

This English translation is provided for information purposes only. If any discrepancy is identified between this translation and the Japanese original, the Japanese original shall prevail.

August 24, 2016

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, Representative Director and President

Contact:

Makoto Hanamura

General Manager

Investor Relations Department, Operations Division

TEL: +81-3-6422-0530

Announcement of Monthly Disclosure for July 2016

With respect to the business performance of the hotels owned by Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) for July 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		July	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	83.6%	1.0%	1.2%	75.1%	-5.3%	-6.6%
	ADR (JPY)	17,045	415	2.5%	17,180	1,911	12.5%
	RevPAR (JPY)	14,247	519	3.8%	12,899	626	5.1%
	Sales (JPY 1M)	443	21	5.0%	2,908	63	2.2%
Oriental Hotel tokyo bay	Occupancy rate	97.2%	-1.9%	-1.9%	95.2%	-2.1%	-2.2%
	ADR (JPY)	20,106	1,638	8.9%	19,389	1,193	6.6%
	RevPAR (JPY)	19,540	1,243	6.8%	18,462	753	4.3%
	Sales (JPY 1M)	585	15	2.6%	4,039	74	1.9%
Namba Oriental Hotel	Occupancy rate	97.0%	2.5%	2.7%	92.2%	-1.1%	-1.1%
	ADR (JPY)	21,868	4,572	26.4%	19,957	4,648	30.4%
	RevPAR (JPY)	21,209	4,873	29.8%	18,395	4,123	28.9%
	Sales (JPY 1M)	265	41	18.2%	1,652	239	16.9%
Hotel Nikko Alivila	Occupancy rate	88.2%	-0.8%	-1.0%	82.4%	-1.6%	-1.9%
	ADR (JPY)	44,415	1,140	2.6%	24,532	1,502	6.5%
	RevPAR (JPY)	39,179	639	1.7%	20,214	861	4.4%
	Sales (JPY 1M)	769	3	0.5%	3,190	47	1.5%
Oriental Hotel Hiroshima	Occupancy rate	82.3%	2.4%	3.0%	78.1%	0.9%	1.2%
	ADR (JPY)	10,030	1,322	15.2%	9,096	605	7.1%
	RevPAR (JPY)	8,249	1,299	18.7%	7,106	550	8.4%
	Sales (JPY 1M)	190	10	5.5%	1,215	43	3.7%
Total of five hotels	Sales (JPY 1M)	2,252	91	4.2%	13,003	466	3.7%

<The HMJ Group Hotels>

Hotel / Indicators		July	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	91.0%			84.3%		
	ADR (JPY)	30,898			17,792		
	RevPAR (JPY)	28,104			15,003		
	Sales (JPY 1M)	489			2,095		
ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel)	Occupancy rate	85.5%			83.6%		
	ADR (JPY)	16,764			16,585		
	RevPAR (JPY)	14,340			13,861		
	Sales (JPY 1M)	220			1,589		
Hotel Centraza Hakata	Occupancy rate	91.8%					
	ADR (JPY)	10,109					
	RevPAR (JPY)	9,278					
	Sales (JPY 1M)	222					

<The Six Accor Hotels>

Hotel / Indicators		July	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	91.9%	-2.4%	-2.5%	81.0%	3.8%	4.9%
	ADR (JPY)	15,759	2,022	14.7%	11,791	932	8.6%
	RevPAR (JPY)	14,475	1,528	11.8%	9,549	1,165	13.9%
	Sales (JPY 1M)	147	14	10.6%	693	61	9.6%
ibis Styles Sapporo	Occupancy rate	90.5%	-5.8%	-6.0%	88.6%	2.3%	2.7%
	ADR (JPY)	14,720	1,634	12.5%	9,539	624	7.0%
	RevPAR (JPY)	13,324	726	5.8%	8,454	758	9.9%
	Sales (JPY 1M)	136	7	5.6%	626	68	12.2%
ibis Tokyo Shinjuku	Occupancy rate	58.4%	-38.2%	-39.5%	74.7%	-18.1%	-19.5%
	ADR (JPY)	12,201	709	6.2%	12,552	759	6.4%
	RevPAR (JPY)	7,128	-3,975	-35.8%	9,374	-1,562	-14.3%
	Sales (JPY 1M)	51	-28	-35.5%	457	-75	-14.1%
ibis Styles Kyoto Station	Occupancy rate	96.8%	7.7%	8.6%	95.8%	8.2%	9.3%
	ADR (JPY)	10,791	1,043	10.7%	11,070	1,382	14.3%
	RevPAR (JPY)	10,441	1,759	20.3%	10,608	2,115	24.9%
	Sales (JPY 1M)	78	15	23.5%	543	122	29.0%
Mercure Okinawa Naha	Occupancy rate	86.0%	2.2%	2.6%	81.9%	2.4%	3.0%
	ADR (JPY)	11,811	1,536	15.0%	10,796	1,524	16.4%
	RevPAR (JPY)	10,162	1,545	17.9%	8,839	1,468	19.9%
	Sales (JPY 1M)	96	13	15.2%	585	95	19.4%
Mercure Yokosuka	Occupancy rate	80.8%	4.6%	6.1%	89.7%		
	ADR (JPY)	11,760	945	8.7%	12,186		
	RevPAR (JPY)	9,507	1,263	15.3%	10,928		
	Sales (JPY 1M)	71	4	5.9%	641		
Total of six hotels		Sales (JPY 1M)	580	25	4.5%	3,545	

<The Six the b Hotels>

Hotel / Indicators		July	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	91.7%	-1.3%	-1.4%	88.9%		
	ADR (JPY)	11,780	381	3.3%	12,171		
	RevPAR (JPY)	10,799	202	1.9%	10,816		
	Sales (JPY 1M)	41	1	1.7%	283		
the b ikebukuro	Occupancy rate	89.5%	-5.2%	-5.5%	90.1%		
	ADR (JPY)	11,186	726	6.9%	11,131		
	RevPAR (JPY)	10,017	105	1.1%	10,031		
	Sales (JPY 1M)	55	0	0.3%	378		
the b ochanomizu	Occupancy rate	94.8%	3.9%	4.3%	90.4%		
	ADR (JPY)	10,972	158	1.5%	11,079		
	RevPAR (JPY)	10,397	571	5.8%	10,017		
	Sales (JPY 1M)	23	1	5.6%	155		
the b hachioji	Occupancy rate	90.0%	-1.7%	-1.8%	90.2%		
	ADR (JPY)	7,527	443	6.3%	7,385		
	RevPAR (JPY)	6,778	280	4.3%	6,665		
	Sales (JPY 1M)	50	2	4.0%	341		
the b hakata	Occupancy rate	92.4%	-6.4%	-6.4%	94.9%		
	ADR (JPY)	8,359	1,810	27.6%	7,638		
	RevPAR (JPY)	7,724	1,256	19.4%	7,248		
	Sales (JPY 1M)	42	7	18.7%	272		
the b suidobashi	Occupancy rate	90.0%	5.1%	6.0%	86.0%		
	ADR (JPY)	11,446	1,721	17.7%	11,450		
	RevPAR (JPY)	10,301	2,046	24.8%	9,846		
	Sales (JPY 1M)	32	6	24.3%	209		
Total of six hotels		Sales (JPY 1M)	244	17	7.4%	1,637	

<Special items>

Oriental Hotel Hiroshima

The hotel attracted domestic and inbound leisure demand. The hotel was also in high demand due to an inter-high school athletic competition and other events held in the Chugoku region at the end of July 2016. As a result, the hotel's total sales exceeded those of the same month last year.

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 2016.

Mercure Sapporo, ibis Styles Sapporo, ibis Styles Kyoto Station, and Mercure Okinawa Naha

Against the backdrop of the strong market, the hotels attracted domestic and inbound leisure demand in the higher-rate segment. As a result, the total sales of the hotels exceeded those of the same month last year.

Mercure Yokosuka

The hotel attracted domestic business demand. The hotel was also in high demand due to a call at port by an aircraft carrier deployed to the US Fleet Activities Yokosuka. As a result, the hotel's total sales exceeded those of the same month last year.

the b hakata and the b suidobashi

The hotels attracted inbound leisure demand in the higher-rate segment. As a result, the total sales of the hotels 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 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 Okinawa Marriott Resort & Spa, ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel), 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.

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

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