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Announcement of Monthly Disclosure for November 2016

With respect to the business performance of the hotels owned by Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) for November 2016, JHR informs you of the monthly sales, occupancy rates, ADR, and RevPAR of rooms department as below.

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

<The Five HMJ Hotels>

Hotel / Indicators		November	Fluctuation compared with the same month last year (Note 7)	Change in fluctuation compared with the same month last year	Cumulative total (Note 8)	Fluctuation of the cumulative total compared with last year (Note 9)	Change in fluctuation of the cumulative total compared with last year
Kobe Meriken Park Oriental Hotel	Occupancy rate	86.8%	6.6%	8.2%	79.0%	-1.6%	-2.0%
	ADR (JPY)	16,764	-1,177	-6.6%	17,496	534	3.2%
	RevPAR (JPY)	14,557	157	1.1%	13,818	151	1.1%
	Sales (JPY 1M)	500	19	4.0%	4,838	88	1.8%
Oriental Hotel tokyo bay	Occupancy rate	99.5%	0.5%	0.5%	96.6%	-1.4%	-1.5%
	ADR (JPY)	19,563	-1,395	-6.7%	20,192	410	2.1%
	RevPAR (JPY)	19,467	-1,278	-6.2%	19,505	113	0.6%
	Sales (JPY 1M)	622	-49	-7.3%	6,570	-58	-0.9%
Namba Oriental Hotel	Occupancy rate	96.9%	10.4%	12.0%	93.8%	3.1%	3.4%
	ADR (JPY)	19,147	-65	-0.3%	19,891	3,074	18.3%
	RevPAR (JPY)	18,548	1,933	11.6%	18,653	3,399	22.3%
	Sales (JPY 1M)	234	14	6.4%	2,625	304	13.1%
Hotel Nikko Alivila	Occupancy rate	87.2%	6.4%	7.9%	86.0%	0.1%	0.2%
	ADR (JPY)	16,821	-1,341	-7.4%	28,019	1,179	4.4%
	RevPAR (JPY)	14,666	-4	0.0%	24,084	1,051	4.6%
	Sales (JPY 1M)	390	2	0.6%	5,742	141	2.5%
Oriental Hotel Hiroshima	Occupancy rate	87.1%	7.9%	10.0%	81.7%	1.7%	2.2%
	ADR (JPY)	9,914	777	8.5%	9,675	744	8.3%
	RevPAR (JPY)	8,633	1,397	19.3%	7,908	763	10.7%
	Sales (JPY 1M)	208	0	-0.1%	2,024	113	5.9%
Total of five hotels	Sales (JPY 1M)	1,954	-13	-0.7%	21,799	587	2.8%

<The HMJ Group Hotels>

Hotel / Indicators		November	Fluctuation compared with the same month last year (Note 7)	Change in fluctuation compared with the same month last year	Cumulative total (Note 8)	Fluctuation of the cumulative total compared with last year (Note 9)	Change in fluctuation of the cumulative total compared with last year
Okinawa Marriott Resort & Spa	Occupancy rate	75.8%	-9.9%	-11.6%	86.2%		
	ADR (JPY)	12,796	256	2.0%	19,975		
	RevPAR (JPY)	9,702	-1,051	-9.8%	17,214		
	Sales (JPY 1M)	223	-32	-12.6%	3,644		
ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel)	Occupancy rate	91.3%			85.6%		
	ADR (JPY)	17,183			17,399		
	RevPAR (JPY)	15,686			14,892		
	Sales (JPY 1M)	282			2,707		
Hotel Centraza Hakata	Occupancy rate	94.8%					
	ADR (JPY)	10,380					
	RevPAR (JPY)	9,838					
	Sales (JPY 1M)	214					
Holiday Inn Osaka Namba	Occupancy rate	92.2%					
	ADR (JPY)	18,889					
	RevPAR (JPY)	17,407					
	Sales (JPY 1M)	167					

<The Six Accor Hotels>

Hotel / Indicators		November	Fluctuation compared with the same month last year (Note 7)	Change in fluctuation compared with the same month last year	Cumulative total (Note 8)	Fluctuation of the cumulative total compared with last year (Note 9)	Change in fluctuation of the cumulative total compared with last year
Mercure Sapporo	Occupancy rate	84.6%	6.8%	8.7%	84.6%	3.2%	3.9%
	ADR (JPY)	8,744	94	1.1%	11,858	798	7.2%
	RevPAR (JPY)	7,395	665	9.9%	10,031	1,030	11.4%
	Sales (JPY 1M)	77	2	2.6%	1,138	75	7.0%
ibis Styles Sapporo	Occupancy rate	86.7%	2.7%	3.2%	89.3%	1.8%	2.1%
	ADR (JPY)	6,920	-520	-7.0%	9,961	470	5.0%
	RevPAR (JPY)	5,999	-253	-4.0%	8,891	594	7.2%
	Sales (JPY 1M)	68	3	4.7%	1,034	91	9.7%
ibis Tokyo Shinjuku	Occupancy rate	85.1%	11.8%	16.1%	80.2%	-9.0%	-10.1%
	ADR (JPY)	12,667	637	5.3%	12,369	602	5.1%
	RevPAR (JPY)	10,777	1,961	22.2%	9,918	-580	-5.5%
	Sales (JPY 1M)	73	13	20.9%	759	-45	-5.6%
ibis Styles Kyoto Station	Occupancy rate	99.1%	3.5%	3.6%	96.9%	6.4%	7.0%
	ADR (JPY)	16,129	116	0.7%	11,596	1,060	10.1%
	RevPAR (JPY)	15,979	671	4.4%	11,231	1,697	17.8%
	Sales (JPY 1M)	112	7	6.7%	902	157	21.1%
Mercure Okinawa Naha	Occupancy rate	84.7%	1.6%	2.0%	83.8%	2.7%	3.4%
	ADR (JPY)	10,006	340	3.5%	11,080	1,106	11.1%
	RevPAR (JPY)	8,475	446	5.5%	9,285	1,199	14.8%
	Sales (JPY 1M)	79	3	3.5%	959	117	14.0%
Mercure Yokosuka	Occupancy rate	81.0%	-0.5%	-0.6%	87.8%		
	ADR (JPY)	11,419	116	1.0%	12,060		
	RevPAR (JPY)	9,245	37	0.4%	10,588		
	Sales (JPY 1M)	86	2	2.5%	973		
Total of six hotels	Sales (JPY 1M)	495	29	6.3%	5,764		

<The Six the b Hotels>

Hotel / Indicators		November	Fluctuation compared with the same month last year (Note 7)	Change in fluctuation compared with the same month last year	Cumulative total (Note 8)	Fluctuation of the cumulative total compared with last year (Note 9)	Change in fluctuation of the cumulative total compared with last year	
the b akasaka-mitsuke	Occupancy rate	84.7%	-8.6%	-9.2%	86.8%			
	ADR (JPY)	11,672	-597	-4.9%	11,965			
	RevPAR (JPY)	9,883	-1,558	-13.6%	10,388			
	Sales (JPY 1M)	36	-6	-13.9%	430			
the b ikebukuro	Occupancy rate	89.3%	-2.8%	-3.1%	88.6%			
	ADR (JPY)	10,761	-40	-0.4%	11,085			
	RevPAR (JPY)	9,613	-343	-3.4%	9,823			
	Sales (JPY 1M)	51	-2	-4.2%	583			
the b ochanomizu	Occupancy rate	94.2%	1.9%	2.1%	90.6%			
	ADR (JPY)	11,287	-108	-0.9%	11,095			
	RevPAR (JPY)	10,634	120	1.1%	10,057			
	Sales (JPY 1M)	23	0	1.1%	243			
the b hachioji	Occupancy rate	83.5%	-7.6%	-8.3%	88.3%			
	ADR (JPY)	7,617	50	0.7%	7,358			
	RevPAR (JPY)	6,363	-531	-7.7%	6,497			
	Sales (JPY 1M)	45	-4	-8.4%	522			
the b hakata	Occupancy rate	94.6%	1.2%	1.2%	93.7%			
	ADR (JPY)	8,140	970	13.5%	7,901			
	RevPAR (JPY)	7,701	1,001	14.9%	7,399			
	Sales (JPY 1M)	41	5	14.6%	435			
the b suidobashi	Occupancy rate	86.7%	1.0%	1.2%	85.9%			
	ADR (JPY)	11,256	-546	-4.6%	11,318			
	RevPAR (JPY)	9,763	-350	-3.5%	9,718			
	Sales (JPY 1M)	29	-1	-3.5%	324			
Total of six hotels		Sales (JPY 1M)	225	-8	-3.4%	2,537		

<Special items>

Amid inbound leisure demand spreading across regional cities, many of the hotels in major local cities are attracting the demand, and their rooms department sales are doing well. On the other hand, although inbound leisure demand continues to be strong, hotel market in Tokyo and Osaka sees slightly sluggish domestic demand due to a rise in accommodation unit prices, etc. Since the trend of travels by foreigners is shifting from group to individual tours, hotels continue their efforts to attract inbound leisure demand by further focusing on sales via the Internet.

Special items to note for each hotel are as follows.

Oriental Hotel Hiroshima

In addition to attracting strong leisure demand by inbound individual tourists in the higher-rate segment, the unavailability of some guest rooms in November last year had effect on the hotel last year. As a result, rooms department sales exceeded those of the same month last year.

Mercure Sapporo

The hotel attracted domestic and inbound leisure demand by adopting a pricing strategy in response to demand. As a result, rooms department sales exceeded those of the same month last year.

the b hakata

Rooms department sales exceeded those of the same month last year by attracting domestic leisure demand resulting from concerts and strong business demand.

Okinawa Marriott Resort & Spa

Although domestic and inbound leisure demand was strong, the hotel was not able to attract enough domestic individual demand. As a result, rooms department sales fell below those of the same month last year. The hotel is now stepping up to attract domestic individual leisure demand by rebuilding the sales management system of the

rooms department.

the b akasaka-mitsuke

Although the hotel attempted to attract domestic and inbound leisure demand, rooms department sales fell below those of the same month last year since leisure demand from inbound tourist groups declined. As mentioned above, since inbound leisure demand is shifting to individual tours, the hotel is now reinforcing to attract inbound individual tourists.

ibis Tokyo Shinjuku

The hotel was affected in November last year due to unavailability of some guest rooms resulting from renovation.

*The sales of Mercure Sapporo, ibis Styles Sapporo, ibis Tokyo Shinjuku, ibis Styles Kyoto Station, the b akasaka-mitsuke, the b ikebukuro, the b hachioji, the b hakata, and ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel) are the sales of hotel business only, and rent from non-hotel tenant(s) is not included. The previous lessees, etc. of Mercure Yokosuka, Okinawa Marriott Resort & Spa, and the six *the b* hotels did not agree with disclosure of numerical value. Therefore, fluctuation of the cumulative total compared with last year is unavailable for these hotels. The previous lessees, etc. of ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel), Hotel Centraza Hakata, and Holiday Inn Osaka Namba did not agree with disclosure of numerical value. Therefore, fluctuation compared with the same month last year and fluctuation of the cumulative total compared with last year are unavailable for these hotels.

- (Note 1) The 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. Please note that the numerical figures and information shown in the comments have neither been audited nor been the subject of the independent verification of the asset management company. No guarantee is made as to the accuracy or completeness of the numbers and information.
- (Note 2) Each month's numbers have not been audited; therefore, the amount that is a sum total of each month may be different from the six-month or annual sales total stated in the annual securities report to be submitted later. Sales of each month may also differ from that stated in the annual securities report.
- (Note 3) Occupancy rate: The number of rooms sold during the period is divided by the number of rooms available during the same period.
- (Note 4) ADR (Average Daily Rate): Total rooms revenue for a certain period (excluding service charges) is divided by the total number of rooms sold during the period. Holiday Inn Osaka Namba, the six Accor hotels, and the six *the b* hotels do not request service charges.
- (Note 5) RevPAR (Revenue Per Available Room): Total rooms revenue for a certain period (excluding service charges) is divided by the total number of available rooms during the period. It is the same as multiplying ADR by occupancy rate.
- (Note 6) 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 7) Fluctuation compared with the same month last year means the fluctuation between the concerned month (November) and the same month last year.
- (Note 8) Cumulative total is the cumulative total from the beginning of the period (January) to the concerned month (November).
- (Note 9) Fluctuation of cumulative total compared with last year means the fluctuation between the cumulative total from the beginning of the period (January) to the concerned month (November) and the cumulative total from the beginning of the period last year to the same concerned month (November) last year.

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