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REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
Kaname Masuda, Executive Director

Asset Management Company:

Japan Hotel REIT Advisors Co., Ltd.
Hisashi Furukawa, President & CEO

Contact:

Makoto Hanamura
Executive Director,
Head of Planning Group, Operations Division
TEL: +81-3-6422-0530

Announcement of Monthly Disclosure for January 2020

With respect to the business performance of the hotels owned by Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) for January 2020, JHR informs you of the monthly sales, occupancy rates, ADR, and RevPAR of rooms department of the 20 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 / Indicators		January	Fluctuation compared with the same month last year (Note 9)	Change in fluctuation compared with the same month last year	Cumulative total (Note 10)	Fluctuation of the cumulative total compared with last year (Note 11)	Change in fluctuation of the cumulative total compared with last year
Total of the 20 Hotels with Variable Rent, etc.	Occupancy rate	78.6%	(1.9)%	(2.4)%	78.6%	(1.9)%	(2.4)%
	ADR (JPY)	12,978	121	0.9%	12,978	121	0.9%
	RevPAR (JPY)	10,202	(150)	(1.5)%	10,202	(150)	(1.5)%
	Sales (JPY 1M)	3,072	(153)	(4.7)%	3,072	(153)	(4.7)%
The 10 HMJ Hotels	Occupancy rate	78.5%	(0.6)%	(0.8)%	78.5%	(0.6)%	(0.8)%
	ADR (JPY)	14,748	141	1.0%	14,748	141	1.0%
	RevPAR (JPY)	11,578	21	0.2%	11,578	21	0.2%
	Sales (JPY 1M)	2,466	(121)	(4.7)%	2,466	(121)	(4.7)%

<Special Items>

In January 2020, the number of inbound visitors to Japan showed a high growth mainly from China, Hong Kong and Southeast Asia. On the other hand, the number of inbound visitors to Japan from South Korea declined by 59.4% from the same month last year. As a result, the total number of inbound visitors to Japan decreased by 1.1% from the previous year.

While RevPAR of some hotels owned by JHR, such as the hotels in Sapporo and Narita showed a strong growth and exceeded those of the same month last year, other hotels owned by JHR were affected by new supply and a decline in inbound visitors from South Korea. Due to the outbreak of coronavirus (COVID-19), Chinese government imposed a ban on overseas group tour on January 27, and there have been cancellations of Chinese tourists. However, the impact on the hotels owned by JHR for January was minimal. As a result, RevPAR of total of the 20 Hotels with Variable Rent, etc. for January decreased by 1.5% from the same month last year.

Since February, however, the impact of decline in the number of inbound visitors from China is getting bigger. As of today, there is possibility that RevPAR of total of the 20 Hotels with Variable Rent, etc. for February may decline by a little over 20% from the same month last year.

Under these circumstances, each hotel owned by JHR is striving to consider health and to manage hygiene environment for hotel guests and employees. Furthermore, each hotel owned by JHR is focusing on selling price-oriented products as well as capturing domestic demand and demand from inbound visitors to Japan from outside of China. In addition, hotels owned by JHR are working to secure hotel revenues by thoroughly implementing cost management that has produced results when the number of visitors to Japan from South Korea declined last year.

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- (Note 1) The 20 Hotels with Variable Rent, etc. are The 10 HMJ Hotels plus ibis Tokyo Shinjuku, 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 Ten HMJ Hotels are Kobe Meriken Park Oriental Hotel, Oriental Hotel tokyo bay, Hotel Nikko Alivila, Oriental Hotel Hiroshima, Okinawa Marriott Resort & Spa, ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel), Holiday Inn Osaka Namba, Hilton Tokyo Narita Airport, International Garden Hotel Narita and Hotel Nikko Nara (With regard to Oriental Hotel Fukuoka Hakata Station (formerly Hotel Centraza Hakata), large-scale renovation works accompanied by suspension of entire hotel operation was carried out from October 1, 2018 to April 8, 2019. Namba Oriental Hotel is scheduled to implement large-scale renovation works accompanied by suspension of entire hotel operation from November 2020 through March 2021. Therefore, numbers for these hotels are not included in HMJ Group Hotels.)
- (Note 2) Please check JHR's website below for each hotel's track record of hotel operations.
<http://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 sum total of each month may be different from 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 rooms 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 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 8) 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 last year means the fluctuation between the concerned month (January) and the same month last year.
- (Note 10) Cumulative total is the cumulative total from the beginning of the period (January) to the concerned month (January).
- (Note 11) 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 (January) and the cumulative total from the beginning of the period last year (January) to the same concerned month (January) last year.
- (Note 12) Sales are only from hotels and exclude rent from non-hotel tenants.

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