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Announcement of Monthly Disclosure for September 2016

With respect to the business performance of the hotels owned by Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) for September 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		September	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	84.5%	4.7%	6.0%	77.3%	-3.4%	-4.2%
	ADR (JPY)	15,743	-3,103	-16.5%	17,557	916	5.5%
	RevPAR (JPY)	13,296	-1,727	-11.5%	13,568	138	1.0%
	Sales (JPY 1M)	421	-15	-3.4%	3,811	37	1.0%
Oriental Hotel tokyo bay	Occupancy rate	98.2%	-1.1%	-1.1%	96.1%	-1.7%	-1.7%
	ADR (JPY)	18,753	-2,300	-10.9%	20,168	753	3.9%
	RevPAR (JPY)	18,412	-2,485	-11.9%	19,375	393	2.1%
	Sales (JPY 1M)	571	-42	-6.8%	5,287	7	0.1%
Namba Oriental Hotel	Occupancy rate	95.7%	12.9%	15.5%	93.2%	1.4%	1.5%
	ADR (JPY)	17,944	-208	-1.1%	19,945	3,654	22.4%
	RevPAR (JPY)	17,181	2,137	14.2%	18,585	3,628	24.3%
	Sales (JPY 1M)	224	18	8.6%	2,143	271	14.5%
Hotel Nikko Alivila	Occupancy rate	95.2%	4.6%	5.1%	85.1%	-0.5%	-0.6%
	ADR (JPY)	30,075	-1,866	-5.8%	29,933	1,466	5.1%
	RevPAR (JPY)	28,627	-303	-1.0%	25,476	1,110	4.6%
	Sales (JPY 1M)	579	0	-0.1%	4,840	110	2.3%
Oriental Hotel Hiroshima	Occupancy rate	86.5%	1.4%	1.6%	80.6%	1.1%	1.4%
	ADR (JPY)	9,607	327	3.5%	9,525	647	7.3%
	RevPAR (JPY)	8,308	408	5.2%	7,680	622	8.8%
	Sales (JPY 1M)	169	10	6.2%	1,574	48	3.1%
Total of five hotels	Sales (JPY 1M)	1,964	-29	-1.5%	17,656	472	2.7%

<The HMJ Group Hotels>

Hotel / Indicators		September	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	94.9%	0.6%	0.7%	86.7%		
	ADR (JPY)	20,548	-1,162	-5.4%	21,234		
	RevPAR (JPY)	19,495	-968	-4.7%	18,407		
	Sales (JPY 1M)	349	-24	-6.5%	3,112		
ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel)	Occupancy rate	89.2%			84.7%		
	ADR (JPY)	16,905			17,238		
	RevPAR (JPY)	15,080			14,595		
	Sales (JPY 1M)	260			2,115		
Hotel Centraza Hakata	Occupancy rate	88.8%					
	ADR (JPY)	9,879					
	RevPAR (JPY)	8,777					
	Sales (JPY 1M)	196					
HOTEL VISTA GRANDE OSAKA	Occupancy rate	96.2%					
	ADR (JPY)	17,863					
	RevPAR (JPY)	17,184					
	Sales (JPY 1M)	164					

<The Six Accor Hotels>

Hotel / Indicators		September	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	91.8%	1.7%	1.9%	83.7%	3.3%	4.1%
	ADR (JPY)	13,183	665	5.3%	12,315	899	7.9%
	RevPAR (JPY)	12,099	819	7.3%	10,313	1,127	12.3%
	Sales (JPY 1M)	122	9	7.7%	954	74	8.4%
ibis Styles Sapporo	Occupancy rate	91.4%	2.2%	2.4%	89.2%	1.9%	2.1%
	ADR (JPY)	11,523	-329	-2.8%	10,312	503	5.1%
	RevPAR (JPY)	10,533	-42	-0.4%	9,193	630	7.4%
	Sales (JPY 1M)	107	3	2.8%	869	77	9.7%
ibis Tokyo Shinjuku	Occupancy rate	91.2%	2.6%	2.9%	78.4%	-14.1%	-15.3%
	ADR (JPY)	11,570	121	1.1%	12,330	615	5.2%
	RevPAR (JPY)	10,557	408	4.0%	9,672	-1,173	-10.8%
	Sales (JPY 1M)	72	3	4.4%	606	-72	-10.7%
ibis Styles Kyoto Station	Occupancy rate	98.4%	3.9%	4.2%	96.4%	7.2%	8.0%
	ADR (JPY)	9,863	-188	-1.9%	10,941	1,131	11.5%
	RevPAR (JPY)	9,709	211	2.2%	10,542	1,792	20.5%
	Sales (JPY 1M)	71	4	5.6%	696	136	24.2%
Mercure Okinawa Naha	Occupancy rate	88.0%	2.9%	3.4%	83.4%	2.2%	2.7%
	ADR (JPY)	11,150	-4	0.0%	11,152	1,217	12.3%
	RevPAR (JPY)	9,809	315	3.3%	9,302	1,235	15.3%
	Sales (JPY 1M)	89	1	0.9%	785	100	14.6%
Mercure Yokosuka	Occupancy rate	79.8%	-2.6%	-3.1%	88.6%		
	ADR (JPY)	11,239	-313	-2.7%	12,263		
	RevPAR (JPY)	8,966	-546	-5.7%	10,865		
	Sales (JPY 1M)	70	-8	-10.5%	798		
Total of six hotels	Sales (JPY 1M)	531	11	2.1%	4,708		

<The Six the b Hotels>

Hotel / Indicators		September	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	79.3%	-7.6%	-8.7%	87.3%		
	ADR (JPY)	11,284	-134	-1.2%	12,015		
	RevPAR (JPY)	8,947	-971	-9.8%	10,485		
	Sales (JPY 1M)	33	-4	-10.0%	353		
the b ikebukuro	Occupancy rate	83.5%	-7.8%	-8.5%	88.6%		
	ADR (JPY)	10,881	458	4.4%	11,090		
	RevPAR (JPY)	9,091	-425	-4.5%	9,831		
	Sales (JPY 1M)	48	-3	-5.2%	476		
the b ochanomizu	Occupancy rate	86.7%	-1.2%	-1.3%	90.0%		
	ADR (JPY)	10,824	-209	-1.9%	10,985		
	RevPAR (JPY)	9,386	-309	-3.2%	9,888		
	Sales (JPY 1M)	20	-1	-3.2%	196		
the b hachioji	Occupancy rate	84.1%	-9.9%	-10.5%	89.7%		
	ADR (JPY)	6,805	-99	-1.4%	7,391		
	RevPAR (JPY)	5,726	-766	-11.8%	6,629		
	Sales (JPY 1M)	38	-6	-13.0%	430		
the b hakata	Occupancy rate	90.2%	-6.2%	-6.4%	94.1%		
	ADR (JPY)	8,248	1,270	18.2%	7,755		
	RevPAR (JPY)	7,441	713	10.6%	7,296		
	Sales (JPY 1M)	39	4	10.3%	353		
the b suidobashi	Occupancy rate	80.2%	0.5%	0.6%	85.5%		
	ADR (JPY)	10,600	-260	-2.4%	11,328		
	RevPAR (JPY)	8,501	-158	-1.8%	9,683		
	Sales (JPY 1M)	25	0	-1.9%	264		
Total of six hotels	Sales (JPY 1M)	205	-10	-4.5%	2,072		

<Special items>

The sales of each hotel were affected since the long holidays in September last year fell on five consecutive days, but this year's long holidays in September fell on only three consecutive days.

Special items to note for each hotel are as follows.

Kobe Meriken Park Oriental Hotel

Although the hotel proactively attracted inbound demand, rooms department sales dropped below those of the same month last year due to a decrease in domestic leisure demand in Kobe area. Therefore, the hotel's total sales fell below those of the same month last year.

Oriental Hotel tokyo bay

The number of visitors to the Tokyo Disney Resort decreased compared with the same month last year due to bad weather on weekends, etc. Therefore, rooms department sales fell below those of the same month last year. As a result, the hotel's total sales dropped below those of the same month last year.

Mercure Yokosuka

The hotel attracted demand for accommodation and food & beverages in September last year due to a brass band event. But since the event was not held in September this year, the hotel's total sales fell below those of the same month last year.

the b akasaka-mitsuke

While the hotel attempted to attract domestic and inbound leisure demand, business demand on weekdays dropped. Therefore, the hotel's total sales fell below those of the same month last year.

the b hachioji

Since domestic business demand and demand from groups of foreign tourists decreased 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.

- (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 (September) 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 (September).
- (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 (September) and the cumulative total from the beginning of the period last year to the same concerned month (September) last year.

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