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Announcement of Monthly Disclosure for July 2023

With respect to the business performance of the hotels owned by Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) for July 2023, JHR informs you of the monthly sales, occupancy rates, ADR, and RevPAR of rooms department of the 25 Hotels with Variable Rent, etc. (Note 1) as below. For each hotel’s track record of hotel operations, please check JHR’s website (Note 2).

JHR continues to announce monthly disclosure of hotels from which JHR receives variable rent or income from management contracts and whose lessees, etc., have agreed with the monthly disclosure.

| Hotel/Item                                      |                | July   | Fluctuation compared with the same month of 2022 (Note 9) | Change in fluctuation compared with the same month of 2022 | Cumulative total (Note 10) | Fluctuation of the cumulative total compared with 2022 (Note 11) | Change in fluctuation of the cumulative total compared with 2022 | 【Reference】  |  |
|---|----------------|--------|---|--|----------------------------|--|--|--|--|
|   |                |        |   |  |                            |  |  | Change in fluctuation compared with same month of 2019 (Note 12) | Change in fluctuation of the cumulative total compared with 2019 (Note 12) |
| Total of the 25 Hotels with Variable Rent, etc. | Occupancy rate | 78.0%  | 10.5%   | 15.6%  | 76.3%                      | 18.8%  | 32.7%  | (11.3%)  | (11.1%)  |
|   | ADR (JPY)      | 20,761 | 6,347   | 44.0%  | 17,237                     | 5,757  | 50.1%  | 16.3%  | 8.4%   |
|   | RevPAR (JPY)   | 16,198 | 6,473   | 66.6%  | 13,150                     | 6,551  | 99.3%  | 3.2%   | (3.6%)   |
|   | Sales (JPY1M)  | 5,375  | 1,782   | 49.6%  | 31,597                     | 13,639   | 76.0%  | (1.3%)   | (8.5%)   |
| The 16 HMJ Hotels                               | Occupancy rate | 77.9%  | 11.7%   | 17.7%  | 76.2%                      | 19.9%  | 35.3%  | (13.0%)  | (11.8%)  |
|   | ADR (JPY)      | 23,338 | 6,766   | 40.8%  | 19,438                     | 6,411  | 49.2%  | 18.7%  | 11.2%  |
|   | RevPAR (JPY)   | 18,172 | 7,206   | 65.7%  | 14,818                     | 7,480  | 101.9%   | 3.3%   | (1.9%)   |
|   | Sales (JPY1M)  | 4,695  | 1,502   | 47.0%  | 27,818                     | 11,904   | 74.8%  | (1.4%)   | (7.6%)   |

\*As the impact of COVID-19 has been significant since February 2020, the change in fluctuation compared with 2019 is also stated.

<Special Items>

In July 2023, the number of inbound visitors improved by 5.6 points from the previous month, a decrease of 22.4% from the same month in 2019. This result was driven by inbound visitors from several countries and regions, including South Korea, Singapore, the United States, and Australia, with the total number of visitors, excluding China, exceeded that of the same month in 2019. The domestic leisure demand also remains solid.

ADR for the total of the 25 Hotels with Variable Rent owned by JHR has continued to grow by more than 10% since May of this year compared to the same month in 2019 due to the promotion of high-unit sales strategies, including attractive product creation and effective marketing and sales initiatives. In July 2023, RevPAR increased by 3.2% compared to the same month in 2019, led by ADR growth of 16.3% over the same month in 2019.

JHR expects RevPAR to continue to recover steadily along with ADR growth, except some typhoon impacts may be seen in August.

- (Note 1) The 25 Hotels with Variable Rent, etc., refers to 25 hotels, which are The 16 HMJ Hotels plus ibis Styles Kyoto Station, ibis Styles Sapporo, Mercure Sapporo, Mercure Okinawa Naha, Mercure Yokosuka, the b ikebukuro, the b hachioji, the b hakata and the b suidobashi. The 16 HMJ Hotels refers to 16 hotels, which are Kobe Meriken Park Oriental Hotel, Oriental Hotel Tokyo Bay, Namba Oriental Hotel, Hotel Nikko Alivila, Oriental Hotel Hiroshima, Oriental Hotel Okinawa Resort & Spa, ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel), Oriental Hotel Fukuoka Hakata Station, Holiday Inn Osaka Namba, Hilton Tokyo Narita Airport, International Garden Hotel Narita, Hotel Nikko Nara, Hotel Oriental Express Osaka Shinsaibashi, Hilton Tokyo Odaiba, Hotel Oriental Express Fukuoka Tenjin and Oriental Hotel Universal City.
- (Note 2) Please check JHR's website below for each hotel's track record of hotel operations.  
<https://www.jhrth.co.jp/en/portfolio/review.html>
- (Note 3) The numbers and comments above have been prepared based on information the asset management company had obtained from the lessees, etc., and are only provided as a reference of general trends.
- (Note 4) Numbers for each month and numbers and information shown in the comments have not been audited nor been the subject of the independent verification of the asset management company. Therefore, no guarantee is made as to the accuracy or completeness of the numbers and information. Also, the sales for each month and the total of each month may be different from the total sales for the six-month or full year stated in the annual securities report, etc., to be submitted later.
- (Note 5) Occupancy rate: The number of rooms sold during the period is divided by the number of rooms available during the same period.
- (Note 6) ADR (Average Daily Rate): Total room revenue for a certain period (excluding service charges) is divided by the total number of rooms sold during the period.
- (Note 7) RevPAR (Revenue Per Available Room): Total room revenue for a certain period (excluding service charges) is divided by the total number of available rooms during the period.
- (Note 8) The occupancy rate is rounded off to the first decimal place. ADR and RevPAR are rounded off to the nearest whole number. Sales are rounded off to the nearest million yen.
- (Note 9) Fluctuation compared with the same month of 2022 means the fluctuation between the month subject to disclosure in this notice and the same month of 2022.
- (Note 10) The cumulative total is the cumulative total from the beginning of the fiscal year (January) to the month subject to disclosure in this notice.
- (Note 11) Fluctuation of the cumulative total compared with 2022 means the fluctuation between the cumulative total from the beginning of the fiscal year (January) to the month subject to disclosure in this notice and the cumulative total from the beginning of 2022 (January) to the same month in 2022.
- (Note 12) The change in fluctuation compared with 2019 means the fluctuation between the month subject to disclosure in this notice and the same month in 2019. The change in fluctuation of the cumulative total compared with 2019 means the fluctuation between the cumulative total from the beginning of the fiscal year (January) to the month subject to disclosure in this notice and the same period of 2019.
- (Note 13) Sales are only from hotels and exclude rent from non-hotel tenants.

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