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Announcement of Monthly Disclosure for November 2019

With respect to the business performance of the hotels owned by Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) for November 2019, JHR informs you of the monthly sales, occupancy rates, ADR, and RevPAR of rooms department of the 21 Hotels with Variable Rent, etc. as below. For each hotel’s track record of hotel operations, please check JHR’s website (Note 1).

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                                     |                | November | 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 |
|--|----------------|----------|---|--|----------------------------|---|---|
| <b>Total of the 21 Hotels with Variable Rent, etc.</b> | Occupancy rate | 88.0%    | (0.2)%  | (0.2)%   | 86.8%                      | (0.7)%  | (0.8)%  |
|  | ADR (JPY)      | 14,894   | (434)   | (2.8)%   | 15,628                     | (259)   | (1.6)%  |
|  | RevPAR (JPY)   | 13,102   | (406)   | (3.0)%   | 13,560                     | (332)   | (2.4)%  |
|  | Sales (JPY 1M) | 4,140    | (75)  | (1.8)%   | 44,437                     | (479)   | (1.1)%  |
| <b>The Eleven HMJ Hotels</b>                           | Occupancy rate | 89.2%    | 0.4%  | 0.4%   | 88.0%                      | 0.2%  | 0.2%  |
|  | ADR (JPY)      | 16,721   | (681)   | (3.9)%   | 17,692                     | (570)   | (3.1)%  |
|  | RevPAR (JPY)   | 14,919   | (546)   | (3.5)%   | 15,567                     | (468)   | (2.9)%  |
|  | Sales (JPY 1M) | 3,449    | (60)  | (1.7)%   | 36,611                     | (411)   | (1.1)%  |

<Special Items>

In November 2019, while the number of inbound visitors to Japan recorded the highest for November in East Asia (excluding South Korea), Southeast Asia, Europe and the United States, the number of inbound visitors to Japan in South Korea declined by 65% from the same month last year. As a result, the total number of inbound visitors to Japan remained almost unchanged from the previous year.

While some hotels continued to capture demand for events such as academic societies and concerts, as well as demand for the Rugby World Cup, some other hotels were affected by new supply and a decline in inbound visitors from South Korea. As a result, RevPAR of total of the 21 Hotels with variable rent, etc. and the Eleven HMJ Hotels decreased from the same month last year.

Under these circumstances, each hotel owned by JHR has been continuously implementing various measures to recover RevPAR.

- (Note 1) 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 2) The 21 Hotels with Variable Rent, etc. are The Eleven 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 Eleven HMJ Hotels are Kobe Meriken Park Oriental Hotel, Oriental Hotel tokyo bay, Namba Oriental Hotel, 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), major renovation works (hereinafter the "Renovation") which needed to close entire hotel operation was carried out from October 2018 to April 8, 2019. Therefore, numbers for Oriental Hotel Fukuoka Hakata Station are not included in HMJ Group Hotels as the hotel operation was suspended during the Renovation.)
- (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.  
 Service charge in each hotel is as follows:  
<10% service charge>  
 • Kobe Meriken Park Oriental Hotel  
 • Oriental Hotel tokyo bay  
 • Namba Oriental Hotel  
 • Hotel Nikko Alivila  
 • Oriental Hotel Hiroshima  
 • Okinawa Marriott Resort & Spa  
 • ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel)  
 • International Garden Hotel Narita  
 • Hotel Nikko Nara  
<12% service charge>  
 • Hilton Tokyo Narita Airport  
<No service charge>  
 • Holiday Inn Osaka Namba  
 • 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  
 • the b suidobashi  
 As for the hotels disclosed on JHR's website, the service charge in Hilton Tokyo Odaiba is 13%, the service charge in Oriental Hotel Fukuoka Hakata Station is 10%, and no service charge is requested in Hotel Oriental Express Osaka Shinsaibashi.
- (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 (November) 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 (November).
- (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 (November) and the cumulative total from the beginning of the period last year (January) to the same concerned month (November) 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/>