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Announcement of Monthly Disclosure for May 2016

With respect to the business performance of the hotels owned by Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) for May 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		May	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	80.7%	-4.8%	-5.6%	73.5%	-7.2%	-8.9%
	ADR (JPY)	18,316	-214	-1.2%	17,564	2,482	16.5%
	RevPAR (JPY)	14,780	-1,053	-6.7%	12,902	734	6.0%
	Sales (JPY 1M)	487	-26	-5.0%	2,057	8	0.4%
Oriental Hotel tokyo bay	Occupancy rate	94.3%	-1.9%	-2.0%	94.4%	-3.1%	-3.2%
	ADR (JPY)	18,928	-1,134	-5.7%	19,899	1,103	5.9%
	RevPAR (JPY)	17,847	-1,454	-7.5%	18,791	454	2.5%
	Sales (JPY 1M)	623	-24	-3.7%	2,915	23	0.8%
Namba Oriental Hotel	Occupancy rate	87.6%	-3.3%	-3.7%	90.3%	-3.0%	-3.2%
	ADR (JPY)	19,092	2,963	18.4%	19,874	4,793	31.8%
	RevPAR (JPY)	16,729	2,058	14.0%	17,947	3,882	27.6%
	Sales (JPY 1M)	225	15	7.1%	1,157	159	16.0%
Hotel Nikko Alivila	Occupancy rate	79.8%	-0.4%	-0.6%	80.3%	-3.5%	-4.2%
	ADR (JPY)	21,750	-1,543	-6.6%	20,670	1,816	9.6%
	RevPAR (JPY)	17,351	-1,336	-7.1%	16,592	789	5.0%
	Sales (JPY 1M)	407	-27	-6.2%	1,986	11	0.5%
Oriental Hotel Hiroshima	Occupancy rate	82.3%	0.3%	0.3%	76.9%	0.0%	0.0%
	ADR (JPY)	9,668	253	2.7%	8,982	466	5.5%
	RevPAR (JPY)	7,960	234	3.0%	6,909	361	5.5%
	Sales (JPY 1M)	198	1	0.3%	847	17	2.0%
Total of five hotels	Sales (JPY 1M)	1,940	-61	-3.1%	8,963	218	2.5%

<The HMJ Group Hotels>

Hotel / Indicators		May	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	78.6%			82.8%		
	ADR (JPY)	17,447			15,322		
	RevPAR (JPY)	13,705			12,683		
	Sales (JPY 1M)	280			1,342		
ACTIVE-INTER CITY HIROSHIMA (Sheraton Hiroshima Hotel)	Occupancy rate	84.7%			82.3%		
	ADR (JPY)	17,965			16,799		
	RevPAR (JPY)	15,213			13,829		
	Sales (JPY 1M)	248			1,146		
Hotel Centraza Hakata	Occupancy rate	85.9%					
	ADR (JPY)	9,834					
	RevPAR (JPY)	8,447					
	Sales (JPY 1M)	203					

<The Six Accor Hotels>

Hotel / Indicators		May	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	75.9%	3.1%	4.3%	77.8%	5.9%	8.2%
	ADR (JPY)	11,316	490	4.5%	10,597	686	6.9%
	RevPAR (JPY)	8,585	710	9.0%	8,249	1,119	15.7%
	Sales (JPY 1M)	91	3	3.4%	435	39	10.0%
ibis Styles Sapporo	Occupancy rate	88.9%	-2.4%	-2.6%	87.8%	5.4%	6.5%
	ADR (JPY)	9,145	426	4.9%	8,143	498	6.5%
	RevPAR (JPY)	8,134	170	2.1%	7,147	848	13.5%
	Sales (JPY 1M)	88	2	2.5%	388	56	17.0%
ibis Tokyo Shinjuku	Occupancy rate	61.7%	-31.4%	-33.8%	83.0%	-8.4%	-9.2%
	ADR (JPY)	11,894	144	1.2%	12,688	650	5.4%
	RevPAR (JPY)	7,338	-3,606	-32.9%	10,529	-471	-4.3%
	Sales (JPY 1M)	53	-25	-32.0%	365	-16	-4.3%
ibis Styles Kyoto Station	Occupancy rate	97.6%	8.2%	9.2%	95.2%	8.2%	9.4%
	ADR (JPY)	11,429	919	8.7%	11,453	1,482	14.9%
	RevPAR (JPY)	11,153	1,758	18.7%	10,906	2,228	25.7%
	Sales (JPY 1M)	84	16	23.7%	395	91	30.0%
Mercure Okinawa Naha	Occupancy rate	75.4%	0.7%	0.9%	80.5%	2.3%	3.0%
	ADR (JPY)	10,488	983	10.3%	10,696	1,547	16.9%
	RevPAR (JPY)	7,913	809	11.4%	8,611	1,459	20.4%
	Sales (JPY 1M)	75	6	8.2%	409	69	20.5%
Mercure Yokosuka	Occupancy rate	85.1%	-3.9%	-4.4%	94.4%		
	ADR (JPY)	12,388	1,408	12.8%	12,440		
	RevPAR (JPY)	10,543	771	7.9%	11,744		
	Sales (JPY 1M)	89	4	4.1%	495		
Total of six hotels	Sales (JPY 1M)	479	6	1.2%	2,486		

<The Six *the b* Hotels>

Hotel / Indicators		May	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	83.7%	-4.3%	-4.9%	88.3%		
	ADR (JPY)	12,404	1,121	9.9%	12,355		
	RevPAR (JPY)	10,377	454	4.6%	10,910		
	Sales (JPY 1M)	40	2	4.2%	204		
the b ikebukuro	Occupancy rate	84.5%	-6.8%	-7.5%	90.2%		
	ADR (JPY)	11,093	454	4.3%	11,236		
	RevPAR (JPY)	9,375	-342	-3.5%	10,130		
	Sales (JPY 1M)	51	-2	-4.5%	272		
the b ochanomizu	Occupancy rate	85.8%	-4.1%	-4.5%	89.5%		
	ADR (JPY)	11,074	-113	-1.0%	11,261		
	RevPAR (JPY)	9,501	-553	-5.5%	10,082		
	Sales (JPY 1M)	21	-1	-5.5%	111		
the b hachioji	Occupancy rate	86.1%	-3.8%	-4.2%	90.6%		
	ADR (JPY)	7,249	46	0.6%	7,401		
	RevPAR (JPY)	6,244	-230	-3.6%	6,705		
	Sales (JPY 1M)	48	-1	-2.8%	245		
the b hakata	Occupancy rate	93.3%	0.1%	0.1%	95.7%		
	ADR (JPY)	7,935	982	14.1%	7,453		
	RevPAR (JPY)	7,399	924	14.3%	7,133		
	Sales (JPY 1M)	40	5	13.9%	191		
the b suidobashi	Occupancy rate	78.5%			85.6%		
	ADR (JPY)	12,066			11,613		
	RevPAR (JPY)	9,471			9,939		
	Sales (JPY 1M)	29			151		
Total of six hotels	Sales (JPY 1M)	230			1,174		

<Special items>

Compared with the same month last year, this year's long holidays fell on inconvenient days. The days before holidays, when hotels can sell their rooms at a higher unit price, were two days shorter this year than last year. These issues have affected the sales of each hotel. Special items to note for each hotel are as follows.

ibis Tokyo Shinjuku

The hotel's total sales fell below those of the same month last year due to an impact of unavailability of some guest rooms resulting from renovation which started in May.

the b hakata

In spite of a series of earthquakes that have struck especially the Kumamoto region since April 14, 2016, the hotel successfully attracted business demand in addition to stable leisure demand. 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 Hiroshima Hotel) are the sales of hotel business only, and rent from non-hotel tenant(s) is not included. The previous lessees, etc. of the five *the b* hotels (five hotels excluding the b suidobashi from 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 Okinawa Marriott Resort & Spa, ACTIVE-INTER CITY HIROSHIMA (Sheraton Hiroshima Hotel), the b suidobashi, and Hotel Centraza Hakata 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 Sheraton Hiroshima Hotel was changed to Sheraton Grand Hiroshima Hotel on June 10, 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. 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 (May) 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 (May).
- (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 (May) and the cumulative total from the beginning of the period last year to the same concerned month (May) last year.

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