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Announcement of Monthly Disclosure for October 2016

With respect to the business performance of the hotels owned by Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) for October 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		October	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	86.4%	6.6%	8.3%	78.2%	-2.4%	-3.0%
	ADR (JPY)	17,722	-1,141	-6.0%	17,576	711	4.2%
	RevPAR (JPY)	15,316	263	1.8%	13,745	150	1.1%
	Sales (JPY 1M)	527	32	6.5%	4,338	69	1.6%
Oriental Hotel tokyo bay	Occupancy rate	98.5%	-0.9%	-0.9%	96.3%	-1.6%	-1.7%
	ADR (JPY)	21,014	-817	-3.7%	20,256	591	3.0%
	RevPAR (JPY)	20,691	-996	-4.6%	19,509	251	1.3%
	Sales (JPY 1M)	661	-17	-2.4%	5,948	-10	-0.2%
Namba Oriental Hotel	Occupancy rate	96.0%	11.0%	13.0%	93.5%	2.4%	2.6%
	ADR (JPY)	20,153	692	3.6%	19,966	3,374	20.3%
	RevPAR (JPY)	19,352	2,808	17.0%	18,663	3,544	23.4%
	Sales (JPY 1M)	248	20	8.5%	2,392	290	13.8%
Hotel Nikko Alivila	Occupancy rate	92.3%	-0.4%	-0.4%	85.8%	-0.5%	-0.6%
	ADR (JPY)	22,650	1,734	8.3%	29,137	1,497	5.4%
	RevPAR (JPY)	20,899	1,515	7.8%	25,011	1,152	4.8%
	Sales (JPY 1M)	511	28	5.8%	5,351	138	2.6%
Oriental Hotel Hiroshima	Occupancy rate	86.3%	1.2%	1.4%	81.2%	1.1%	1.4%
	ADR (JPY)	10,681	1,498	16.3%	9,650	738	8.3%
	RevPAR (JPY)	9,221	1,400	17.9%	7,837	701	9.8%
	Sales (JPY 1M)	242	66	37.4%	1,816	113	6.7%
Total of five hotels	Sales (JPY 1M)	2,189	129	6.2%	19,845	601	3.1%

<The HMJ Group Hotels>

Hotel / Indicators		October	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	91.7%	-3.8%	-3.9%	87.2%		
	ADR (JPY)	15,200	500	3.4%	20,589		
	RevPAR (JPY)	13,940	-96	-0.7%	17,953		
	Sales (JPY 1M)	309	-19	-5.8%	3,421		
ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel)	Occupancy rate	88.2%			85.0%		
	ADR (JPY)	18,989			17,422		
	RevPAR (JPY)	16,744			14,814		
	Sales (JPY 1M)	310			2,425		
Hotel Centraza Hakata	Occupancy rate	89.9%					
	ADR (JPY)	10,332					
	RevPAR (JPY)	9,287					
	Sales (JPY 1M)	210					
HOTEL VISTA GRANDE OSAKA	Occupancy rate	98.0%					
	ADR (JPY)	19,639					
	RevPAR (JPY)	19,238					
	Sales (JPY 1M)	191					

<The Six Accor Hotels>

Hotel / Indicators		October	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	92.1%	-0.8%	-0.9%	84.6%	2.9%	3.5%
	ADR (JPY)	10,951	654	6.3%	12,164	878	7.8%
	RevPAR (JPY)	10,090	520	5.4%	10,291	1,066	11.6%
	Sales (JPY 1M)	107	-2	-1.6%	1,061	73	7.3%
ibis Styles Sapporo	Occupancy rate	92.6%	0.9%	1.0%	89.5%	1.8%	2.0%
	ADR (JPY)	9,731	1,087	12.6%	10,251	566	5.8%
	RevPAR (JPY)	9,011	1,086	13.7%	9,175	677	8.0%
	Sales (JPY 1M)	97	11	13.4%	966	88	10.1%
ibis Tokyo Shinjuku	Occupancy rate	90.8%	15.7%	20.9%	79.7%	-11.1%	-12.2%
	ADR (JPY)	12,397	323	2.7%	12,338	592	5.0%
	RevPAR (JPY)	11,256	2,185	24.1%	9,833	-831	-7.8%
	Sales (JPY 1M)	79	15	22.5%	685	-58	-7.8%
ibis Styles Kyoto Station	Occupancy rate	99.1%	2.2%	2.3%	96.6%	6.7%	7.4%
	ADR (JPY)	12,846	1,641	14.6%	11,139	1,177	11.8%
	RevPAR (JPY)	12,725	1,871	17.2%	10,764	1,800	20.1%
	Sales (JPY 1M)	94	14	18.0%	790	150	23.5%
Mercure Okinawa Naha	Occupancy rate	86.3%	8.3%	10.6%	83.7%	2.8%	3.5%
	ADR (JPY)	11,492	842	7.9%	11,187	1,182	11.8%
	RevPAR (JPY)	9,916	1,609	19.4%	9,365	1,273	15.7%
	Sales (JPY 1M)	94	15	18.8%	879	115	15.0%
Mercure Yokosuka	Occupancy rate	87.3%	-3.9%	-4.2%	88.5%		
	ADR (JPY)	10,814	-367	-3.3%	12,117		
	RevPAR (JPY)	9,436	-751	-7.4%	10,720		
	Sales (JPY 1M)	89	-4	-4.4%	887		
Total of six hotels	Sales (JPY 1M)	560	49	9.7%	5,269		

<The Six the b Hotels>

Hotel / Indicators		October	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	85.6%	-8.0%	-8.6%	87.1%		
	ADR (JPY)	12,304	-214	-1.7%	12,044		
	RevPAR (JPY)	10,531	-1,189	-10.1%	10,489		
	Sales (JPY 1M)	40	-5	-10.2%	393		
the b ikebukuro	Occupancy rate	88.2%	-5.5%	-5.8%	88.6%		
	ADR (JPY)	11,552	495	4.5%	11,137		
	RevPAR (JPY)	10,193	-166	-1.6%	9,868		
	Sales (JPY 1M)	56	-1	-1.6%	532		
the b ochanomizu	Occupancy rate	95.1%	1.3%	1.4%	90.5%		
	ADR (JPY)	11,320	42	0.4%	11,020		
	RevPAR (JPY)	10,767	187	1.8%	9,978		
	Sales (JPY 1M)	24	0	1.6%	220		
the b hachioji	Occupancy rate	83.5%	-10.2%	-10.9%	89.1%		
	ADR (JPY)	7,497	259	3.6%	7,401		
	RevPAR (JPY)	6,257	-525	-7.7%	6,591		
	Sales (JPY 1M)	46	-3	-5.4%	476		
the b hakata	Occupancy rate	90.6%	-7.7%	-7.8%	93.7%		
	ADR (JPY)	8,415	1,542	22.4%	7,820		
	RevPAR (JPY)	7,625	869	12.9%	7,329		
	Sales (JPY 1M)	42	5	12.7%	394		
the b suidobashi	Occupancy rate	88.3%	-0.1%	-0.1%	85.8%		
	ADR (JPY)	11,201	245	2.2%	11,315		
	RevPAR (JPY)	9,895	209	2.2%	9,704		
	Sales (JPY 1M)	30	1	2.2%	295		
Total of six hotels	Sales (JPY 1M)	239	-2	-1.0%	2,311		

<Special items>

Amid inbound leisure demand spreading across local cities, many of the hotels in major local cities have attracted the demand, and their rooms department sales are doing well. On the other hand, hotels in Tokyo and Osaka see slightly sluggish domestic demand due to a rise in unit prices for accommodation, etc., but inbound leisure demand continues to be strong.

Special items to note for each hotel are as follows.

Oriental Hotel Hiroshima

The hotel continued to attract strong domestic and inbound leisure demand, and more professional baseball games were held at Mazda Zoom-Zoom Stadium Hiroshima than the same month last year. Therefore, rooms department sales exceeded those of the same month last year. As a result, the hotel's total sales exceeded those of the same month last year.

ibis Tokyo Shinjuku

A part of guest rooms were not available for sale due to renovation work in October last year.

ibis Styles Sapporo, ibis Styles Kyoto Station

As a result of attracting inbound leisure demand in the higher-rate segments, the total sales of the hotels exceeded those of the same month last year.

Mercure Okinawa Naha

In addition to attracting inbound leisure demand in the higher-rate segment, since there was high demand due to a large-scale event, the hotel's total sales exceeded those of the same month last year.

Mercure Yokosuka

The hotel attracted demand for accommodation in October last year due to an event held by the Maritime

Self-Defense Force. But since the event was not held in October this year, the hotel's total sales fell below those of the same month last year.

the b akasaka-mitsuke

Since domestic business demand and leisure demand from foreign tourist groups declined, the hotel's total sales fell below those of the same month last year although the hotel attempted to recover its sales by attracting strong leisure demand from foreign individual tourists.

the b hachioji

Since domestic business demand and demand from foreign tourist groups declined in Hachioji area, the hotel's total sales fell below those of the same month last year.

the b hakata

The hotel attracted domestic and inbound leisure demand in the higher-rate segment. As a result, the hotel's total sales exceeded those of the same month last year.

*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 HOTEL VISTA GRANDE OSAKA 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. The name of HOTEL VISTA GRANDE OSAKA was changed to Holiday Inn Osaka Namba on November 1, 2016.

- (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. HOTEL VISTA GRANDE OSAKA, 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 (October) 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 (October).
- (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 (October) and the cumulative total from the beginning of the period last year to the same concerned month (October) last year.

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