note)	222,055	281,772
Nonlife insurance	82,160	93,060
Depreciation and amortization	3,157,991	3,782,355
Loss on retirement of noncurrent assets	110,094	4,172
Repairs	7,006	6,918
Utilities	396,980	407,195
Trust fees	24,914	26,515
Other	12,456	6,759
Total real estate operating costs	5,544,352	6,285,301
C. Net real estate operating income (A-B)	13,590,726	16,282,838

(Note) Outsourcing expenses include management contract fees of ¥54,728 thousand for the six months ended June 30, 2025, and ¥81,703 thousand for the six months ended June 30, 2026.

*2. Breakdown of gain on sale of real estate properties

For the year ended June 30, 2025

(Unit: thousands of yen)

Washington Hotel Plaza Hakata, Nakasu	
Proceeds from sale of properties	4,610,000
Cost of sale of properties	2,094,427
Other selling expenses	169,342
Gain on sale of real estate properties	2,346,230

For the year ended June 30, 2026

Not Applicable.

[Notes to semi-annual statements of changes in net assets]

*1. Total number of investment units authorized, issued and outstanding

	For the six months ended June 30, 2025	For the six months ended June 30, 2026
Total number of investment units authorized	20,000,000 units	20,000,000 units
Total number of investment units issued and outstanding	5,097,006 units	5,904,006 units

[Notes to semi-annual statements of cash flows]

*1. Relation of the balance of cash and cash equivalents at the end of the period and the amount in semi-annual balance sheet accounts

(Unit: thousands of yen)

	For the six months ended June 30, 2025	For the six months ended June 30, 2026
Cash and deposits	16,347,995	9,633,606
Cash and deposits in trust	14,111,682	16,868,002
Cash and cash equivalents	30,459,678	26,501,609

[Notes on lease transactions]

Operating leases (as lessor)

Minimum rental revenue under non-cancellable operating leases

(Unit: thousands of yen)

	As of December 31, 2025	As of June 30, 2026
Due within one year	693,654	825,490
Due after one year	2,389,301	2,580,462
Total	3,082,955	3,405,952

[Notes on financial instruments]

Matters concerning fair value, etc., of financial instruments.

Carrying amounts of financial instruments on the (semi-annual) balance sheets, their fair values, and the differences were as follows. Furthermore, notes on "Cash and deposits," "Cash and deposits in trust," "Operating accounts receivable" and "Short-term loans payable" are omitted as these are settled with cash and within a short period of time, and thus, the fair value approximates the book value.

As of December 31, 2025

(Unit: thousands of yen)

	Carrying amount	Fair value	Difference
(1) Current portion of investment corporation bonds payable	13,100,000	12,999,497	(100,503)
(2) Current portion of long-term loans payable	22,780,000	22,780,000	–
(3) Investment corporation bonds	20,600,000	19,910,398	(689,602)
(4) Long-term loans payable	212,901,000	212,631,125	(269,874)
Total liabilities	269,381,000	268,321,020	(1,059,979)
(5) Derivative transactions (*)	4,992,259	4,992,259	—

As of June 30, 2026

(Unit: thousands of yen)

	Carrying amount	Fair value	Difference
(1) Current portion of investment corporation bonds payable	10,100,000	10,051,419	(48,581)
(2) Current portion of long-term loans payable	40,400,000	40,419,321	19,321
(3) Investment corporation bonds	20,600,000	19,921,268	(678,732)
(4) Long-term loans payable	263,201,000	262,865,367	(335,632)
Total liabilities	334,301,000	333,257,376	(1,043,623)
(5) Derivative transactions (*)	6,973,069	6,973,069	—

(*) Receivables and payables arising from derivative transactions are presented on a net basis and amounts in parentheses denote net payables.

(Note) Methods to measure fair value of financial instruments, and derivative transactions

(1) Current portion of investment corporation bonds payable; (3) Investment corporation bonds

The fair value of these instruments is measured based on the market price.

(2) Current portion of long-term loans payable; (4) Long-term loans payable

For long-term loans payable with floating interest rates, the book value is recognized as the fair value because the interest rate is periodically revised, which results in the fair value approximating the book value. For long-term loans payable with fixed interest rates, the present value is calculated by discounting the total principal and interest at the assumed rate for similar new borrowings.

(5) Derivative transactions

The information on the fair value of derivative transactions is presented in "Notes on derivative transactions" below.

[Notes on derivative transactions]

1. Derivative transactions to which hedge accounting is not applied

As of December 31, 2025
Not applicable.

As of June 30, 2026
Not applicable.

2. Derivative transactions to which hedge accounting is applied

For derivative transactions in which hedge accounting is not applied, the contract amounts or the principal amounts equivalent to the principal provided in the contracts. etc., as of the interim and year-end account closing dates were as follows:

As of December 31, 2025

(Unit: thousands of yen)

Method of hedge accounting	Type, etc., of derivative transaction	Main hedged item	Contract amount, etc.		Fair value	Method to measure the fair value
				Of which, due after one year		
Deferral method	Interest rate swaps (fixed rate payment, floating rate receipt)	Long-term loans payable	171,389,000	167,139,000	4,992,259	The fair value is measured at the quoted price, etc., obtained from the counterparty financial institutions.

As of June 30, 2026

(Unit: thousands of yen)

Method of hedge accounting	Type, etc., of derivative transaction	Main hedged item	Contract amount, etc.		Fair value	Method to measure the fair value
				Of which, due after one year		
Deferral method	Interest rate swaps (fixed rate payment, floating rate receipt)	Long-term loans payable	198,889,000	183,089,000	6,973,069	The fair value is measured at the quoted price, etc., obtained from the counterparty financial institutions.

[Notes on asset retirement obligations]

Asset retirement obligations recognized on the balance sheet

1. Outline of the subject asset retirement obligations

JHR recognizes asset retirement obligations as it is obliged to restore the land of Oriental Hotel Fukuoka Hakata Station (former name: Hotel Centraza Hakata), acquired on April 1, 2016 to the original state in accordance with the fixed-term leasehold agreement.

2. Calculation method of the subject asset retirement obligations

Calculated the amount of asset retirement obligations by estimating the expected useful period of use of 34 years based on the remaining useful lives of the period of buildings and using the discount rate of 0.484%.

3. Increase and decrease of the subject asset retirement obligations

(Unit: thousands of yen)

	For the year ended December 31, 2025	For the six months ended June 30, 2026
Balance at beginning of period	341,696	343,350
Adjustment due to passage of time	1,653	830
Balance at end of midterm period (fiscal period)	343,350	344,181

[Notes on segment and related information]

1. Segment information

The segment information has been omitted because JHR has no segments other than the investment and management of hotel real estate.

2. Related information

For the six months ended June 30, 2025

(1) Information about products and services

Information about products and services has been omitted because operating revenue from external customers in a single product/service category accounted for more than 90% of total operating revenue on the semi-annual statements of income.

(2) Information about geographical areas

(i) Operating revenue

Information about geographical areas has been omitted because operating revenue from external customers in Japan accounted for more than 90% of total operating revenue on the semi-annual statements of income.

(ii) Property and equipment, at cost

Information about property and equipment has been omitted because the amount of property and equipment located in Japan accounted for more than 90% of net property and equipment on the semi-annual balance sheets.

(3) Information about major customers

(Unit: thousands of yen)

Name of customer	Operating revenue	Name of related segment
Hotel Management Japan Co., Ltd. (Note)	11,867,655	Investment and management of hotel real estate

(Note) Operating revenue includes the operating revenue from customers belonging to the same company group as said customers.

For the six months ended June 30, 2026

(1) Information about products and services

Information about products and services has been omitted because operating revenue from external customers in a single product/service category accounted for more than 90% of total operating revenue on the semi-annual statements of income.

(2) Information about geographical areas

(i) Operating revenue

Information about geographical areas has been omitted because operating revenue from external customers in Japan accounted for more than 90% of total operating revenue on the semi-annual statements of income.

(ii) Property and equipment, at cost

Information about property and equipment has been omitted because the amount of property and equipment located in Japan accounted for more than 90% of net property and equipment on the semi-annual balance sheets.

(3) Information about major customers

(Unit: thousands of yen)

Name of customer	Operating revenue	Name of related segment
Hotel Management Japan Co., Ltd. (Note)	15,146,914	Investment and management of hotel real estate

(Note) Operating revenue includes the operating revenue from customers belonging to the same company group as said customers.

[Notes on rental properties, etc.]

JHR owns rental properties for hotels to earn lease income and income from management contracts. The carrying amounts, changes in such balances, and fair values of such properties were as follows:

(Unit: thousands of yen)

Use			For the year ended December 31, 2025	For the six months ended June 30, 2026
Hotel	Carrying amount			
		Balance at beginning of period	451,231,225	516,511,273
		Net increase (decrease) during period	65,280,048	127,487,914
		Balance at end of midterm period (fiscal period)	516,511,273	643,999,188
	Fair value at end of midterm period (fiscal period)		703,630,000	923,670,000

(Note 1) For the year ended December 31, 2025, the increase was principally due to acquisition of Hilton Fukuoka Sea Hawk (¥65,186,395 thousand), and the decrease was principally due to disposition of Washington Hotel Plaza Hakata, Nakasu (¥2,094,427 thousand), and depreciation. For the six months ended June 30, 2026, the increase was principally due to acquisition of HYATT REGENCY TOKYO (¥127,227,960 thousand), and the decrease was principally due to depreciation.

(Note 2) Fair value at end of midterm period (fiscal period) is the appraisal value determined by licensed real estate appraisers from outside. Regarding the Fair value at the end of the midterm period for the six months ended June 30, 2026, the fair value of The Beach Tower Okinawa, which was sold on July 31, 2026, was valued at the sale price.

[Notes on revenue recognition]

For the six months ended June 30, 2025

Breakdown of information on revenue generated from contracts with customers

For the breakdown of information on revenue generated from contracts with customers, please refer to "*1. Components of real estate operating revenue and real estate operating costs" and "*2. Breakdown of gain on sale of real estate properties" in [Notes to semi-annual statements of income].

"*1. Components of real estate operating revenue and real estate operating costs" include revenue based on the "Accounting Standard for Lease Transactions" (Corporate Accounting Standard No. 13). In addition, the revenue generated from contracts with major customers is "Proceeds from sale of properties" and "Utilities income."

For the six months ended June 30, 2026

Breakdown of information on revenue generated from contracts with customers

For the breakdown of information on revenue generated from contracts with customers, please refer to "*1. Components of real estate operating revenue and real estate operating costs" in [Notes to semi-annual statements of income].

"*1. Components of real estate operating revenue and real estate operating costs" include revenue based on the "Accounting Standard for Lease Transactions" (Corporate Accounting Standard No. 13). In addition, the revenue generated from contracts with major customers is "Utilities income."

[Notes on per unit information]

Net assets per unit is as follows:

	As of December 31, 2025	As of June 30, 2026
Net assets per unit (JPY)	57,507	57,969

Net income per unit and the basis of computation of net income per unit for midterm are as follows:

	For the six months ended June 30, 2025	For the six months ended June 30, 2026
Net income (loss) per unit (JPY)	2,504	2,103
[Basis of computation]		
Net income for midterm (JPY 1,000)	12,764,682	11,789,373
Amount not attributable to common unitholders (JPY 1,000)	—	—
Net income for midterm attributable to common investment units (JPY 1,000)	12,764,682	11,789,373
Average number of investment units during period (units)	5,097,006	5,605,282

(Note) Net income per unit for midterm is computed by dividing net income for midterm by the average number of investment units during the midterm period. Net income per unit for midterm after the adjustment of potentially dilutive units is not presented since there are no potentially dilutive units.

[Notes on significant subsequent events]

1. Sale of asset

JHR sold the following asset on July 31, 2026.

Name of sold asset	The Beach Tower Okinawa
Asset category	Real estate beneficial interest in trust
Asset type	Hotel
Location	8-6 Aza Mihama, Chatan-cho, Nakagami-gun, Okinawa
Sale price (Note 1)	¥30,900 million
Gain on sale (forecast) (Note 2)	¥24,071 million
Closing date	July 31, 2026
Buyer	Mihama Terroir TMK

(Note 1) The sale price does not include selling expenses, settlement of property tax, city planning tax, etc., and consumption tax and local consumption tax.

(Note 2) The amount obtained by deducting the book value (forecast) and selling expenses (forecast) from the sale price is indicated.

2. Acquisition of asset

JHR acquired the following asset on August 3, 2026.

Name of acquired asset	Candeo Hotels Osaka Namba
Asset category	Real estate beneficial interest in trust and movable assets associated with the hotel
Asset type	Hotel
Location	2-2-5, Higashi-shinsaibashi, Chuo-ku, Osaka city, Osaka
Acquisition date	August 3, 2026
Seller	GK Hikari Hotel
Acquisition price (Note)	¥14,320 million

(Note) The acquisition price does not include expenses for acquisition, settlement of property tax, city planning tax, etc., and consumption tax and local consumption tax.

(8) Changes in the total number of investment units issued and outstanding

The following is the status of increase (decrease) in the total number of investment units issued and outstanding and unitholders' capital for the past five years through to the end of the midterm period under review.

Date	Capital transaction	Total number of investment units issued and outstanding (Units)		Unitholders' capital (JPY1M)		Note
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
September 21, 2023	Capital increase through public offering of investment units	170,000	4,637,006	11,857	199,051	(Note 1)
July 3, 2024	Capital increase through public offering of investment units	451,641	5,088,647	33,045	232,097	(Note 2)
July 30, 2024	Capital increase through third-party allotment of investment units	8,359	5,097,006	611	232,708	(Note 3)
March 9, 2026	Capital increase through public offering of investment units	807,000	5,904,006	61,803	294,511	(Note 4)

(Note 1) New investment units were issued through public offering with an issue price per unit of ¥72,030 (issue value of ¥69,751) in order to procure funds for the acquisition of new properties, etc.

(Note 2) New investment units were issued through public offering with an issue price per unit of ¥75,558 (issue value of ¥73,167) in order to procure funds for the acquisition of new properties, etc.

(Note 3) New investment units were issued through third-party allotment with an issue value per unit of ¥73,167 in order to procure funds for allocation to part of future acquisitions of specified assets or capital expenditures to maintain or improve competitiveness of existing properties.

(Note 4) New investment units were issued through public offering with an issue price per unit of ¥79,086 (issue value of ¥76,584) in order to procure funds for the acquisition of new properties, etc.

3. Reference information

For detailed information on each property, the operating result of hotels and the income statements for individual properties, please see the reference information below as well as the Financial Results Briefing dated today and the website of JHR (https://www.jhrth.co.jp/en/ir/library.html).

(1) Information on values of assets under management, etc.

A. Investment status

The following outlines the investment status of JHR as of the end of the midterm period under review.

Asset category	Hotel type (Note 1)	Prefectural location	Name	As of December 31, 2025		As of June 30, 2026	
				Total amount held (JPY1M) (Note 2)	Ratio to total assets (%) (Note 3)	Total amount held (JPY1M) (Note 2)	Ratio to total assets (%) (Note 3)
Real estate in trust	Full-service hotel	Tokyo	HYATT REGENCY TOKYO	―	―	126,687	18.4
			Hilton Tokyo Odaiba	62,821	10.9	63,291	9.2
		Fukuoka	Hilton Fukuoka Sea Hawk	64,493	11.2	64,198	9.3
			Oriental Hotel Fukuoka Hakata Station	7,761	1.3	7,597	1.1
		Chiba	Oriental Hotel Tokyo Bay	17,691	3.1	17,552	2.5
			Hilton Tokyo Narita Airport	12,978	2.3	12,884	1.9
			International Garden Hotel Narita	8,682	1.5	8,616	1.3
			Hotel Francs	3,266	0.6	3,256	0.5
		Okinawa	OKINAWA HARBORVIEW HOTEL	25,737	4.5	26,238	3.8
		Hiroshima	ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel) (Note 4)	16,659	2.9	16,576	2.4
			Oriental Hotel Hiroshima	3,906	0.7	3,913	0.6
		Aichi	Hilton Nagoya	15,341	2.7	15,275	2.2
		Nara	Hotel Nikko Nara	9,912	1.7	9,860	1.4
		Hyogo	Kobe Meriken Park Oriental Hotel	9,466	1.6	9,385	1.4
		Kanagawa	Mercure Yokosuka	1,663	0.3	1,722	0.3
	Subtotal			260,383	45.2	387,056	56.2
	Limited-service hotel	Tokyo	MIMARU Tokyo Shinjuku West	9,982	1.7	9,968	1.4
			HOTEL AMANEK Shinjuku-Kabukicho.	9,154	1.6	9,142	1.3
			Hotel Oriental Express Ginza West (Note 5)	8,435	1.5	8,452	1.2
			the b ikebukuro	6,648	1.2	6,636	1.0
			CANDEO HOTELS Ueno Koen	6,497	1.1	6,480	0.9
			Comfort Hotel Tokyo Higashi Nihombashi	3,399	0.6	3,430	0.5
			the b hachioji	2,653	0.5	2,636	0.4
			Smile Hotel Nihombashi Mitsukoshimae	2,005	0.3	1,994	0.3
			Washington R&B Hotel Ueno-hirokoji	1,770	0.3	1,776	0.3
			Chisun Hotel Kamata	1,437	0.2	1,454	0.2
			the b suidobashi	1,148	0.2	1,135	0.2
			dormy inn EXPRESS Asakusa	915	0.2	916	0.1
			Chisun Inn Keikyu Kamata	757	0.1	760	0.1
		Osaka	Holiday Inn Osaka Namba	26,374	4.6	26,329	3.8
			Namba Oriental Hotel	15,284	2.7	15,234	2.2
			Hotel Oriental Express Osaka Shinsaibashi	2,746	0.5	2,741	0.4
		Hokkaido	La'gent Stay Sapporo Odori	10,753	1.9	10,734	1.6
			ibis Styles Sapporo	6,163	1.1	6,128	0.9
			Mercure Sapporo	5,460	0.9	5,462	0.8
		Fukuoka	Hotel Oriental Express Fukuoka Tenjin	5,677	1.0	5,653	0.8
			Hotel Oriental Express Fukuoka Nakasukawabata	4,581	0.8	4,569	0.7
			the b hakata	2,304	0.4	2,294	0.3
			Toyoko Inn Hakata-guchi Ekimae	1,310	0.2	1,302	0.2

Asset category	Hotel type (Note 1)	Prefectural location	Name	As of December 31, 2025		As of June 30, 2026	
				Total amount held (JPY1M) (Note 2)	Ratio to total assets (%) (Note 3)	Total amount held (JPY1M) (Note 2)	Ratio to total assets (%) (Note 3)
Real estate in trust	Limited-service hotel	Kyoto	ibis Styles Kyoto Station	6,511	1.1	6,497	0.9
			Oriental Hotel Kyoto Rokujo	4,506	0.8	4,492	0.7
		Kanagawa	Hotel JAL City Kannai Yokohama	3,983	0.7	3,973	0.6
		Okinawa	Mercure Okinawa Naha	2,655	0.5	2,650	0.4
		Kumamoto	dormy inn Kumamoto	2,121	0.4	2,102	0.3
		Ishikawa	UAN kanazawa	2,017	0.3	2,008	0.3
		Nara	Washington Hotel Plaza Nara	1,709	0.3	1,694	0.2
	Subtotal			158,969	27.6	158,654	23.0
	Resort hotel	Okinawa	Hotel Nikko Alivila	17,568	3.0	17,705	2.6
			Southern Beach Hotel & Resort OKINAWA	16,076	2.8	15,976	2.3
			Oriental Hotel Okinawa Resort & Spa	16,059	2.8	15,899	2.3
			The Beach Tower Okinawa (Note 6)	6,359	1.1	6,304	0.9
		Chiba	Hilton Tokyo Bay	26,022	4.5	26,155	3.8
		Osaka	Oriental Hotel Universal City	7,087	1.2	7,041	1.0
		Kanagawa	Hakone Setsugetsuka	3,416	0.6	3,378	0.5
	Subtotal			92,589	16.1	92,461	13.4
Real estate in trust －Total				511,942	88.8	638,173	92.7
Deposits and other assets (Note 7)				64,740	11.2	50,597	7.3
Total assets				576,683	100.0	688,770	100.0

	Amount (JPY1M)	Ratio to total assets (%)	Amount (JPY1M)	Ratio to total assets (%)
Total liabilities	283,568	49.2	346,519	50.3
Total net assets	293,114	50.8	342,250	49.7

(Note 1) Hotels are categorized as limited-service hotels, full-service hotels or resort hotels according to the manner of operation.

(Note 2) For real estate in trust, “Total amount held” shows the amount calculated by deducting accumulated depreciation from the acquisition price (including expenses incidental to acquisition).

(Note 3) “Ratio to total assets” shows the ratio of the total amount of each asset held to total assets, rounded off to one decimal place.

(Note 4) ACTIVE-INTER CITY HIROSHIMA is classified in accordance with the business category of Sheraton Grand Hiroshima Hotel, its main facility.

(Note 5) Sotetsu Fresa Inn Shimbashi-Karasumoriguchi changed its name to Hotel Oriental Express Ginza West on April 1, 2026. The same shall apply hereinafter.

(Note 6) The Beach Tower Okinawa was sold on July 31, 2026.

(Note 7) Includes machinery and equipment, tools, furniture and fixtures, construction in progress in trust, and intangible assets (excluding leasehold rights in trust and fixed-term land lease rights in trust).

B. Assets under management

(A) Major issues of investment securities

Not applicable.

(B) Real estate properties under management

Not applicable.

(C) Other major assets under management

(i) Summary of real estate properties (in trust) under management

The following summarizes the real estate properties (in trust) under management by JHR as of the end of the midterm period under review.

a. Details of assets under management (acquisition price, etc.)

Property No.	Name	Grade (Note 1)	Acquisition price (JPY1M) (Note 2)	Carrying amount at end of period (JPY1M) (Note 3)	Appraisal value at end of period (JPY1M) (Note 4)	Appraisal agency (Note 5)	Investment ratio (Acquisition price) (%) (Note 6)	Collateral (Note 7)
1	Kobe Meriken Park Oriental Hotel	Upper-middle	10,900	9,600	15,800	N	1.7	Unsecured
2	Oriental Hotel Tokyo Bay	Upper-middle	19,900	18,103	40,900	N	3.1	Unsecured
3	Namba Oriental Hotel	Mid-price	15,000	15,376	33,700	N	2.3	Unsecured
4	Hotel Nikko Alivila	Luxury	18,900	17,921	29,800	N	2.9	Unsecured
5	Oriental Hotel Hiroshima	Upper-middle	4,100	3,966	4,290	N	0.6	Unsecured
8	The Beach Tower Okinawa (Note 8)	Mid-price	7,610	6,306	30,900	N	1.2	Unsecured
9	Hakone Setsugetsuka	Mid-price	4,070	3,383	9,110	N	0.6	Unsecured
10	dormy inn Kumamoto	Mid-price	2,334	2,102	6,320	N	0.4	Unsecured
12	the b suidobashi	Mid-price	1,120	1,142	2,890	N	0.2	Unsecured
13	dormy inn EXPRESS Asakusa	Economy	999	916	1,290	J	0.2	Unsecured
15	Washington Hotel Plaza Nara	Mid-price	2,050	1,694	2,420	N	0.3	Unsecured
16	Washington R&B Hotel Ueno-hirokoji	Economy	1,720	1,776	1,800	J	0.3	Unsecured
18	Comfort Hotel Tokyo Higashi Nihombashi	Economy	3,746	3,435	6,670	J	0.6	Unsecured
22	Smile Hotel Nihombashi Mitsukoshimae	Economy	2,108	1,994	3,220	J	0.3	Unsecured
24	Toyoko Inn Hakata-guchi Ekimae	Economy	1,652	1,302	2,730	T	0.3	Unsecured
25	Chisun Hotel Kamata	Economy	1,512	1,457	2,360	T	0.2	Unsecured
26	Chisun Inn Keikyu Kamata	Economy	823	763	1,600	T	0.1	Unsecured
29	Oriental Hotel Universal City	Upper-middle	6,753	7,160	25,600	R	1.1	Unsecured
31	Hilton Tokyo Bay	Luxury	26,050	26,158	47,900	D	4.1	Unsecured
32	ibis Styles Kyoto Station	Mid-price	6,600	6,504	10,200	D	1.0	Unsecured
33	ibis Styles Sapporo	Mid-price	6,797	6,173	11,300	N	1.1	Unsecured
34	Mercure Sapporo	Mid-price	6,000	5,511	13,400	N	0.9	Unsecured
35	Mercure Okinawa Naha	Mid-price	3,000	2,696	7,440	N	0.5	Unsecured
37	the b ikebukuro	Mid-price	6,520	6,653	8,600	N	1.0	Unsecured
39	the b hachioji	Mid-price	2,610	2,644	2,740	N	0.4	Unsecured
40	the b hakata	Mid-price	2,300	2,306	6,180	N	0.4	Unsecured
41	Hotel Francs	Mid-price	3,105	3,258	6,690	D	0.5	Unsecured
42	Mercure Yokosuka	Upper-middle	1,650	1,765	3,710	D	0.3	Unsecured
43	Oriental Hotel Okinawa Resort & Spa	Upper-middle	14,950	16,416	21,500	N	2.3	Unsecured
44	ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel)	Luxury	17,320	16,774	23,100	D	2.7	Unsecured
45	CANDEO HOTELS Ueno Koen	Mid-price	6,705	6,488	7,270	D	1.0	Unsecured
46	Oriental Hotel Fukuoka Hakata Station	Upper-middle	7,197	7,687	18,300	D	1.1	Unsecured
47	Holiday Inn Osaka Namba	Mid-price	27,000	26,374	27,300	N	4.2	Unsecured
48	Hotel Oriental Express Fukuoka Tenjin	Mid-price	5,248	5,697	8,600	D	0.8	Unsecured
49	Hilton Nagoya	Luxury	15,250	15,327	15,800	D	2.4	Unsecured
50	Hilton Tokyo Narita Airport	Upper-middle	13,175	13,097	13,200	N	2.1	Unsecured
51	International Garden Hotel Narita	Mid-price	9,125	8,708	9,650	N	1.4	Unsecured

Property No.	Name	Grade (Note 1)	Acquisition price (JPY1M) (Note 2)	Carrying amount at end of period (JPY1M) (Note 3)	Appraisal value at end of period (JPY1M) (Note 4)	Appraisal agency (Note 5)	Investment ratio (Acquisition price) (%) (Note 6)	Collateral (Note 7)
52	Hotel Nikko Nara	Upper-middle	10,373	9,960	10,200	D	1.6	Unsecured
53	Hotel Oriental Express Osaka Shinsaibashi	Mid-price	2,738	2,751	3,000	D	0.4	Unsecured
54	Hilton Tokyo Odaiba	Upper-middle	62,400	64,635	74,900	N	9.7	Unsecured
55	UAN kanazawa	Upper-middle	2,050	2,013	2,340	N	0.3	Unsecured
56	Hotel Oriental Express Ginza West	Mid-price	8,400	8,489	11,800	D	1.3	Unsecured
57	La'gent Stay Sapporo Odori	Mid-price	10,020	10,912	13,000	N	1.6	Unsecured
58	Oriental Hotel Kyoto Rokujo	Mid-price	4,446	4,533	7,000	N	0.7	Unsecured
59	Hotel Oriental Express Fukuoka Nakasukawabata	Mid-price	4,460	4,601	6,760	N	0.7	Unsecured
60	Hotel JAL City Kannai Yokohama	Mid-price	4,000	4,001	4,690	N	0.6	Unsecured
61	MIMARU Tokyo Shinjuku West	Upper-middle	9,645	9,968	15,200	D	1.5	Unsecured
62	HOTEL AMANEK Shinjuku-Kabukicho.	Mid-price	8,845	9,142	13,400	D	1.4	Unsecured
63	OKINAWA HARBORVIEW HOTEL	Upper-middle	21,562	26,862	24,200	N	3.4	Unsecured
64	Southern Beach Hotel & Resort OKINAWA	Mid-price	16,200	16,117	20,300	N	2.5	Unsecured
65	Hilton Fukuoka Sea Hawk	Upper-middle	64,350	64,376	76,600	D	10.0	Unsecured
66	HYATT REGENCY TOKYO	Upper-middle	126,000	126,986	156,000	N	19.6	Unsecured
	Total		641,391	643,999	923,670		100.0	

(Note 1) JHR categorizes hotels into the four grade classes of "Luxury," "Upper-middle," "Mid-price" and "Economy" mainly from the perspective of average daily rate, etc.
(Note 2) "Acquisition price" is the acquisition price stated on the purchase and sale agreement for beneficial interest in trust, etc. (consumption tax, local consumption tax and the acquisition expense such as broker's fee are not included). The acceptance prices are indicated for the properties that have been accepted through the Merger.
(Note 3) "Carrying amount at end of period" is the book value at the end of the midterm period under review and includes not only the amounts for real estate in trust, but also for machinery and equipment, tools, furniture and fixtures, construction in progress in trust and intangible assets.
(Note 4) "Appraisal value at end of period" is the appraisal value at the end of the midterm period under review as the date of appraisal, in accordance with the asset valuation methods and standards provided in JHR's Articles of Incorporation and the regulations set forth by the Investment Management Association of Japan.
(Note 5) Under "Appraisal agency," the letters indicate the appraisers for the properties as follows:
N: Nihon Fudosan Kenkyusho (Japan Real Estate Institute)
J: JLL Morii Valuation & Advisory K.K.
T: The Tanizawa Sogo Appraisal Co., Ltd.
R: Rich Appraisal Institute Co., Ltd.
D: DAIWA REAL ESTATE APPRAISAL CO., LTD.
(Note 6) "Investment ratio" is the ratio of acquisition price of the respective asset held at the end of the midterm period under review to the total amount of acquisition price of all assets held at the end of the midterm period under review, rounded off to one decimal place.
(Note 7) "Collateral" is whether or not a pledge has been established for the beneficial interest in trust.
(Note 8) The Beach Tower Okinawa was sold on July 31, 2026. Appraisal value at end of period indicates the sale price.
(Note 9) The omitted property numbers are the property numbers of assets that have been sold.

b. Details of assets under management (change in tenants of portfolio)

The following is the total number of tenants, total leasable area, total leased area and occupancy rate of real estate properties (in trust) under management for the past five years.

	End of 22nd period December 2021	End of 23rd period December 2022	End of 24th period December 2023	End of 25th period December 2024	End of 26th period December 2025	End of midterm of 27th period June 2026
Total number of tenants (Note 1)	116	110	117	118	144	148
Total leasable area (Note 2)	733,995.61m^2	733,995.61m^2	767,700.44m^2	832,486.39m^2	963,054.12m^2	1,034,883.02m^2
Total leased area (Note 3)	732,764.69m^2	732,251.49m^2	765,875.99m^2	831,261.48m^2	962,556.92m^2	1,034,245.79m^2
Occupancy rate (Note 4)	99.8%	99.8%	99.8%	99.9%	99.9%	99.9%

(Note 1) Total number of tenants indicates the total number of tenants based on the lease contracts for respective real estate in trust (excluding tenants of parking lots, etc.) as of the end of each fiscal period or midterm period. However, for properties for which master lease contracts under the pass-through scheme are concluded in which the trustee receives the same amounts of rents, etc. from end tenants as is in principle, the total number of end tenants (excluding tenants of parking lots, etc.) is indicated.
(Note 2) In principle, total leasable area represents leasable area of the building, which does not include leasable area of land (including parking lots on ground), based on a lease contract or plan for each real estate in trust. For properties in which the leased area is not described in the lease contract, leasable area represents the area described in the registration of the building. Furthermore, when the leasable area in the lease contract is indicated in tsubo units, the figure in the table has been converted to the area in metric units (3.30578m^2 per one tsubo). The same shall apply hereinafter.
(Note 3) In principle, total leased area represents the leased area described in the lease contract of the building. For properties in which the leased area is not described in the lease contract, leased area shows the area described in the registration of the building. Furthermore, when the leased area in the lease contract is indicated in tsubo units, the figure in the table has been converted to the area in metric units (3.30578m^2 per one tsubo). However, for

properties for which master lease contracts under the pass-through scheme are concluded in which the trustee receives the same amounts of rents, etc. from end tenants as is in principle, the total area for which lease contracts have been concluded with end tenants and which are actually leased is indicated. The same shall apply hereinafter.

(Note 4) Occupancy rate indicates the percentage of leased area of leasable area of respective real estate properties in trust as of the end of each fiscal period or midterm period. The same shall apply hereinafter.

c. Details of assets under management (information on major real estate)

The following is the information on major real estate of which total annual rent accounts for 10% or more of the total annual rent of the entire portfolio.

Property name	Total number of tenants	Total annual rent	Total leased area	Total leasable area	Change in occupancy rate for the past five years (Note 2)	
HYATT REGENCY TOKYO	1	Fixed rent ¥3,600 million Variable rent ¥3,248 million	71,828.90 m^2	71,828.90 m^2	June 2026	100.0%

(Note 1) "Total annual rent" refers to the total amount calculated by multiplying the monthly fixed rent (rent of the building itself only, excluding common area maintenance charges and signage and parking usage fees without factoring in any change in rent during the fiscal year) in lease contracts at the end of the midterm period under review is multiplied by 12, adding assumed amounts of revenue sharing, variable rent and income from management contracts for the full fiscal year.

(Note 2) "Change in occupancy rate for the past five years" are presented only for the period after the property was acquired by JHR.

d. Details of assets under management (NOI, etc.)

Property No.	Name	Rent type (Note 1)	Real estate operating revenue (JPY 1,000)	NOI (Note 2) (JPY 1,000)	NOI after depreciation (Note 3) (JPY 1,000)
1	Kobe Meriken Park Oriental Hotel	Variable/Fixed	533,325	410,346	245,465
2	Oriental Hotel Tokyo Bay	Variable/Fixed	1,173,613	1,105,884	860,217
3	Namba Oriental Hotel	Variable/Fixed	725,386	664,971	575,823
4	Hotel Nikko Alivila	Variable/Fixed	520,689	438,626	300,146
5	Oriental Hotel Hiroshima	Variable/Fixed	132,735	109,387	69,474
8	The Beach Tower Okinawa	Fixed	255,504	231,691	169,860
9	Hakone Setsugetsuka	Fixed	147,469	134,741	84,815
10	dormy inn Kumamoto	Variable/Fixed	114,713	102,673	74,914
12	the b suidobashi	Variable/Fixed	90,355	84,659	71,123
13	dormy inn EXPRESS Asakusa	Fixed	32,537	27,507	20,669
15	Washington Hotel Plaza Nara (Note 4)	Fixed	75,000	66,000	49,000
16	Washington R&B Hotel Ueno-hirokoji	Fixed	48,645	40,304	30,830
18	Comfort Hotel Tokyo Higashi Nihombashi	Variable/Fixed (Note 5)	261,395	244,453	222,347
22	Smile Hotel Nihombashi Mitsukoshimae	Variable/Fixed (Note 5)	120,668	111,839	100,447
24	Toyoko Inn Hakata-guchi Ekimae	Fixed	70,519	62,366	53,451
25	Chisun Hotel Kamata	Variable	96,349	88,812	73,321
26	Chisun Inn Keikyu Kamata	Variable	52,032	48,276	42,281
29	Oriental Hotel Universal City	Variable/Fixed	565,547	534,278	458,604
31	Hilton Tokyo Bay	Variable/Fixed (Note 5)	990,009	847,128	732,338
32	ibis Styles Kyoto Station	Management contract	234,486	204,165	188,552
33	ibis Styles Sapporo	Management contract	284,387	226,085	185,057
34	Mercure Sapporo	Management contract	459,097	344,284	296,537
35	Mercure Okinawa Naha	Management contract	239,498	194,118	159,938
37	the b ikebukuro	Variable/Fixed	217,936	202,760	183,479
39	the b hachioji	Variable/Fixed	113,472	101,136	83,168
40	the b hakata	Variable/Fixed	189,222	180,899	169,039
41	Hotel Francs	Variable/Fixed	209,068	178,010	144,448
42	Mercure Yokosuka	Variable	250,387	194,159	169,575
43	Oriental Hotel Okinawa Resort & Spa	Variable/Fixed	588,651	541,645	288,409
44	ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel)	Variable/Fixed	983,514	733,962	606,610
45	CANDEO HOTELS Ueno Koen	Fixed	174,985	160,980	136,725
46	Oriental Hotel Fukuoka Hakata Station	Variable/Fixed	1,108,481	985,102	800,014
47	Holiday Inn Osaka Namba	Variable/Fixed	588,830	562,774	496,067
48	Hotel Oriental Express Fukuoka Tenjin	Variable/Fixed	547,991	484,262	450,210
49	Hilton Nagoya	Variable	796,660	460,293	360,591
50	Hilton Tokyo Narita Airport	Variable/Fixed	472,667	434,838	307,671
51	International Garden Hotel Narita	Variable/Fixed	277,859	256,076	172,959
52	Hotel Nikko Nara	Variable/Fixed	308,229	283,736	198,754
53	Hotel Oriental Express Osaka Shinsaibashi	Variable/Fixed	71,895	64,126	56,009
54	Hilton Tokyo Odaiba	Variable/Fixed	799,800	618,422	439,476
55	UAN kanazawa	Variable/Fixed (Note 5)	64,392	58,958	48,766
56	Hotel Oriental Express Ginza West	Variable/Fixed	404,571	371,383	356,996
57	La'gent Stay Sapporo Odori	Variable	441,364	417,818	345,444
58	Oriental Hotel Kyoto Rokujo	Variable/Fixed	185,328	174,528	155,133
59	Hotel Oriental Express Fukuoka Nakasukawabata	Variable/Fixed	283,075	271,487	257,935
60	Hotel JAL City Kannai Yokohama	Variable/Fixed	88,698	78,519	61,715
61	MIMARU Tokyo Shinjuku West	Variable/Fixed	330,472	312,184	298,153
62	HOTEL AMANEK Shinjuku-Kabukicho.	Variable/Fixed	293,718	280,584	268,368
63	OKINAWA HARBORVIEW HOTEL	Variable/Fixed	525,000	501,048	225,817
64	Southern Beach Hotel & Resort OKINAWA	Variable/Fixed	294,139	259,173	144,609
65	Hilton Fukuoka Sea Hawk	Variable/Fixed	2,269,870	2,157,556	1,820,410
66	HYATT REGENCY TOKYO (Note 6)	Variable/Fixed	2,463,470	2,420,256	2,171,011
	Total		22,568,140	20,070,198	16,282,838

(Note 1) Under "Rent type," "Fixed" is a property under a fixed rent structure, "Variable" is a property under a variable rent structure, "Management contract" is a property under a management contract structure, and "Variable/Fixed" is a property under a combination of fixed and variable rent structures.

(Note 2) NOI = Real estate operating revenue – Real estate operating costs + Depreciation + Loss on retirement of noncurrent assets + Asset retirement obligations expenses

(Note 3) NOI after depreciation (net real estate operating income) = Real estate operating revenue – Real estate operating costs

(Note 4) For Washington Hotel Plaza Nara, consent on disclosure of rent in units of thousands of yen has not been obtained from the lessees and numbers are thus rounded down to the nearest millions of yen.

(Note 5) Comfort Hotel Tokyo Higashi Nihombashi, Smile Hotel Nihombashi Mitsukoshimae, Hilton Tokyo Bay and UAN kanazawa have rent structures with fixed rents and partial revenue sharing.

(Note 6) HYATT REGENCY TOKYO was acquired on March 13, 2026.

(Note 7) The property numbers of assets that were sold before the end of the previous fiscal year are intentionally omitted.

e. Summary of analyses, etc. of earthquake risk

The following is the PML value, etc., of real estate properties (in trust) under management as of the end of the midterm period under review.

Property No.	Name	Probable Maximum Loss (PML) ratio by earthquake risk analyses (%) (Note 1)	Existence of earthquake insurance	Provider of PML value (Note 2)
1	Kobe Meriken Park Oriental Hotel	11.6	None	P
2	Oriental Hotel Tokyo Bay	14.2	None	P
3	Namba Oriental Hotel	13.4	None	P
4	Hotel Nikko Alivila	7.3	None	P
5	Oriental Hotel Hiroshima	10.7	None	O
8	The Beach Tower Okinawa	2.7	None	S
9	Hakone Setsugetsuka	14.4	None	P
10	dormy inn Kumamoto	5.6	None	S
12	the b suidobashi	5.4	None	S
13	dormy inn EXPRESS Asakusa	4.9	None	S
15	Washington Hotel Plaza Nara	13.7	None	P
16	Washington R&B Hotel Ueno-hirokoji	3.6	None	S
18	Comfort Hotel Tokyo Higashi Nihombashi	6.7	None	S
22	Smile Hotel Nihombashi Mitsukoshimae	7.5	None	S
24	Toyoko Inn Hakata-guchi Ekimae	Total: 3.8	None	S
25	Chisun Hotel Kamata	9.0	None	S
26	Chisun Inn Keikyu Kamata	4.2	None	S
29	Oriental Hotel Universal City	8.7	None	P
31	Hilton Tokyo Bay	3.2	None	T
32	ibis Styles Kyoto Station	10.5	None	T
33	ibis Styles Sapporo	1.0	None	T
34	Mercure Sapporo	1.0	None	T
35	Mercure Okinawa Naha	0.5	None	T
37	the b ikebukuro	5.3	None	T
39	the b hachioji	4.9	None	T
40	the b hakata	3.3	None	T
41	Hotel Francs	2.5	None	T
42	Mercure Yokosuka	7.1	None	T
43	Oriental Hotel Okinawa Resort & Spa	0.7	None	T
44	ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel)	2.0	None	T
45	CANDEO HOTELS Ueno Koen	3.1	None	T
46	Oriental Hotel Fukuoka Hakata Station	2.4	None	T
47	Holiday Inn Osaka Namba	6.5	None	T
48	Hotel Oriental Express Fukuoka Tenjin	3.3	None	T
49	Hilton Nagoya	1.7	None	T
50	Hilton Tokyo Narita Airport	2.4	None	T
51	International Garden Hotel Narita	5.2	None	T
52	Hotel Nikko Nara	7.5	None	T
53	Hotel Oriental Express Osaka Shinsaibashi	7.3	None	S
54	Hilton Tokyo Odaiba	4.3	None	T
55	UAN kanazawa	10.0	None	T
56	Hotel Oriental Express Ginza West	7.0	None	S
57	La'gent Stay Sapporo Odori	2.6	None	T
58	Oriental Hotel Kyoto Rokujo	12.2	None	T

Property No.	Name	Probable Maximum Loss (PML) ratio by earthquake risk analyses (%) (Note 1)	Existence of earthquake insurance	Provider of PML value (Note 2)
59	Hotel Oriental Express Fukuoka Nakasukawabata	5.2	None	T
60	Hotel JAL City Kannai Yokohama	7.9	None	S
61	MIMARU Tokyo Shinjuku West	4.2	None	T
62	HOTEL AMANEK Shinjuku-Kabukicho.	3.0	None	T
63	OKINAWA HARBORVIEW HOTEL	4.5	None	S
64	Southern Beach Hotel & Resort OKINAWA	10.5	None	S
65	Hilton Fukuoka Sea Hawk	Less than 0.1	None	S
66	HYATT REGENCY TOKYO	4.8	None	S

(Note 1) PML (Probable Maximum Loss) represents damage caused by a major earthquake that may occur once every 475 years (estimated probability of such earthquake to occur during the 50 years is 10%.) during expected holding period (50 years = useful life of ordinary buildings). PML is the anticipated percentage of recovery cost against the building replacement cost. JHR will evaluate the possibility to acquire earthquake insurance for the property if the PML of the particular property exceeds 15%. As of the end of the midterm fiscal period under review, there is no property with a plan to be insured by earthquake insurance.

(Note 2) Under "Provider of PML value," the letters indicate the provider as follows.
T: Tokio Marine dR Co., Ltd.
P: Deloitte Tohmatsu Property Risk Solution Co., Ltd.
O: OBAYASHI CORPORATION
S: SOMPO Risk Management, Inc.

(Note 3) The property numbers of assets sold are intentionally omitted.

(ii) Rent structures of hotels with variable rent, etc.

	Property No.	Name	Rent type	Method of calculating variable rent and income from management contracts
The 29 Hotels with Variable Rent, etc.	1	Kobe Meriken Park Oriental Hotel	Variable/Fixed	(Total AGOP of the Five HMJ Hotels (Note 1) – base amount (¥4,120 million/year (Note 2))) x 85.0%
	2	Oriental Hotel Tokyo Bay		
	3	Namba Oriental Hotel		
	4	Hotel Nikko Alivila		
	5	Oriental Hotel Hiroshima		
	29	Oriental Hotel Universal City	Variable/Fixed	(AGOP – base amount (¥370 million/year)) x 95.0%
	43	Oriental Hotel Okinawa Resort & Spa	Variable/Fixed	(AGOP – base amount (¥655 million/year)) x 95.0%
	44	ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel)	Variable/Fixed (Note 3)	(AGOP – base amount (¥360 million/year)) x 90.0%
	46	Oriental Hotel Fukuoka Hakata Station	Variable/Fixed	(AGOP – base amount (¥442 million/year)) x 98.0%
	47	Holiday Inn Osaka Namba	Variable/Fixed	(AGOP – base amount (¥580 million/year)) x 97.0%
	48	Hotel Oriental Express Fukuoka Tenjin	Variable/Fixed	(AGOP – base amount (¥165 million/year)) x 97.0%
	50	Hilton Tokyo Narita Airport	Variable/Fixed	(AGOP – base amount (¥450 million/year)) x 93.0%
	51	International Garden Hotel Narita	Variable/Fixed	(AGOP – base amount (¥360 million/year)) x 98.0%
	52	Hotel Nikko Nara	Variable/Fixed	(AGOP – base amount (¥440 million/year)) x 95.0%
	53	Hotel Oriental Express Osaka Shinsaibashi	Variable/Fixed	(AGOP – base amount (¥128 million/year)) x 91.0%
	58	Oriental Hotel Kyoto Rokujo	Variable/Fixed	(AGOP – base amount (¥183 million/year)) x 93.5%
	59	Hotel Oriental Express Fukuoka Nakasukawabata	Variable/Fixed	(AGOP – base amount (¥189 million/year)) x 92.0%
	60	Hotel JAL City Kannai Yokohama	Variable/Fixed	(AGOP – base amount (¥150 million/year)) x 95.0%
	64	Southern Beach Hotel & Resort OKINAWA	Variable/Fixed	(AGOP – base amount (¥650 million/year)) x 93.0%
	65	Hilton Fukuoka Sea Hawk	Variable/Fixed	(AGOP – base amount (¥2,100 million/year)) x 95.0%
	32	ibis Styles Kyoto Station	Management contract (Note 4)	Amount equivalent to GOP
	33	ibis Styles Sapporo		
	34	Mercure Sapporo		
	35	Mercure Okinawa Naha		
	42	Mercure Yokosuka	Variable	Amount linked to GOP (Note 5)
	12	the b suidobashi	Variable/Fixed	Amount linked to AGOP (Note 5)
	37	the b ikebukuro		
	39	the b hachioji		
	40	the b hakata		
Other hotels with variable rent or revenue sharing	10	dormy inn Kumamoto	Variable/Fixed	(GOP – base amount (¥250 million/year)) x 50.0%
	18	Comfort Hotel Tokyo Higashi Nihombashi	Fixed + Revenue sharing	Amount that is a certain percentage of sales exceeding the threshold (Note 5)
	22	Smile Hotel Nihombashi Mitsukoshimae	Fixed + Revenue sharing	Amount that is a certain percentage of sales exceeding the threshold (Note 5)
	25	Chisun Hotel Kamata	Variable	Amount that is the monthly GOP multiplied by 88.0% (¥0 if the amount is below ¥0) (Note 6)
	26	Chisun Inn Keikyu Kamata	Variable	Amount that is the monthly GOP multiplied by 86.0% (¥0 if the amount is below ¥0)
	31	Hilton Tokyo Bay	Fixed + Revenue sharing	Amount that is a certain percentage of sales exceeding the threshold (Note 5)
	41	Hotel Francs	Variable/Fixed	(GOP – base amount (¥350 million/year)) x 52.0%
	49	Hilton Nagoya	Variable	Variable rents linked to hotel sales, etc. (Note 5)
	54	Hilton Tokyo Odaiba	Variable/Fixed	(AGOP – base amount (¥1,660 million/year)) x 98.0%
	55	UAN kanazawa	Fixed + Revenue sharing	(Room sales – base amount (¥270 million/year)) x 30.0%
	56	Hotel Oriental Express Ginza West	Variable/Fixed	(AGOP – base amount (¥190.5 million/year)) x 95.0% (Note 6)
	57	La'gent Stay Sapporo Odori	Variable	Amount linked to GOP (Note 5)
	61	MIMARU Tokyo Shinjuku West	Variable/Fixed	Amount linked to GOP (Note 5)
	62	HOTEL AMANEK Shinjuku-Kabukicho.	Variable/Fixed	Amount linked to GOP (Note 5)
	66	HYATT REGENCY TOKYO	Variable/Fixed	(AGOP – base amount (¥2,980 million)) x 97.5% (Note 7)

(Note 1) AGOP (adjusted GOP) is calculated by subtracting certain fees and other items from GOP. The same shall apply hereinafter.

(Note 2) For the purpose of payments of variable rent from each hotel, etc. JHR has set individual GOP base amount for each hotel. The breakdown of the AGOP base amount of the Five HMJ Hotels (¥4,120 million/year) is as follows:

¥690 million for Kobe Meriken Park Oriental Hotel, ¥1,060 million for Oriental Hotel Tokyo Bay, ¥890 million for Namba Oriental Hotel, ¥1,250 million for Hotel Nikko Alivila and ¥230 million for Oriental Hotel Hiroshima.

(Note 3) The indicated figures are for Sheraton Grand Hiroshima Hotel, the main facility of ACTIVE-INTER CITY HIROSHIMA.

(Note 4) The management contract structure is a structure for hotel real estate owned by JHR in which JHR entrusts an operator to operate the hotel and takes in the outcome of that business as real estate operating revenue. Specifically, JHR, the owner of the hotel real estate, concludes a management contract with an operator and entrusts the operator with the tasks necessary to run the hotel business. JHR receives the hotel revenue achieved from the hotel business (operation) by the operator and, at the same time, pays a management fee to the operator. This hotel revenue achieved is recognized as "real estate operating revenue through management contract" and is equivalent to the rent, which is the real estate operating revenue under the leasing structure.

(Note 5) The detailed content of the contract is not disclosed as the consent for disclosure has not been obtained from the lessee.

(Note 6) The hotel's variable rent from January 2027 onward, will be calculated as follows.
January 2027 and after: (AGOP – base amount (¥254 million/year)) x 95.0%

(Note 7) The hotel's variable rent from January 2027 onward, will be calculated as follows.
January 2027 and after: (AGOP – base amount (¥3,720 million/year)) x 97.5%

(Note 8) Additionally, the rent type of OKINAWA HARBORVIEW HOTEL will change from Fixed to Variable/Fixed from August 2026 onward. The hotel's variable rent will be calculated as follows.

From August 2026 to December 2026: (AGOP – base amount (¥300 million)) x 95.0%

FY 2027 and after: (AGOP – base amount (¥720 million/year)) x 95.0%

Furthermore, the rent type of The Beach Tower Okinawa will change from Fixed to Variable/Fixed from July 2026 onward. The hotel's variable rent will be calculated as follows.

July 2026 and after: (GOP – base amount (¥700 million/year)) x 10.0%

(2) Status of capital expenditures

a. Planned capital expenditures (Note)

The following table shows major estimated capital expenditure items for renovation work, etc., planned as of today. Total capital expenditures for the second half of the year are planned to be ¥10,173 million. Together with the capital expenditures in the first half of the year, total capital expenditures for the full year are planned to be ¥12,954 million.

Name of property, etc. (Location)	Purpose	Scheduled period	Estimated construction costs (JPY1M)	
			Total amount	Total amount paid
Chisun Hotel Kamata (Ohta-ku, Tokyo)	Renovation of car parking garage	From October 2026 to November 2026	62	—
Hilton Tokyo Bay (Urayasu city, Chiba)	Renewal of elevators	From October 2026 to November 2026	90	—
Mercure Sapporo (Sapporo city, Hokkaido)	Renewal of air-conditioning equipment in common area (3rd and 4th floor)	From May 2026 to October 2026	60	—
Hotel Francs (Chiba city, Chiba)	Renovation of hot water supply system	From February 2026 to September 2026	83	—
Oriental Hotel Fukuoka Hakata Station (Fukuoka city, Fukuoka)	Renovation of rooftop bar	From October 2026 to December 2026	80	—
Hilton Narita (Narita city, Chiba)	Repair of central monitoring system, etc.	From January 2026 to November 2026	85	—
Hilton Narita (Narita city, Chiba)	Renovation of guest rooms	From November 2026 to December 2026	106	—
Hilton Tokyo Odaiba (Minato-ku, Tokyo)	Major renovation works for entire property/ Interior renovation works (Planned for the second half of 2026)	From January 2026 to December 2026	6,068	1,146
OKINAWA HARBORVIEW HOTEL (Naha city, Okinawa)	Exterior construction, renovation of pool (Planned for the second half of 2026)	From July 2026 to October 2026	42	—
OKINAWA HARBORVIEW HOTEL (Naha city, Okinawa)	Renovation of exterior wall (2nd phase)	From February 2026 to September 2026	175	84
Hilton Fukuoka Sea Hawk (Fukuoka city, Fukuoka)	Renovation of guestrooms and executive lounge	From June 2026 to September 2026	600	—
HYATT REGENCY TOKYO (Shinjuku-ku, Tokyo)	Installment of LED lighting equipment in hotel common area	From May 2026 to November 2026	60	—
Total			7,513	1,231

(Note) New construction and renewal work include those for buildings, attached facilities, etc. as well as items classified as furniture and fixtures. The scheduled period of the above-planned renovation work and whether the renovation work will be performed may change.

b. Capital expenditures during the period (Note)

Major construction work conducted by JHR during the midterm period under review that represents capital expenditures is outlined below. Capital expenditures for the midterm period under review totaled ¥2,780 million, and repair expenses that were accounted for as expenses for the midterm period under review totaled ¥6 million. In aggregate, ¥2,787 million of construction work was carried out.

Name of property, etc. (Location)	Purpose	Period	Construction costs (JPY1M)
Hotel Nikko Alivila (Nakagami-gun, Okinawa)	Renewal of elevators	From October 2025 to May 2026	240
Hilton Tokyo Bay (Urayasu city, Chiba)	Renewal of electrical transmission and distribution system	From January 2026 to January 2026	220
Mercure Yokosuka (Yokosuka city, Kanagawa)	Renewal of self-controlled air conditioning equipment	From October 2025 to January 2026	75
Hilton Tokyo Odaiba (Minato-ku, Tokyo)	Renovation of electrical transmission and distribution system	From February 2026 to February 2026	116

Hilton Tokyo Odaiba (Minato-ku, Tokyo)	Renewal of air-conditioning facilities	From December 2025 to February 2026	136
Hilton Tokyo Odaiba (Minato-ku, Tokyo)	Major renovation works for entire property/ Interior renovation works (Completed in the first half of 2026)	From January 2026 to June 2026	366
OKINAWA HARBORVIEW HOTEL (Naha city, Okinawa)	Exterior construction, renovation of pool (Completed in the first half of 2026)	From September 2025 to June 2026	601
OKINAWA HARBORVIEW HOTEL (Naha city, Okinawa)	Renovation of plumbing and piping	From February 2026 to June 2026	95
Other capital expenditures			930
Total			2,780

(Note) New construction and renewal work include those for buildings, attached facilities, etc. as well as items classified as furniture and fixtures.